UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15b-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: March 30, 2020

Commission File Number: 000-55992

Tidal Royalty Corp.
(Exact name of registrant as specified in its charter)

N/A
(Translation of Registrant's name into English)

810-789 West Pender Street
Vancouver, British Columbia, Canada, V6C 1H2
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F. Form 20-F ☒☐ Form 40-F ☐

Indicate by check mark if the Registrant is submitting this Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): Yes ☐ No ☒

Indicate by check mark if the Registrant is submitting this Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): Yes ☐ No ☒

Indicate by check mark whether the registrant by furnishing the information contained in this Form 6-K is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934: Yes ☐ No ☒

Explanatory Note

Safe Harbor Statement

This Form 6-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 about the registrant and its business. Forward-looking statements are statements that are not historical facts and may be identified by the use of forward-looking terminology, including the words "believes," "expects," "intends," "may," "will," "should" or comparable terminology. Such forward-looking statements are based upon the current beliefs and expectations of the registrant's management and are subject to risks and uncertainties which could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements are not guarantees of future performance and actual results of operations, financial condition and liquidity, and developments in the industry may differ materially from those made in or suggested by the forward-looking statements contained in this Form 6-K. These forward-looking statements are subject to numerous risks, uncertainties and assumptions. The forward-looking statements in this Form 6-K speaks only as of the date of this report and might not occur in light of these risks, uncertainties, and assumptions. The registrant undertakes no obligation and disclaims any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Exhibits

The following exhibits are included in this Form 6-K:

99.1	News Release dated March 12, 2020, "Tidal Provides Corporate Update"
99.2	Interim Financial Statements for the periods ended January 31, 2020
99.3	Managements' Discussion and Analysis, January 31, 2020
99.4	Certification, CEO
99.5	Certification, CFO
99.6	Amended and Restated Business Combination Agreement, March 12, 2020

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ Theo van der Linde

Theo van der Linde
Chief Financial Officer

Date: April 2, 2020

Exhibit 99.1

Tidal Provides Corporate Update

Vancouver, British Columbia (March 12, 2020) – Tidal Royalty Corp. (CSE: RLTY.U |OTC: TDRYF) (" **Tidal**" or the "**Company**") is pleased to provide an update further to the executed business combination agreement with MichiCann Medical Inc. (operating as Red White & Bloom) ("**MichiCann**") (see our news release dated May 13, 2019).

On March 12, 2020, the Company and MichiCann entered into an amended and restated business combination agreement (the "**Amended Agreement**") pursuant to which the Company will acquire all of the issued and outstanding shares of MichiCann (the "**Proposed Transaction**") on a 2:1 basis, subject to adjustment in certain circumstances (the "**Exchange Ratio**"). The terms of the Amended Agreement provide that the share consideration will now be comprised of one (1) common share (the "**Common Shares**") and one (1) series 2 convertible preferred share (the "**Series 2 Shares**") of the resulting company (the " **Resulting Issuer**"). The Series 2 Shares to be issued to MichiCann shareholders (i) will carry voting rights (entitling a holder to one vote per Series 2 Share held, voting together with the holders of Common Shares), (ii) will be entitled to 5% annual dividends payable in additional Series 2 Shares (the "**Dividends**"), (iii) will be convertible (together with accrued Dividends) into Common Shares on a 1:1 basis at the option of the holder on or after the seven (7) month anniversary of their issuance date, and (iv) will automatically be converted on the same basis on the two (2) year anniversary of their issuance date. All outstanding options and warrants to purchase MichiCann common shares will be exchanged with options and warrants to purchase Common Shares and Series 2 Shares in accordance with the Exchange Ratio.

The Proposed Transaction will be completed by way of a three-cornered amalgamation under the *Business Corporations Act* (Ontario), whereby 2690229 Ontario Inc., a wholly-owned subsidiary of the Company (" **Subco**") will amalgamate with MichiCann (the "**Amalgamation**"), which will require the approval of 66 2/3 of the votes cast by MichiCann shareholders at a special meeting of shareholders to be held. The Proposed Transaction will constitute a "Fundamental Change" of the Company, as such term is defined in the policies of the Canadian Securities Exchange (the "**CSE**") and as a result the Company will be required to obtain the approval of the holders of its outstanding common shares, by simple majority, which it intends to obtain by way of written consent.

The Amended Agreement contemplates the following changes: Immediately prior to the completion of the Amalgamation, the Company will (i) complete a share consolidation on a 16:1 basis (the "**Consolidation**"), (ii) change its name to "Red White & Bloom Brands Inc." (the "**Name Change**") and (iii) reconstitute its board of directors such that the board of the Resulting Issuer will consist of five (5) directors, which will include two (2) members of the current board of the Company and three (3) nominees of MichiCann (the "**Board Appointments**").

Pursuant to the terms of the Amended Agreement, the closing of the Proposed Transaction is subject to a number of conditions, including but not limited to (i) obtaining the requisite shareholder approvals, (ii) the completion of the Consolidation, the Name Change and the Board Appointments, (iii) obtaining requisite regulatory approvals including the approval of the CSE for the Proposed Transaction and the listing of the Common Shares, (iv) obtaining escrow agreements from the directors and officers of each of MichiCann and Tidal, and certain shareholders of each of MichiCann, its Michigan based investee and Tidal pursuant to which the escrowed shares would be subject to restrictions on transfer and other dealings and released in three

equal tranches over a period of 18 months following the closing of the Proposed Transaction, and (v) other closing conditions customary for transactions of this nature.

On January 10, 2020, MichiCann closed the acquisition of Mid-American Growers, Inc. pursuant to an agreement and plan of merger dated October 9, 2019, as amended on January 9, 2020 by way of a merger between MichiCann's wholly-owned subsidiary, RWB Acquisition Sub, Inc., and Mid-American Growers Inc. under the laws of Delaware to form MAG. On the same day, MichiCann's wholly-owned subsidiary, RWB Illinois Inc. acquired 142 acres of land located at 14240 Greenhouse Avenue, Granville, Illinois, together with the buildings, plant facilities, structures, building systems fixtures and improvements located thereon and related personal property and intangibles.

In connection with the Proposed Transaction, Tidal and MichiCann have filed updated application materials with the CSE to list the Common Shares. The Proposed Transaction remains subject to a number of conditions, including CSE approval and requisite shareholder approvals. The common shares of Tidal are currently halted from trading on the CSE pending completion of the Proposed Transaction and the parties are working towards obtaining CSE approval of the amended terms of the Proposed Transaction in March with the recommencement of trading shortly thereafter.

All information contained in this press release with respect to Tidal and MichiCann was supplied by the parties respectively, for inclusion herein, and each party has relied on the other in respect of such information.

For further information, please contact:
Tidal Royalty Corp.
Theo van der Linde, Chief Financial Officer & Director
Phone: 604-687-2038

Cautionary Note Regarding Forward-Looking Information and Statements

Forward-Looking Information: This news release includes certain statements that may be deemed "forward-looking statements". The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "would", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Forward-looking statements contained in this news release include but are not limited to statements regarding the receipt of all requisite shareholder, regulatory and other consents and approvals, including the approval of the CSE, in connection with the Proposed Transaction, the satisfaction of the other conditions precedent to the consummation of the Proposed Transaction, and the completion of the Transaction, none of which can be assured. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Such factors include: the ability of the Company and MichiCann to satisfy the conditions precedent for the consummation of the Proposed Transaction, including their ability to obtain requisite shareholder and regulatory approvals, and to consummate the same on the proposed terms. Forward-looking statements contained herein speak only as of the date of this News Release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's listing statement and disclosure documents which can be found under the Company's profile on www.sedar.com. The Company undertakes no obligation to update or revise any forward-looking information as a result of new information, future events or otherwise except as required by applicable law.

Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

Exhibit 99.2

Condensed Interim Consolidated Financial Statements

For the three and six months ended

January 31, 2020 and 2019

(Expressed in Canadian dollars - Unaudited)

TIDAL ROYALTY CORP.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars - Unaudited)

AS AT	Notes	January 31, 2019 (Unaudited)	July 31, 2019 (Audited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 154,627	$ 2,961,514
Other receivables		98,649	-
Convertible debenture receivable	5	17,712,200	15,000,000
Prepaid expenses and deposits	4	30,808	129,418
		17,996,284	18,090,932
Deposits	4	330,825	328,700
Promissory note receivable	6	4,119,938	3,412,421
Right-of-use assets	3	178,912	-
Land	7	-	592,655
Investments in equity securities	8	1,778,376	1,766,953
TOTAL ASSETS		$ 24,404,335	$ 24,191,661
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	9	$ 348,224	$ 336,540
Due to related parties	10	17,566	21,347
Lease liabilities	3	185,548	-
Loan payable	10	50,164	-
TOTAL LIABILITIES		601,502	357,887
EQUITY			
Convertible preferred shares	11	2,388,941	2,388,941
Common shares	11	49,124,043	48,525,793
Reserves	11	11,958,030	11,816,876
Accumulated other comprehensive income (loss)		16,949	(796)
Accumulated deficit		(39,685,130)	(38,897,040)
TOTAL EQUITY		23,802,833	23,833,774
TOTAL LIABILITIES AND EQUITY		24,404,335	$ 24,191,661

Nature and Continuance of Operations (Note 1)
Commitment (Note 15)
Subsequent Events (Note 16)

Approved on behalf of the Board of Directors:

"Stuart Wooldridge"
Stuart Wooldridge, Director

"Theo van der Linde"
Theo van der Linde, Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

TIDAL ROYALTY CORP.
Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars - Unaudited)

	Three months ended		Six months ended	
	January 31, 2020	**January 31, 2019**	**January 31, 2020**	**January 31, 2019**
Expenses				
Advertising and promotion	$ 4,427	$ 192,726	$ 81,682	$ 2,347,800
Consulting fees (Note 10)	70,957	229,156	293,032	471,713
Depreciation (Note 3)	67,092	-	134,184	-
General and administration	4,614	124,149	15,206	251,745
Insurance	2,044	-	38,275	-
Interest expense (Note 3)	8,682	-	19,647	-
Professional fees	152,585	524,546	214,918	707,430
Rent (Note 10)	-	47,819	-	92,573
Salaries and benefits (Note 10)	-	303,394	1,191	562,201
Share-based compensation (Notes 10 and 11)	35,508	481,521	141,154	1,147,610
Transfer agent and filing fees	49,138	19,679	83,431	66,598
Travel	2,301	62,036	3,626	118,563
	(397,348)	(1,985,026)	(1,026,346)	(5,766,233)
Other income (expense)				
Accretion	-	84,024	-	84,024
Dividends income	-	-	5,227	-
Interest income	97,570	110,474	192,307	107,795
Foreign exchange gain (loss)	(687)	246,308	289	171,086
Loss on sale of land	-	-	(103,574)	-
Rent income	55,562	-	144,007	-
Net loss	$ (244,903)	$(1,544,220)	$ (788,090)	$ (5,403,328)
Other comprehensive loss				
Foreign subsidiary currency translation gain (loss)	11,783	(3,384)	17,745	(3,384)
Net loss and comprehensive loss for the period	(233,120)	(1,557,604)	(770,345)	(5,406,712)
Loss per share, basic and diluted for the period	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.02)
Weighted average number of common shares outstanding	301,935,705	260,670,106	300,034,401	252,837,992

The accompanying notes are an integral part of these condensed interim consolidated financial statements

(Expressed in Canadian dollars –Unaudited)

	Number of convertible preferred shares #	Convertible preferred shares $	Convertible preferred shares issuable $	Number of common shares #	Common shares $	Share-based payment reserve $	Warrant reserve $	Total reserves $	Accumulated deficit $	Accumulated other comprehensive income (loss) $	Total shareholders' equity $
Balance, July 31, 2018	40,000,000	1,754,721	2,000,000	227,787,662	45,432,573	3,277,940	2,046,076	5,324,016	(20,285,319)	-	34,225,991
Conversion of preferred shares	40,000,000	2,000,000	(2,000,000)	-	-	-	-	-	-	-	-
Conversion of special warrants	-	-	-	12,690,000	634,500	-	(634,500)	(634,.500)	-	-	-
Conversion of 4,000,000 special finder warrants	-	-	-	4,000,000	141,440	-	(141,440)	(141,440)	-	-	-
Conversion of 1,220,000 special finder warrants	-	-	-	1,220,000	61,000	-	(61,000)	(61,000)	-	-	-
Proceeds from warrants exercised	-	-	-	15,820,000	791,000	-	-	-	-	-	791,000
Share-based compensation	-	-	-	-	-	1,147,610	-	1,147,610	-	-	1,147,610
Accumulated other comprehensive loss	-	-	-	-	-	-	-	-	-	(3,384)	(3,384)
Net loss for the period	-	-	-	-	-	-	-	-	(5,403,328)	-	(5,403,328)
Balance, January 31, 2019	80,000,000	3,754,721	-	261,517,662	47,060,513	4,425,550	1,209,136	5,634,686	(25,688,647)	(3,384)	30,757,889
Balance, July 31, 2019	50,900,000	2,388,941	-	292,607,662	48,525,793	10,607,740	1,209,136	11,816,876	(38,897,040)	(796)	23,833,774
Proceeds from warrants exercised	-	-	-	11,965,000	598,250	-	-	-	-	-	598,250
Share-based compensation	-	-	-	-	-	141,154	-	141,154	-	-	141,154
Foreign subsidiary currency translation gain	-	-	-	-	-	-	-	-	-	17,745	17,745
Net loss for the period	-	-	-	-	-	-	-	-	(788,090)	-	(788,090)
Balance, January 31, 2020	50,900,000	2,388,941	-	304,572,662	49,124,043	10,748,894	1,209,136	11,958,030	(39,685,130)	16,949	23,802,833

The accompanying notes are an integral part of these condensed interim consolidated financial statements

TIDAL ROYALTY CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars - Unaudited)

	Six months ended	
	January 31, 2020	January 31, 2019
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	**$** (788,090)	**$** (5,403,328)
Items not affecting operating cash:		
Accretion	-	(84,024)
Depreciation	134,184	-
Interest income	(192,039)	(107,795)
Interest expense	19,811	-
Loss on sale of land	103,574	-
Foreign exchange gain	(22,200)	(8,570)
Share-based payments	141,154	1,147,610
	(603,606)	(4,456,107)
Net changes in non-cash working capital:		
Other receivables	(98,649)	(72,028)
Prepaid expenses and deposits	98,610	294,926
Accounts payables and accrued liabilities	7,903	(56,070)
	(595,742)	(4,289,279)
FINANCING ACTIVITIES		
Lease payments	(147,195)	-
Loan received	50,000	-
Proceeds from exercise of common share purchase warrants	598,250	791,000
	501,055	791,000
INVESTING ACTIVITIES		
Promissory note receivable	-	(2,816,418)
Convertible debenture receivable	(2,712,200)	-
Land	-	(592,475)
Investments	-	(9,572,000)
	(2,712,200)	(12,980,893)
Decrease in cash and cash equivalents	(2,806,887)	(16,479,172)
Cash and cash equivalents, beginning of the period	2,961,514	33,904,759
Cash and cash equivalents, end of the period	**$** 154,627	**$** 17,425,587

The components of cash and cash equivalents are:		
Cash at bank	$ 154,627	$ 17,425,587
Term deposit	-	-
	$ 154,627	$ 17,425,587
Non-cash Investing and Financing Activities		
Conversion of special warrants	$ -	$ 836,940
Property for promissory note	$ 490,210	$ -

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1. Nature and Continuance of Operations

Tidal Royalty Corp. ("the Company") was incorporated under the laws of British Columbia The Company's principal business is to invest in conventional equity, debt and other forms of investments in private and public companies in Canada and the United States.

The head office, address and records office of the Company are located at Suite 810 - 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The principal place of business of the Company is 161 Bay St., Suite 4010, Toronto ON, M5J 2S1.

On May 13, 2019, the Company entered into a business combination agreement (the "Definitive Agreement") with MichiCann Medical Inc. (d/b/a Red White & Bloom) ("MichiCann"), with respect to the acquisition of all of the issued and outstanding shares of MichiCann ("Proposed Transaction").

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

As at January 31, 2020, the Company has an accumulated deficit of $39,685,130, no source of operating cash flow and no assurance that sufficient funding will be available. Management intends to raise funds through a combination of equity and/or debt financing, along with a realization of sale of investments. The success of these plans will also depend upon the ability of the Company to generate cash flows from its portfolio investments.

These condensed interim consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern. Such amounts could be material. However, management has assessed and concluded that the Company has the ability to continue as a going concern for at least the next twelve months.

2. Basis of Preparation and Statement of Compliance

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The condensed interim consolidated financial statements do not include all the information required for annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2019. These condensed interim consolidated financial statements have been prepared following the same accounting policies as the Company's audited financial statements for the year ended July 31, 2019, except for the adoption of IFRS 16 Leases as per Note 3(a) below.

The condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on March 31, 2020.

These condensed interim consolidated financial statements have been prepared on the accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of Presentation

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value.

2. Basis of Preparation and Statement of Compliance (continued)

Functional and Presentation Currency

These financial statements are presented in Canadian dollars. The functional currency of each entity is determined using the currency of the primary economic environment in which the entity operates. The Company's functional currency, as determined by management, is the Canadian dollar. The Company's US subsidiaries functional currencies, as determined by management, are the United States dollar.

Basis of Consolidation

As at January 31, 2020, the Company's structure includes Tidal Royalty Corp., the parent company incorporated pursuant to the laws of the Business Corporations Act (British Columbia), and the following subsidiaries:

Entity	Domicile of Incorporation	% of interest at January 31, 2020
Royalty USA Corp.	Delaware, USA	100%
RLTY Beverage 1 LLC	Delaware, USA	100%
RLTY Development MA 1 LLC	Delaware, USA	100%
RLTY Development 1 NV 1 LLC	Delaware, USA	100%
RLTY Development Orange LLC	Massachusetts, USA	100%
RLTY Development Springfield LLC	Massachusetts, USA	100%
RLTY Service LLC	Delaware, USA	100%
RLTY Development FLA 1 LLC	Delaware, USA	100%
RLTY Development FLA 2 LLC	Delaware, USA	100%
RLTY Development CA 1 LLC	Delaware, USA	100%
TDMA Orange LLC.	Massachusetts, USA	100%

These condensed interim consolidated financial statements include the accounts of the Company and its controlled entities. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

Use of Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions about the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the results of operations. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates:

i) Investments in equity securities, convertible and promissory notes receivable

Management uses valuation techniques in measuring the fair value of investments in equity securities, convertible and promissory notes receivable.

In applying the valuation techniques management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument.

2. Basis of Preparation and Statement of Compliance (continued)

Use of Estimates and Judgments (continued)

Where applicable data is not observable, company-specific information is considered when determining whether the fair value of an investment in equity securities or convertible and promissory notes receivable should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing investment in equity securities, convertible and promissory notes receivable.

ii) Share-based payment transactions

Management uses the Black-Scholes pricing model to determine the fair value of stock options and standalone share purchase warrants issued. This model requires assumptions of the expected future price volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

Significant accounting judgements:

i) Going concern

The assessment of the Company's ability to continue as a going concern involves management judgement about the Company's resources and future prospects.

ii) Income taxes

Management exercises judgment to determine the extent to which deferred tax assets are recoverable, and can therefore be recognized in the statements of financial position and comprehensive income or loss.

Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

3. Significant Accounting Policies

In preparing these condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended July 31, 2019, with exception to the new accounting policies adopted by the Company discussed below.

(a) Adoption of New or Amended Accounting Standards

IFRS 16 *Leases* - IFRS 16 supersedes IAS 17 Leases and requires how leases will be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. For leases where the Company is the lessee, it recognizes a right-of-use asset and a lease liability for its office premise leases previously classified as operating leases. The Company chose to adopt the modified retrospective approach on transition to IFRS 16 on August 1, 2019, and has elected to set the right-of-use assets equal to the lease liabilities. As such the cumulative effect of initial application recognized in retained earnings at August 1, 2019 is $nil. Accordingly, the comparative information presented for the prior period has not been restated and is presented as previously reported under IAS 17 and related interpretations.

(Expressed in Canadian dollars -Unaudited)

3. Significant Accounting Policies (Continued)

(a) Adoption of New or Amended Accounting Standards (continued)

On adoption of IFRS 16, the Company used the following additional practical expedients:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Applied the exemption not to recognize right-of-use assets and lease liabilities for short-term leases with terms of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line or other systematic basis over the lease term;
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Lease liabilities

On adoption of IFRS 16, the Company recognized lease liabilities on office premise which had previously been classified as operating lease under IAS 17. The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates applies to the lease liabilities on August 1, 2019. The incremental borrowing rate applied to the lease liabilities on August 1, 2019 was 15% per annum. The details of the lease liabilities recognized as August 1, 2019 are as follow.

	2019
	$
Operating lease commitment disclosed as at July 31, 2019	343,239
Discount of future commitments as at August 1, 2019	(30,143)
Lease liabilities recognized as at August 1, 2019	313,096
Current lease liabilities	264,966
Non- current lease liabilities	48,130
Total lease liabilities	313,096

The following is the continuity of lease liabilities as at and for the six months ended January 31, 2020:

	2020
	$
Balance, August 1, 2019	313,096
Lease payments	(147,195)
Interest expense on lease liabilities	19,647
Balance, January 31, 2020	185,548
Current lease liabilities	185,548
Non- current lease liabilities	-
Total lease liabilities	185,548

As at January 31, 2020, minimum lease payments for the lease liabilities are as follows:

Year ending	$
July 31, 2020	147,102
July 31, 2021	49,034
Total undiscounted lease liabilities at January 31, 2020	196,136
Less: Interest on lease liabilities	(10,588)
Total present value of minimum lease payments at January 31, 2020	185,548

(Expressed in Canadian dollars -Unaudited)

3. Significant Accounting Policies (Continued)

(a) Adoption of New or Amended Accounting Standards (continued)

Right-of-use assets

On adoption of IFRS 16, the Company recognized right-of-use assets of $313,096 related to its office premise lease. Right-of-use assets are measured at the initial amount of the lease liabilities, lease payments made at or before the commencement date less any lease incentives received, initial direct costs if any, and decommissioning costs to restore the site to the condition required by the terms and conditions of the lease. Subsequent to initial measurement, the Company applies the cost model to the right of-use assets and measures the asset at cost less any accumulated depreciation, accumulated impairment losses in accordance with IAS 36, and any remeasurements of the lease liabilities. Assets are depreciated from the commencement date on a straight-line basis over the earlier of the end of the assets' useful lives or the end of the lease terms.

The following is the continuity of the cost and accumulated depreciation of right-of-use assets (office premise and equipment lease) as at and for the six months ended January 31, 2020:

	January 31, 2020
Cost	**$**
Balance, August 1, 2019	313,096
Addition	-
Balance, January 31, 2020	313,096
Accumulated depreciation	
Balance, August 1, 2019	-
Depreciation	134,184
Balance, January 31, 2020	134,184
Carrying amount, January 31, 2020	178,912

During the three and six months ended January 31, 2020, the Company recognized depreciation expenses of $67,092 and $134,184 and interest expense of $8,589 and $19,647, respectively.

(b) New Accounting Standards Issued but Not Yet Effective

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after August 1, 2019, or later periods. The Company has not early adopted these new standards in preparing these financial statements. There new standards are either not applicable or are not expected to have a significant impact on the Company's financial statements

4. Prepaid Expenses and Deposits

	January 31, 2020 $	July 31, 2019 $
Insurance	152	1,432
Advertising and promotion	9,188	71,736
Consulting	15	24,797
Deposits	21,453	31,453
	30,808	129,418

As at January 31, 2020, the Company had advanced a refundable deposit of $330,825 (US $250,000) to an arm's length vendor (July 31, 2019 - $328,700).

5. Convertible Debenture Receivable

MichiCann Medical Inc.

On February 25, 2019, pursuant to the terms of the Proposed Transaction, the Company advanced $15,000,000 to Michicann pursuant to a senior secured convertible debenture (the "February MichiCann Debenture"). On September 11, 2019, the Company advanced an additional $2,712,200 (US $2,000,000) of senior secured convertible debenture (the "September MichiCann Debenture") to fund operations.

The February and September MichiCann Debenture (collectively, the "MichiCann Debentures") are non-interest bearing, other than 12% in the event of default by MichiCann and matured on September 30, 2019 (the "Maturity Date"). The MichiCann Debentures are secured by way of first ranking security against the personal property of MichiCann. If the Proposed Transaction is not completed by the Maturity Date or MichiCann's fails to comply with the terms of the MichiCann Debentures and MichiCann pursues an alternative go public transaction or a change of control transaction (an "Alternate Liquidity Transaction"), the Company may elect to convert, in whole or in part, the outstanding amount of the MichiCann Debentures into common shares of MichiCann at a price per MichiCann share that is the lesser if i) $2.50 per MichiCann Share and (ii) a 20% discount to the issue or effective price per Michicann Share under the Alternate Liquidity Transaction. As the Proposed Transaction was not completed by October 25, 2019 (the "Transaction Completion Date), MichiCann may elect to prepay the outstanding amount under the MichiCann Debenture, with a prepayment penalty of 10%.

The Company is in negotiation with Michicann to extend the Maturity Date of MichiCann Debentures to March 31, 2020 and the Transaction completion date to May 25, 2020. Therefore, MichiCann may elect to prepay the outstanding amount under the MichiCann Debenture, with a prepayment penalty of 10%.

The initial fair value of the February MichiCann Debenture was determined to be $15,000,000 using the Black-Scholes option pricing and discounted cash flow models with following assumptions: estimated share price of $2.50; conversion price of $2.50; risk-free interest rate of 1.73%; dividend yield of 0%; stock price volatility of 125%, an expected life of 0.50 years, and adjusted for a credit spread of 12.00% and a probability factor of 16% for the Alternate Liquidity Transaction.

As of January 31, 2020, the February MichiCann Debenture had an estimated fair value of $15,000,000 using the Black- Scholes option pricing and discounted cash flow models with following assumptions: estimated share price of $5.00; conversion price of $2.50; risk-free interest rate of 1.64%; dividend yield of 0%; stock price volatility of 76.22% an expected life of 0.16 years, and adjusted for a credit spread of 12.00% and a probability factor of 2% for the Alternate Liquidity Transaction. If the estimated volatility increases or decrease by 10%, the estimated fair value would increase or decrease by a nominal amount.

The initial fair value of the September 11, 2019 MichiCann Debenture was determined to be $2,636,200 (US $ 2,000,000) using the Black- Scholes option pricing and discounted cash flow models with following assumptions: estimated share price of $2.50; conversion price of $2.50; risk-free interest rate of 1.66%; dividend yield of 0%; stock price volatility of 77.72% ,an expected life of 0.55 years, and adjusted for a credit spread of 12.00% and a probability factor of 24 % for the Alternate Liquidity Transaction.

As of January 31, 2020, the September MichiCann Debenture had an estimated fair value of $2,722,000 (US $ 2,000,000) using the Black- Scholes option pricing and discounted cash flow models with following assumptions: estimated share price of $5.00; conversion price of $2.50; risk-free interest rate of 1.64%; dividend yield of 0%; stock price volatility of 76.22% an expected life of 0.16 years, and adjusted for a credit spread of 12.00% and a probability factor of 2% for the Alternate Liquidity Transaction. If the estimated volatility increase or decrease by 10%, the estimated fair value would increase or decrease by a nominal amount.

6. Promissory Note Receivable

On August 31, 2018, the Company entered into a definitive agreement, as amended by the Supplemental Agreement dated October 15, 2018 and the Second Supplemental Agreement dated December 26, 2018 (collectively, the "Framework Agreement"), with VLF Holdings LLC, an Oregon limited liability company d/b/a Diem Cannabis ("Diem") to provide TDMA LLC, a Massachusetts subsidiary of Diem ("TDMA") with up to US$12.5 million (the "Funding") over the next three years to develop and operate a large-scale cultivation and processing facility (the "Site") and up to four dispensaries (the "Dispensaries").

The Funding will be in the form of (i) promissory notes advanced at various stages of development of operations in the state; and (ii) the purchase price for real property acquisitions with respect to Sites and Dispensaries. Newly-formed subsidiaries of RLTY Development MA 1 LLC will acquire title to the real property purchased in respect of the Site and Dispensary acquisitions and will enter into leases ("Leases") with TDMA (or its nominee) with respect to their operation. The Leases will be "triple net" and will include payments of (i) annual base rent; (ii) percentage rent calculated as 15% of net sales; and (iii) additional rent relating to the costs of property insurance, real estate taxes and any maintenance and repair.

The Funding will be secured by (i) guarantees of the payment and performance of all obligations of TDMA by Diem and certain of its subsidiaries (the "Entity Guarantors") and key individuals (the "Individual Guarantors"); (ii) liens over all of the assets of the Entity Guarantors; and (iii) pledges by the Entity Guarantors and Individual Guarantors of all equity interests in Diem and/or its subsidiaries. Once the Site and Dispensaries are operational and the Leases have been entered into, the Framework Agreement Promissory Note and all subsequently issued promissory notes (including interest accrued thereon) will be deemed satisfied in full.

During the year ended July 31, 2019, and pursuant to the Funding, the Company entered into various promissory note agreements (the "Framework Agreement Promissory Note") with TDMA for $3,216,274 (US $2,446,208) as a working capital advance for licenses, Site build out, identification and negotiation of the purchase agreements for the Site and Dispensaries. The Framework Agreement Promissory Note bears interest of 10% per annum and is due on February 28, 2021, unless earlier satisfied.

On August 23, 2019, the Company entered into a Termination of Framework Agreement (the "Termination") with Diem. Pursuant to the termination, the Company conveyed titles of certain properties to TDMA (See Note 7) in exchange for two promissory notes (the "Property Promissory Note") for $490,210 (US $372,500). The Framework Agreement Promissory Note bears interest of 10% per annum and is due on August 31, 2021.

On September 26, 2019, the Company entered into a definitive Membership Interest Purchase Agreement (the "MIPA") with TDMA to acquire all of the issued and outstanding equity in TDMA Orange, LLC, a Diem Cannabis subsidiary. Pursuant to the terms of the MIPA, the Company obtains 100% interest in two cultivation licenses and a processing license in the county of Orange, in the Commonwealth of the State of Massachusetts.

As consideration, the Company will forgive the Framework Agreement Promissory Note and Property Promissory Note including accrued interest, cross collateralization and general security arrangement. The Company expects the MIPA to close by April 30, 2020.

(Expressed in Canadian dollars -Unaudited)

6. Promissory Note Receivable (Continued)

Continuity for the periods presented is as follows:

	Total $
Balance, July 31, 2018	-
Funds advanced	3,216,274
Accrued interest	197,429
Foreign exchange	(1,282)
Balance, July 31, 2019	3,412,421
Additions (Note 7)	490,210
Accrued interest	192,039
Foreign exchange	25,268
Balance, October 31, 2019	4,119,938

7. Land

During the year ended July 31, 2019, through the Company's wholly owned subsidiary and pursuant to the definitive agreement with Diem, RLTY Development Springfield LLC (the "Springfield Property") and RLTY Development Orange LLC (the "Orange Property"), the Company acquired two Sites for $592,655 (US $450,757). On October 8, 2019, the Company sold the Springfield Property and Orange Property land to TDMA in exchange for $490,210 (US $372,500) of the Property Promissory Notes that bears 10% interest and matures on August 31, 2021 (See note 6). The Property Promissory Notes are secured against the Springfield Property and Orange Property. The Company recognized a loss on sale of land of $103,574(US $78,257).

8. Investments in Equity Securities

Continuity for the six months ended January 31, 2020 is as follows:

Fair value hierarchy level	Level 3	Level 2	
Investments Measured at FVTPL	Harborside Inc. Warrants $	Lighthouse Strategies, LLC $	Total $
Balance, July 31, 2019	82,061	1,684,892	1,766,953
Foreign exchange	531	10,892	11,423
Balance, January 31, 2020	82,592	1,695,784	1,778,376

The Company had no investments in equity securities during the six-month period ended January 31, 2019.

Harborside Inc. Warrants

On November 11, 2018, the Company received 263,523 share purchase warrants. The initial fair value of the warrants was $536,697 computed using the Black – Scholes option pricing model based on the following assumptions: estimated share price of $5.95; exercise price of $8.60; risk-free interest rate of 2.20%; dividend yield of 0%; stock price volatility of 81% and an expected life of 2 years.

As at July 31, 2019, the warrants remain unexercised with a fair value of $82,061 computed using the Black – Scholes option pricing model based on the following assumptions: estimated share price of $3.10; exercise price of $8.60; risk-free interest rate of 1.61%; dividend yield of 0%; stock price volatility of 81% and an expected life of 1.3 years. If the estimated volatility increase or decrease by 10%, the estimated fair value would increase or decrease by a nominal amount.

(Expressed in Canadian dollars -Unaudited)

8. Investments in Equity Securities (Continued)

As at January 31, 2020, the warrants remain unexercised with a fair value of $82,592 computed using the Black – Scholes option pricing model based on the following assumptions: estimated share price of $3.10; exercise price of $8.60; risk-free interest rate of 1.61%; dividend yield of 0%; stock price volatility of 81% and an expected life of 1.3 years. If the estimated volatility increase or decrease by 10%, the estimated fair value would increase or decrease by a nominal amount.

Lighthouse Strategies, LLC

On January 9, 2019 the Company closed its strategic investment of $6,574,000 (US $5,000,000) in Lighthouse Strategies LLC ("Lighthouse") Series A membership units concurrently with a financing arrangement for certain Lighthouse beverage lines. Pursuant to the Financing Fee Agreement, the Company is entitled to 1% of net sales of certain of Lighthouse's beverage lines, including Cannabiniers, Two Roots Brewing Co and Creative Waters Beverage Company ("Financing Fees"). Financing Fees will accrue until December 1, 2019, at which point the Company may choose to receive such fees in cash or Series A membership units of Lighthouse. Thereafter, financing fees are payable quarterly in cash. The terms of the Financing Fee Agreement are between four and six years, depending on certain milestones and includes acceleration provisions in certain events (including a substantial asset divestiture, change of control, or initial public offering). Management estimated that the 1% royalty of net sales had a fair value of $Nil and the entire transaction price was allocated to the membership units.

As at January 31, 2020, the investment had an estimated fair value of $1,695,784 (July 31, 2019 - $1,684,892) based on Lighthouse's most recent financing preceding January 31, 2020.

9. Accounts Payable and Accrued Liabilities

	January 31, 2020 $	July 31, 2019 $
Accounts payables	328,224	304,540
Accrued liabilities	20,000	32,000
	348,224	336,540

10. Related Party Transactions and Balances

The Company has identified its directors and certain senior officers as its key management personnel.

Key management compensation for the three and six months ended January 31, 2020 and 2019 is as follows:

	Three months ended January 31		Six months ended January 31	
	2020 $	2019 $	2020 $	2019 $
Short-term employee benefits:				
Consulting and accounting fees	61,790	33,000	234,740	87,250
Salary and benefits	-	148,750	-	297,500
	61,790	181,750	234,740	384,750
Share-based compensation	8,185	184,654	20,335	519,513
Total	69,975	366,404	255,075	904,263

During the three and six months ended January 31, 2020 the Company paid $Nil in rent (January 31, 2019 - $1,500 and $3,000, respectively) to related parties comprised of directors, officers and companies with common directors.

As at January 31, 2020, $17,566 was due to the Companies controlled by directors and officers (July 31, 2019 - $21,347). The amounts are unsecured, non-interest bearing and due on demand.

(Expressed in Canadian dollars -Unaudited)

10. Related Party Transactions and Balances (Continued)

As at January 31, 2020, loan and interest payable to a Company controlled by an officer was $50,164, with a total interest accrual of $164 (July 31, 2019 - $Nil). The loan is due on demand and bears interest at 8% per annum.

11. Share Capital

Authorized

Unlimited number of common shares without par value, and unlimited number of Series 1 Convertible Preferred shares without par value, participating, each share convertible into one common share by the holder, and non-voting.

Issued and Outstanding

As at January 31, 2020, there were 50,900,000 (July 31, 2019 – 50,900,000) Series 1 Convertible Preferred Shares and 304,572,662 (July 31, 2019 -292,607,662) common shares issued and outstanding.

Convertible Preferred Shares

During the six months ended January 31, 2020, there were no convertible preferred share transactions.

Common Shares

During the six months ended January 31, 2020, the Company issued 11,965,000 common shares pursuant to the exercise of 11,965,000 warrants for gross proceeds of $598,250.

Stock Options

Under the Company's stock option plan (the "Plan") the Company has adopted a 20% rolling stock option plan ("Plan") to replace its previous 10% rolling plan. The Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees, technical consultants and other participants to the Company, non-transferrable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 20% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to ten years from the date of grant. In addition, the number of common shares which may be issuable under the Plan within a one year period: (i) to any one individual shall not exceed 5% of the issued and outstanding common shares; and (ii) to a consultant or an employee performing investor relations activities, shall not exceed 2% of the issued and outstanding common shares. The underlying purpose of the Plan is to attract and motivate the directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Plan.

Continuity of stock options outstanding for the periods presented is as follows:

	Options outstanding	Weighted average exercise price $
Balance, July 31, 2019	28,785,766	0.33
Forfeited	-	-
Issued	-	-
Balance, January 31, 2020	28,785,766	0.33

(Expressed in Canadian dollars -Unaudited)

11. Share Capital (Continued)

As at January 31, 2020, the outstanding and exercisable stock options are as follows:

Expiry Date	Exercise price $	Number of options #	Exercisable options #
September 24, 2020	US$0.24	100,000	50,000
April 26, 2024	US$0.26	20,477,039	20,477,039
June 22, 2023	0.33	7,488,727	6,694,977
December 12, 2023	US$0.12	720,000	270,000
	0.33	28,785,766	27,492,016

During the three and six months ended January 31, 2020, the Company recognized $35,508 and $141,154 (January 31, 2019- $481,521and $1,147,610) in share-based compensation expense, respectively..

Common Share Purchase Warrants

The continuity of the Company's common share purchase warrants for the periods presented is as follows:

	Number of share purchase warrants #	Weighted average exercise price $
Outstanding, July 31, 2019	125,771,365	0.06
Exercised	(11,965,000)	(0.05)
Outstanding, January 31, 2020	113,806,365	0.05

As of January 31, 2020, the Company had share purchase warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry Date	Exercise price $	Number of warrants #
February 8, 2020	0.05	54,307,000
March 1, 2020	0.05	40,512,000
April 30, 2020	0.05	13,805,000
June 11, 2020	0.33	5,182,365
		113,806,365

(Expressed in Canadian dollars -Unaudited)

12. Financial Instruments and Risks

(a) Fair Values and Classification

The Company's financial instruments consist of cash and cash equivalent, convertible debenture receivable, promissory note receivable, investments in equity securities, accounts payable, due to related parties and loan payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOC, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	January 31, 2020	July 31, 2019
Cash and cash equivalents	FVTPL	**$** 154,627	$ 2,961,514
Convertible debenture receivable	FVTPL	17,712,200	15,000,000
Promissory note receivable	FVTPL	4,119,938	3,412,421
Investments in equity securities	FVTPL	1,778,376	1,766,953
Loan payable	Amortized cost	50,164	-
Accounts payable	Amortized cost	328,224	304,540
Due to related parties	Amortized cost	17,566	21,347

The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels. The three levels are defined as follows:

a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 – Input for assets or liabilities that are not based on observable market data.

Assets and liabilities are classified in entirety based on the lowest level of input that is significant to the fair measurement. The Company's financial assets measured on a recurring basis at fair value are as follows:

	January 31, 2020			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 154,627	$ -	$ -	$ 154,627
Convertible debenture receivable	-	-	17,712,200	17,712,200
Promissory note receivable	-	4,119,938	-	4,119,938
Investments in membership units	-	1,695,784	-	1,695,784
Investments in warrants	-	-	82,592	82,592
Total	154,627	5,815,722	17,794,792	23,765,141

12. Financial Instruments and Risks (Continued)

(a) Fair Values and Classification (continued)

Changes in level 3 items for the six months ended January 31, 2020 are as follows:

	Convertible debenture receivable	Investments in warrants
Balance, July 31, 2019	$ 15,000,000	$ 82,061
Additions	2,712,200	-
Foreign exchange	-	531
Balance, January 31, 2020	17,712,200	82,592

During the six months ended January 31, 2020, there were no level 3 items transactions.

The fair values of accounts payables, due to related parties and notes payable approximate their carrying value due to their short-term maturity.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's maximum credit risk is equal to the carrying value of cash and cash equivalents, deposits, convertible debenture receivable and promissory note receivable.

The Company deposits the majority of its cash with high credit quality financial institutions in Canada. Therefore, management considers its exposure to credit risk arising from its cash to be minimal.

(c) Foreign Exchange Rate and Interest Rate Risk

Foreign exchange rate

Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar. The Company has not entered into any foreign currency contracts to mitigate this risk, but manages the risk by minimizing the value of financial instruments denominated in foreign currency. The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	January 31, 2020	July 31, 2019
Balance in US dollars:		
Prepaid expenses and deposits	**$ 250,000**	$ 250,000
Promissory note receivable	**3,113,382**	2,595,392
Convertible debenture receivable	**2,000,000**	-
Net exposure	**5,363,382**	2,845,392
Balance in Canadian dollars:	**$ 7,097,363**	$ 3,741,121

(Expressed in Canadian dollars -Unaudited)

12. Financial Instruments and Risks (Continued)

(c) Foreign Exchange Rate and Interest Rate Risk (continued)

A 10% change in the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by approximately $708,000 for the period ended January 31, 2020 (July 31, 2019 - $374,000).

Interest rate risk

Interest rate risk consists of two components:

i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is exposed to interest rate risk with respect to its convertible debenture receivable (see Note 5) and its promissory note receivable (see Note 6).

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations using cash. The ability to do so relies on the Company raising equity financing in a timely manner. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 13.

The following are contractual maturities of financial liabilities as at January 31, 2020:

	Carrying amount	Contractual cash flows	Within 1 year
Accounts payable and accrued liabilities	$ 348,224	$ 348,224	$ 348,224
Due to related parties	17,566	17,566	17,566
Loan payable	50,164	50,164	50,164
Lease liabilities	185,548	185,548	185,548

13. Capital Management

The Company's objectives when managing capital are to identify and pursue business opportunities, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. The Company's principal source of funds is through the issuance of equity. Management considers all components of shareholders' equity as capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares while minimizing dilution for its existing shareholders.

The Company's overall strategy with respect to capital risk management remains unchanged from the year ended July 31, 2019.

(Expressed in Canadian dollars -Unaudited)

14. Segment Information

The Company currently operates in a single reportable operating segment.

For the six-month period ended January 31, 2020, the Company operated in two geographical areas being Canada and the United States of America.

As at January 31, 2020, non-current assets other than financial instruments were located in Canada. As at July 31, 2019, the Company had the following:

	Canada	United States of America	Total
	$	$	$
Non-current assets other than financial instruments	-	592,655	592,655

15. Commitments

Amended and Re-stated Agreement with MichiCann

On March 12, 2020, the Company and MichiCann entered into an amended and restated business combination agreement (the "Amended Agreement") pursuant to which the Company will acquire all of the issued and outstanding shares of MichiCann (the "Proposed Transaction") on a 2:1 basis, subject to adjustment in certain circumstances (the "Exchange Ratio"). The terms of the Amended Agreement provide that the share consideration will now be comprised of one (1) common share (the "Common Shares") and one (1) series 2 convertible preferred share (the "Series 2 Shares") of the resulting company (the "Resulting Issuer"). The Series 2 Shares to be issued to MichiCann shareholders (i) will carry voting rights (entitling a holder to one vote per Series 2 Share held, voting together with the holders of Common Shares), (ii) will be entitled to 5% annual dividends payable in additional Series 2 Shares (the "Dividends"), (iii) will be convertible (together with accrued Dividends) into Common Shares on a 1:1 basis at the option of the holder on or after the seven (7) month anniversary of their issuance date, and (iv) will automatically be converted on the same basis on the two (2) year anniversary of their issuance date. All outstanding options and warrants to purchase MichiCann common shares will be exchanged with options and warrants to purchase Common Shares and Series 2 Shares in accordance with the Exchange Ratio.

The Proposed Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario), whereby 2690229 Ontario Inc., a wholly-owned subsidiary of the Company ("Subco") will amalgamate with MichiCann (the "Amalgamation"), which will require the approval of 66 2/3 of the votes cast by MichiCann shareholders at a special meeting of shareholders to be held. The Proposed Transaction will constitute a "Fundamental Change" of the Company, as such term is defined in the policies of the Canadian Securities Exchange (the "CSE") and as a result the Company will be required to obtain the approval of the holders of its outstanding common shares, by simple majority, which it intends to obtain by way of written consent.

The Amended Agreement contemplates the following changes: Immediately prior to the completion of the Amalgamation, the Company will (i) complete a share consolidation on a 16:1 basis (the "Consolidation"), (ii) change its name to "Red White & Bloom Brands Inc." (the "Name Change") and (iii) reconstitute its board of directors such that the board of the Resulting Issuer will consist of five (5) directors, which will include two (2) members of the current board of the Company and three (3) nominees of MichiCann (the "Board Appointments").

Pursuant to the terms of the Amended Agreement, the closing of the Proposed Transaction is subject to a number of conditions, including but not limited to (i) obtaining the requisite shareholder approvals, (ii) the completion of the Consolidation, the Name Change and the Board Appointments, (iii) obtaining requisite regulatory approvals including the approval of the CSE for the Proposed Transaction and the listing of the Common Shares, (iv) obtaining escrow agreements from the directors and officers of each of MichiCann and Tidal, and certain shareholders of each of MichiCann, its Michigan based investee and Tidal pursuant to which the escrowed shares would be subject to restrictions on transfer and other dealings and released in three equal tranches over a period of 18 months following the closing of the Proposed Transaction, and (v) other closing conditions customary for transactions of this nature.

15. Commitments (continued)

On January 10, 2020, MichiCann closed the acquisition of Mid-American Growers, Inc. pursuant to an agreement and plan of merger dated October 9, 2019, as amended on January 9, 2020 by way of a merger between MichiCann's wholly-owned subsidiary, RWB Acquisition Sub, Inc., and Mid-American Growers Inc. under the laws of Delaware to form MAG. On the same day, MichiCann's wholly-owned subsidiary, RWB Illinois Inc. acquired 142 acres of land located at 14240 Greenhouse Avenue, Granville, Illinois, together with the buildings, plant facilities, structures, building systems fixtures and improvements located thereon and related personal property and intangibles.

In connection with the Proposed Transaction, Tidal and MichiCann have filed updated application materials with the CSE to list the Common Shares. The Proposed Transaction remains subject to a number of conditions, including CSE approval and requisite shareholder approvals. The common shares of Tidal are currently halted from trading on the CSE pending completion of the Proposed Transaction and the parties are working towards obtaining CSE approval of the amended terms of the Proposed Transaction in March with the recommencement of trading shortly thereafter.

As at March 31, 2020, the transaction has not yet closed.

16. Subsequent Events

Subsequent to January 31, 2020, the Company issued 70,858,999 shares pursuant to the exercise of share purchase warrants for gross proceeds of $3,542,950.

Subsequent to January 31, 2020, the Company entered into an amendment to MichiCann Debentures (see Note 5) to extend the Maturity Date to April 30, 2020 and the Transaction completion date to May 25, 2020. The Company also advanced MichiCaan an additional US $ 500,000 to fund operations. As a result, principal amount of September MichiCann Debenture was increased to USD $2,500,000.

Exhibit 99.3

Management's Discussion and Analysis

For the six-month period ended January 31, 2020 and 2019

(Expressed in Canadian dollars)

This management's discussion and analysis ("MD&A") provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the period ended January 31, 2020 compared to the period ended January 31, 2019. This report prepared as at March 31, 2020 intends to complement and supplement our condensed interim consolidated financial statements for the period ended January 31, 2020 (the "Financial Statements"). This report should also be read in conjunction with the audited Financial Statements and the accompanying notes to our financial statements for the year ended July 31, 2019 (the "Financial Statements") and should be read in conjunction with the Financial Statements and the accompanying notes.

Our Financial Statements and the management's discussion and analysis are intended to provide a reasonable basis for the investor to evaluate our financial situation.

Our Financial Statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "Tidal Royalty", we mean Tidal Royalty Corp.

Additional information on the Company is available on SEDAR at www.sedar.com.

Business Description

Tidal Royalty Corp. was incorporated under the laws of British Columbia as Treminco Resources Ltd. on March 12, 1980. The name was changed to Elkhorn Gold Mining Corporation on February 8, 1999 and to Tulloch Resources Ltd. on October 12, 2011 and to Tidal Royalty Corp. on July 18, 2017. The Company is an investment company with a focus on the legal cannabis industry in the United States. The Company is a reporting issuer in the provinces of British Columbia and Ontario and on June 25, 2018, the Company's shares commenced trading on the CSE under the trading symbol "RLTY".

The head office and records office of the Company are located at Suite 810, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The principal place of business of the Company is 161 Bay St., Suite 4010, Toronto ON, M5J 2S1.

Amended and re-stated agreement with MichiCann

On March 12, 2020, the Company and MichiCann entered into an amended and restated business combination agreement (the "Amended Agreement") pursuant to which the Company will acquire all of the issued and outstanding shares of MichiCann (the "Proposed Transaction") on a 2:1 basis, subject to adjustment in certain circumstances (the "Exchange Ratio"). The terms of the Amended Agreement provide that the share consideration will now be comprised of one (1) common share (the "Common Shares") and one (1) series 2 convertible preferred share (the "Series 2 Shares") of the resulting company (the "Resulting Issuer"). The Series 2 Shares to be issued to MichiCann shareholders (i) will carry voting rights (entitling a holder to one vote per Series 2 Share held, voting together with the holders of Common Shares), (ii) will be entitled to 5% annual dividends payable in additional Series 2 Shares (the "Dividends"), (iii) will be convertible (together with accrued Dividends) into Common Shares on a 1:1 basis at the option of the holder on or after the seven (7) month anniversary of their issuance date, and (iv) will automatically be converted on the same basis on the two (2) year anniversary of their issuance date. All outstanding options and warrants to purchase MichiCann common shares will be exchanged with options and warrants to purchase Common Shares and Series 2 Shares in accordance with the Exchange Ratio

The Proposed Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario), whereby 2690229 Ontario Inc., a wholly-owned subsidiary of the Company ("Subco") will amalgamate with MichiCann (the "Amalgamation"), which will require the approval of 66 2/3 of the votes cast by MichiCann shareholders at a special meeting of shareholders to be held. The Proposed Transaction will constitute a "Fundamental Change" of the Company, as such term is defined in the policies of the Canadian Securities Exchange (the "CSE") and as a result the Company will be required to obtain the approval of the holders of its outstanding common shares, by simple majority, which it intends to obtain by way of written consent.

The Amended Agreement contemplates the following changes: Immediately prior to the completion of the Amalgamation, the Company will (i) complete a share consolidation on a 16:1 basis (the "Consolidation"), (ii) change its name to "Red White & Bloom Brands Inc." (the "Name Change") and (iii) reconstitute its board of directors such that the board of the Resulting Issuer will consist of five (5) directors, which will include two (2) members of the current board of the Company and three (3) nominees of MichiCann (the "Board Appointments").

Amended and re-stated agreement with MichiCann (continued)

Pursuant to the terms of the Amended Agreement, the closing of the Proposed Transaction is subject to a number of conditions, including but not limited to (i) obtaining the requisite shareholder approvals, (ii) the completion of the Consolidation, the Name Change and the Board Appointments, (iii) obtaining requisite regulatory approvals including the approval of the CSE for the Proposed Transaction and the listing of the Common Shares, (iv) obtaining escrow agreements from the directors and officers of each of MichiCann and Tidal, and certain shareholders of each of MichiCann, its Michigan based investee and Tidal pursuant to which the escrowed shares would be subject to restrictions on transfer and other dealings and released in three equal tranches over a period of 18 months following the closing of the Proposed Transaction, and (v) other closing conditions customary for transactions of this nature.

On January 10, 2020, MichiCann closed the acquisition of Mid-American Growers, Inc. pursuant to an agreement and plan of merger dated October 9, 2019, as amended on January 9, 2020 by way of a merger between MichiCann's wholly-owned subsidiary, RWB Acquisition Sub, Inc., and Mid-American Growers Inc. under the laws of Delaware to form MAG. On the same day, MichiCann's wholly-owned subsidiary, RWB Illinois Inc. acquired 142 acres of land located at 14240 Greenhouse Avenue, Granville, Illinois, together with the buildings, plant facilities, structures, building systems fixtures and improvements located thereon and related personal property and intangibles.

In connection with the Proposed Transaction, Tidal and MichiCann have filed updated application materials with the CSE to list the Common Shares. The Proposed Transaction remains subject to a number of conditions, including CSE approval and requisite shareholder approvals. The common shares of Tidal are currently halted from trading on the CSE pending completion of the Proposed Transaction and the parties are working towards obtaining CSE approval of the amended terms of the Proposed Transaction in March with the recommencement of trading shortly thereafter.

As at March 31, 2020, the transaction has not yet closed.

History: Original agreement with MichiCann

On May 13, 2019, the Company entered into a business combination agreement (the "Definitive Agreement") with MichiCann Medical Inc. (d/b/a Red White & Bloom) ("MichiCann"), with respect to the acquisition of all of the issued and outstanding shares of MichiCann ("Proposed Transaction"). Pursuant to the definitive agreement, all of the issued and outstanding common shares of MichiCann will be exchanged on the basis of 2.08 common shares of tidal for 1 MichiCann common share. The Proposed Transaction is considered as a reverse take-over. The Proposed Transaction will be completed by way of a three-cornered amalgamation ("Amalgamation"), whereby 2690229 Ontario Inc., a wholly owned subsidiary of the Company will amalgamate with MichiCann. The Amalgamation was approved by the shareholders of MichiCann.

MichiCann is a private cannabis investment Company that holds an 8% senior secured convertible debenture to acquire all of the issued and outstanding shares of its Michigan based investee ("OpCo"), a private company incorporated under the laws of the state of Michigan. OpCo has been granted a step 1 prequalification by the Medical Marijuana Licensing Board and has been awarded multiple municipal approvals for grower permits (cultivation), manufacturing (extraction and derivative manufacturing) and provisioning centers (dispensaries).

Investments

During the year ended July 31, 2019, the Company has made several investments in the U.S. cannabis industry. The Company's current portfolio consists of strategic investments with Michicann, Diem Cannabis (Oregon and Massachusetts), Lighthouse Strategies, LLC (California and Nevada); and FLRish Inc. d/b/a Harbourside (California). Management is currently exploring synergies with these partners as it focuses on its goal of becoming one of the largest MSOs in the US. Management continues to see large-scale potential in these investments as they are led by highly-skilled and experienced management teams across multiple industry verticals, including cultivation, processing, and distribution.

Highlights and Overall Performance

During the period ended January 31, 2020 and subsequent and the year ended July 31, 2019, the Company has successfully executed a number of key steps to develop and execute its business plan:

1. On August 31, 2018, the Company entered into a definitive agreement with VLF Holdings LLC, an Oregon limited liability company d/b/a Diem Cannabis ("Diem") to finance the expansion of TDMA LLC, a Massachusetts subsidiary of Diem ("TDMA") into Massachusetts. Pursuant to the agreement, the company will provide Diem with up to US$12.5 million (the "Financing") over three years to develop and operate a large-scale cultivation and processing facility (the "Site") and up to four dispensaries (the "Dispensaries").

   During the year ended July 31, 2019, and pursuant to the Funding, the Company entered into a promissory note ("Promissory Note") agreement with TDMA for $3,216,274 (USD $2,446,208) (July 31, 2018 - $Nil) as a working capital advance for licenses, Site build out, identification and negotiation of the purchase agreements for the Site and Dispensaries. The Promissory Note bears interest of 10% per annum and is due on February 28, 2021, unless earlier satisfied as described below.

   During the year ended July 31, 2019, through the Company's wholly owned subsidiary and pursuant to the definitive agreement with Diem, RLTY Development Springfield LLC (the "Springfield Property") and RLTY Development Orange LLC (the "Orange Property"), the Company acquired two Sites. The Company acquired the two Sites for $592,655. On October 8, 2019, the Company sold the Springfield Property and Orange Property land to TDMA in exchange for $490,210 (US $372,500) of Secured Promissory Notes ("Property Promissory Notes") that bears 10% interest and matures on August 31, 2021. The Property Promissory Notes are secured against the Springfield Property and Orange Property.

   On September 26, 2019, as part of an endeavor to terminate the royalty agreement and in compliance with the broader strategic mandate to become a pure Multi-State Operator ("M.S.O.") upon completion of the merger with Red White and Bloom, Tidal Royalty (CSE:RLTY.U) and Diem Cannabis have entered into a definitive Membership Interest Purchase Agreement (the "MIPA") for Tidal Royalty to purchase all of the issued and outstanding equity in TDMA Orange, LLC, a Diem Cannabis subsidiary. This acquisition provides Tidal Royalty with full control and 100% ownership in two cultivation licenses and a processing license in the county of Orange, in the Commonwealth of the State of Massachusetts. Closing of the MIPA is subject to the standard approvals and change of control proceedings overseen by the Massachusetts Cannabis Control Commission and is expected to be completed by Q2 2020. Upon completion of the change of control, Tidal Royalty will control an indoor cultivation license for 10,000sf of canopy, an outdoor cultivation license for 40,000sf of canopy and a processing license. Each of the licenses are State Provisional licenses, effectively one step from becoming final licenses and all are licensed to supply into the adult use and medical markets in the Commonwealth of Massachusetts. Closing of the MIPA is the final milestone required to satisfy the previously executed royalty termination agreement, which will concurrently release Diem Cannabis from its promissory note including all accrued interest, cross collateralization and general security arrangement over all of its assets and mortgages over the Orange property and Springfield properties conveyed to Diem Cannabis by Tidal Royalty as part of the termination agreement in consideration for the licenses described above.

   On February 25, 2019, the Company completed an advance of $15,000,000 to MichiCann Medical Inc. (operating as Red White & Bloom) pursuant to a senior secured convertible debenture (the "February MichiCann Debenture"). The MichiCann Debenture is non-interest bearing, other than in the event of a default by MichiCann thereunder, and will mature on November 30, 2019 (the "Maturity Date"), with the Maturity Date being extendable in certain circumstances. On September 11, 2019 the Company amended the Michicann Debenture and advanced an additional US $2,000,000 to fund MichiCann working capital ("the September MichiCann Debenture").

   Subsequent to the quarter ended January 31, 2020, the Company entered into an amendment to the February and September MichiCann Debenture to extend the Maturity Date to April 30, 2020 and the Transaction completion date to May 25, 2020. The Company also advanced Michicaan an additional US $ 500,000 to fund operations. As a result, principal amount of September MichiCann Debenture was increased to USD $2,500,000

The obligations under the MichiCann Debenture are secured by way of a first ranking security against the personal property of MichiCann. In the event that the proposed acquisition by the Company of all of the issued and outstanding shares of MichiCann (the "Proposed Transaction") is not completed by the Maturity Date as result of, among other things, MichiCann's failure to comply with the definitive documentation for the Proposed Transaction, and MichiCann is at such time pursing an alternative go public transaction or a change of control transaction (an "Alternate Liquidity Transaction"), the Company may elect to convert, in whole or in part, the outstanding amount under the MichiCann Debenture into common shares of MichiCann ("MichiCann Shares") at a price per MichiCann Share that is the lesser of (i) $2.50 per MichiCann Share, and (ii) a 20% discount to the issue or effective price per MichiCann Share under the Alternate Liquidity Transaction.

It is anticipated that MichiCann will use the funds advanced by the Company, solely to fund the acquisition of additional cannabis Provisioning Centers (dispensaries) in Michigan by its Michigan based investee Opco, and for general working capital purposes.

2. Previous agreement:

On May 13, 2019, the Company entered into a business combination agreement (the "Definitive Agreement") with MichiCann Medical Inc. (d/b/a Red White & Bloom) ("MichiCann"), with respect to the acquisition of all of the issued and outstanding shares of MichiCann ("Proposed Transaction"). Pursuant to the definitive agreement, all of the issued and outstanding common shares of MichiCann will be exchanged on the basis of 2.08 common shares of tidal for 1 MichiCann common share ("Exchange Ratio"). Upon completion of the Proposed Transaction, existing MichiCann and Tidal shareholders will own approximately 80% and 20% of the resulting company, respectively on a fully diluted basis at the time the transaction was first announced on February 14, 2019. The Proposed Transaction is considered as a reverse take-over. All outstanding options and warrants to purchase MichiCann common shares will be exchanged with options and warrants to purchase common shares based on the Exchange Ratio. The Proposed Transaction will be completed by way of a three-cornered amalgamation ("Amalgamation"), whereby 2690229 Ontario Inc., a wholly owned subsidiary of the Company will amalgamate with MichiCann. The Amalgamation was approved by the shareholders of MichiCann.

The Definitive contemplates the following terms:

- The Company will complete a share consolidation on an 8:1 basis;
- Change its name to "Red White & Bloom Inc." or such other name as may be approved by the board of directors;
- Reconstitute the board to include a total of 6 directors, of which 4 are nominees of MichiCann and 2 existing board members of the Company.

3. New proposed transaction:

During March 2020, the Company has entered into an amended and restated business combination agreement (the "Amended Agreement") with MichiCann Medical Inc. ("MichiCann") pursuant to which the Company will acquire all of the issued and outstanding shares of MichiCann (the "Proposed Transaction") on a 2:1 basis, subject to adjustment in certain circumstances (the "Exchange Ratio"). The terms of the Amended Agreement provide that the share consideration will now be comprised of one (1) common share (the "Common Shares") and one (1) series 2 convertible preferred share (the "Series 2 Shares") of the resulting company (the "Resulting Issuer"). The Series 2 Shares to be issued to MichiCann shareholders (i) will carry voting rights (entitling a holder to one vote per Series 2 Share held, voting together with the holders of Common Shares), (ii) will be entitled to 5% annual dividends payable in additional Series 2 Shares (the "Dividends"), (iii) will be convertible (together with accrued Dividends) into Common Shares on a 1:1 basis at the option of the holder on or after the seven (7) month anniversary of their issuance date, and (iv) will automatically be converted on the same basis on the two (2) year anniversary of their issuance date. All outstanding options and warrants to purchase MichiCann common shares will be exchanged with options and warrants to purchase Common Shares and Series 2 Shares in accordance with the Exchange Ratio.

3. New proposed transaction: (continued)

The Proposed Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario), whereby 2690229 Ontario Inc., a wholly-owned subsidiary of the Company will amalgamate with MichiCann (the "Amalgamation"). The Amended Agreement contemplates the following changes: Immediately prior to the completion of the Amalgamation, the Company will

(i) complete a share consolidation on a 16:1 basis,
(ii) change its name to "Red White & Bloom Brands Inc." and
(iii) reconstitute its board of directors such that the board of the Resulting Issuer will consist of five (5) directors, which will include two (2) members of the current board of the Company and three (3) nominees of MichiCann.

Pursuant to the terms of the Amended Agreement, the closing of the Proposed Transaction is subject to a number of conditions, including but not limited to

(i) obtaining the requisite shareholder approvals,
(ii) the completion of the Consolidation, the Name Change and the Board Appointments,
(iii) obtaining requisite regulatory approvals including the approval of the CSE for the Proposed Transaction and the listing of the Common Shares,
(iv) obtaining escrow agreements from the directors and officers of each of MichiCann and Tidal, and certain shareholders of each of MichiCann, its Michigan based investee and Tidal pursuant to which the escrowed shares would be subject to restrictions on transfer and other dealings and released in three equal tranches over a period of 18 months following the closing of the Proposed Transaction, and
(v) other closing conditions customary for transactions of this nature.

On January 10, 2020, MichiCann closed the acquisition of Mid-American Growers, Inc. pursuant to an agreement and plan of merger dated October 9, 2019, as amended on January 9, 2020 by way of a merger between MichiCann's wholly-owned subsidiary, RWB Acquisition Sub, Inc., and Mid-American Growers Inc. under the laws of Delaware to form MAG. On the same day, MichiCann's wholly-owned subsidiary, RWB Illinois Inc. acquired 142 acres of land located at 14240 Greenhouse Avenue, Granville, Illinois, together with the buildings, plant facilities, structures, building systems fixtures and improvements located thereon and related personal property and intangibles.

In connection with the Proposed Transaction, Tidal and MichiCann have filed updated application materials with the CSE to list the Common Shares. The Proposed Transaction remains subject to a number of conditions, including CSE approval and requisite shareholder approvals. The common shares of Tidal are currently halted from trading on the CSE pending completion of the Proposed Transaction and the parties are working towards obtaining CSE approval of the amended terms of the Proposed Transaction in March with the recommencement of trading shortly thereafter.

All information contained in the press release and in this MD&A with respect to Tidal and MichiCann was supplied by the parties respectively, for inclusion herein, and each party has relied on the other in respect of such information.

Overview of MichiCann

MichiCann is a private cannabis investment company incorporated under the laws of Ontario with a head office in Vaughan, Ontario. MichiCann has an experienced management team with a track record in the cannabis industry including its Chief Executive Officer, Brad Rogers, who was a founder of Mettrum Health Corp. (before its sale to Canopy Growth Corporation) and the former President of CannTrust Holdings Inc.

MichiCann holds an 8% senior secured convertible debenture (the "Debenture") and a put/call option (the "Put/Call Option") to acquire all the issued and outstanding shares of its Michigan based investee ("OpCo"), a private company incorporated under the laws of the State of Michigan. OpCo has been granted a Step 1 prequalification by the Medical Marijuana Licensing Board of the State of Michigan and has been awarded multiple municipal

Overview of MichiCann (continued)

approvals for grower permits (cultivation), manufacturing (including extraction and derivative manufacturing) and provisioning centers (dispensaries).

In addition to the licenses awarded to OpCo, they have been aggressively pursuing merger and acquisition activity in Michigan where it has closed on its first eight dispensaries, with three more expected to close in the coming days. OpCo has either signed, or is in the final stages of negotiations to sign, an additional eleven dispensaries. Additionally, OpCo has purchased an 85,000 square foot facility for its first indoor cultivation and manufacturing center. Initial plans for this facility will include the ability to produce in excess of 10,000,000 grams of flower per year with first harvest, post retrofitting to a perpetual harvest facility, expected in Q4 2019, and will include state of the art extraction capabilities in the same facility.

OpCo has also purchased two smaller vertically integrated grow and manufacturing operations as part of its dispensary acquisitions. OpCo plans to complete transactions in 2019 for outdoor grow operations and are assessing additional opportunities for greenhouse cultivation. OpCo is making great strides in achieving its goals of controlling and operating a minimum of 20 dispensaries by end of Q2 2019 and three grow operations in Michigan by Q4 2019.

The transaction with MichiCann is steadily and strategically moving forward, staying true to the original overall strategy, which is to achieve critical mass within our target markets, while rapidly and aggressively expanding in the U.S. cannabis and CBD business. We want to assure our shareholders that we are continuing to closely monitor public market conditions, drawing on our own experience in capital market strategy and seeking the advice of many seasoned capital markets veterans to identify the appropriate time to close the MichiCann amalgamation transaction.

Significant Equity Events

During the period ended January 31, 2020, the Company issued 11,965,000 common shares pursuant to the exercise of 11,965,000 warrants for gross proceeds of $598,250. Subsequent to the quarter ended January 31, 2020 to date, the Company have issued a further 70,858,999 shares pursuant to the exercise of share purchase warrants for gross proceeds of $3,542,950. Subsequent to January 31,2020 an amount of 23,960,000 warrants, exercisable at $0.05, expired unexercised.

Results of Operations

The following is a breakdown of the expenses incurred by the Company for the period ended January 31, 2020 and 2019:

	For the six-month period ended	
	January 31, 2020	**January 31, 2019**
Expenses		
Advertising and promotion	$ 81,682	$ 2,347,800
Consulting fees	293,032	471,713
Depreciation	134,184	-
General and administration	15,206	251,745
Insurance	38,275	-
Interest expense	19,647	-
Professional fees	214,918	707,430
Rent	-	92,573
Salaries and benefits	1,191	562,201
Share-based compensation	141,154	1,147,610
Transfer agent and filing fees	83,431	66,598
Travel	3,626	118,563
	(1,026,346)	(5,766,233)
Other income (expense)		
Accretion	-	84,024
Dividends income	5,227	-
Interest income	192,307	107,795
Foreign exchange gain	289	171,086
Loss on sale of land	(103,574)	-
Rent income	144,007	-
Net loss	$ (788,090)	$ (5,403,328)
Other comprehensive loss		
Foreign subsidiary currency translation loss	17,745	(3,384)
Net loss and comprehensive loss for the period	(770,345)	(5,406,712)

Results of Operations - discussion

During the six-month period ended January 31, 2020, the Company recorded a loss of $770,345 (2019 – $5,406,712). Most categories of expenses showed decreases in 2020 compared with 2019. In the 2019 the expenses related to activities on due diligence work performed for financing deals and related activities. In the 2020 year, expenses reflected the Company's reorganization of management and redirection of its business.

Explanations of the nature of costs incurred, along with explanations for those significant changes in costs are discussed below:

- Investor relations and stock promotion consist of marketing costs to promote the Company. The increase is a result of the Company's officers increasing their presence at several key industries related conferences throughout the period. Furthermore, the Company created brand awareness in the Company's key target markets in North America that may lead to potential partnerships. The Company's advertising effort has led to several key letter of intents and definitive agreements. This is an important step to establishing the Company's foothold in the legal marijuana sector in the United States. The Company limited investor relations activity as the Company's stock has been halted for the period ended October 31, 2019 until the MichiCann transaction is completed.
- Professional fees decreased due to accounting and legal fees associated with preparing and reviewing the Company's 20-F filing. In the prior period, the Company incurred legal fees in connection with the closing of the Financing agreement with Diem Cannabis, review of various Letters of Intents and other potential partnerships.

- The current period recorded these non-cash share-based expenses of $141,154 mainly because of the vesting of stock options issued in prior periods. During the period ended January 31, 2019, the Company granted stock options to various consultants. The Company used the Black Scholes Pricing Model and recorded share-based compensation of (2019 - $1,147,610).
- During the period ended January 31, 2019, the Company closed its payroll. During the year ended July 31, 2019 the Company terminated the employment of Mr. Terry Taouss, President, and Ms. Stefania Zilinskas, General Counsel and Mr. Paul Rosen tendered his resignation as CEO, Chairman and director of the Company. Furthermore, the Company paid its CEO and President salaries for their services. In the second half of fiscal 2019, the Company entered into the LOI with MichiCann. The Company relies heavily on Consultants to help them achieve their goals in all facets of business and these consultants bring a wide range of expertise and connections to the Company. Consultants include Management, Advisors, Technical Support and other support roles.
- Travel decreased as a result of flights to various industry conferences and meetings in furtherance of financing opportunities.
- The Company recorded interest income of $192,307 (2019 - $107,795), pursuant to the promissory notes the Company entered into. The Company settled all of its promissory notes with TDMA in exchange for two coveted cultivation and processing licenses in Massachusetts.
- Foreign exchange gain relates to fluctuations in foreign exchange rate between the USD and Canadian dollar.
- Rent decreased as the Company started recording in accordance to IFRS 16 since the beginning of the year.
- Insurance of $38,275 was recorded compared with $Nil in the same period of the prior year.

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for the eight most recently completed quarters.

	Jan, 31 2020 $	Oct. 31 2019 $	Jul, 31 2019 $	Apr, 30 2019 $
Total revenues	-	-	-	-
Total assets	24,404,335	24,363,666	24,191,661	30,790,147
Long term liabilities	-	-	-	-
Net loss and comprehensive loss	(233,120)	(537,225)	(7,471,800)	(5,739,365)
Net loss per share – Basic and diluted	(0.00)	(0.00)	(0.02)	(0.02)

	Jan, 31 2019 $	Oct. 31 2018 $	Jul 31 2018 $	Apr. 30 2018 $
Total revenues	-	-	-	-
Total assets	31,041,861	31,895,184	34,566,033	5,699,709
Long term liabilities	-	-	-	-
Net loss and comprehensive loss	(1,547,604)	(3,853,748)	(6,807,138)	(742,747)
Net loss per share – Basic and diluted	(0.01)	(0.02)	(0.06)	(0.26)

The amount and timing of expenses and availability of capital resources vary substantially from quarter to quarter, depending on the level of activities being undertaken for royalty financing opportunities at any time and the availability of funding. Q1and Q2 2020 expenses reflected the Company's goal to minimize overhead while the transaction with Michicann closes. Q4 2019 expenditures increased from Q3 2019 and is primarily attributed to non-cash items such as the unrealized loss on the long-term investments of $5,373,032 and share based compensation of $853,976. Q4 2018 saw a large increase as the Company's operations ramped up and pursued several potential royalty agreements, incurring due diligence, accounting, consulting and legal expenses. The Company hired employees and pursued marketing programs and consultants to increase brand awareness and pursue new royalty opportunities.

Liquidity

At January 31, 2020, the Company had cash of $154,627, compared to July 31, 2019 of $2,961,514. In order to continue operations, and in particular, to fund ongoing expenditure commitments to pursue its business strategy & goals and service its obligations listed in the financial statements, the Company may need to raise additional capital. The Company's working capital is $17,394,782 (2019 – $17,733,045). The Company expects to finance operating costs by private placement of common shares, preferred shares, exercise of warrants, exercise of options and debt financing. During the period ended, the Company amended the MichiCann LOI and advanced USD $2,000,000 and the Company exercised 11,965,000 warrants for gross proceeds of $598,250. Subsequent to the quarter end the Company have issued a further 70,858,999 shares pursuant to the exercise of share purchase warrants for gross proceeds of $3,542,950.

Management has assessed and concluded that the Company has the ability to continue as a going concern for the next twelve months. The ability to achieve our projected future operating results is based on a number of assumptions which involve significant judgments and estimates, which cannot be assured. If we are unable to achieve our projected operating results, our liquidity could be adversely impacted, and we may need to seek additional sources of financing. Our operating results could adversely affect our ability to raise additional capital to fund our operations and there is no assurance that debt or equity financing will be available in sufficient amount, on acceptable terms, or in a timely basis.

Capital Resources

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions and financial needs. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company entered into an office lease that expires on September 2, 2020. As at January 31, 2020 the Company is committed to the following estimated annual payments:

Year ending	$
July 31, 2020	147,102
July 31, 2021	49,034
	196,136

Working Capital

As at January 31, 2020, the Company had working capital of $17,394,782 (July 31, 2019 – $17,733,045). In the long term, the Company will be seeking to raise further funds from equity financings and/or debt financing in order to continue operations, in particular to fund ongoing expenditure commitments as they arise.

As at	**January 31, 2020** **$**	**July 31, 2019** **$**
Total assets	24,404,335	24,191,661
Total liabilities	601,502	357,887
Working capital	17,394,782	17,733,045
Shareholders' Equity	23,802,833	23,833,774

Cash Used in Operating Activities

Net cash used in operating activities during the period ended January 31, 2020 was $595,742 (2019 –$4,289,279) Current period expenses reflected the Company's reorganization of management and redirection of its business.

Cash Used in Operating Activities (continued)

Prior period expenses mainly consisted of cash spent for the initiation of the business, general working capital, brand awareness campaigns, consulting and professional fees for royalty financing opportunities, and due diligence. Thus, the cash outflow from operations in the comparative period.

Cash Generated by Financing Activities

Total net cash generated during the period ended January 31, 2020 was $501,055 (2019 - $791,000). The Company generated $598,250 pursuant to the exercise of warrants and $147,195 was paid towards lease payments. In the comparative period for the prior year, the Company generated $791,000 pursuant to the exercise of warrants.

Cash Used in Investing Activities

During the period ended January 31, 2020, and pursuant to the Financing Activities, the Company amended the MichiCann LOI and advanced $2,712,200 (US $2,000,000) (January 31, 2019 - $434,933). The Company also received a short-term loan of $50,000 for general and administrative expenses.

Further to the Company's agreements, the Company invested $3,000,000 in Harborside in the same period during the prior year.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions at the date of this report that have not been disclosed.

Transactions with Related Parties

The Directors and Executive Officers of the Company as at the date of this report are as follows:

Brendon Purdy	Interim CEO and Director
Theo van der Sluis	Chief Financial Officer and Director
Kristi Wooldridge	Director

Formal management and/or consulting contracts are currently being reviewed.

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company, and include all directors and officers. Key management compensation for the period ended January 31, 2020 and 2019 are comprised of the following:

	2020 $	2019 $
Consulting fees paid or accrued to companies controlled by the CFO	215,290	42,000
Consulting fees paid or accrued to the former corporate secretary	-	2,000
Consulting fees paid to the former VP of corporate development	-	60,000
Consulting fees paid or accrued to the former VP Strategy	-	31,250
Consulting fees paid or accrued to directors	19,450	12,000
Salaries and benefits paid to the former president	-	87,500
Salaries and benefits paid to the former CEO	-	150,000
Share-based compensation	20,335	519,513
Total	255,075	904,263

During the six months ended January 31, 2020 the Company paid $Nil in rent (January 31, 2019 - $3,000) to related parties comprised of directors, officers and companies with common directors.

Transactions with Related Parties (continued)

As at January 31, 2020, the amount due to related parties was $17,566 (July 31, 2019 - $21,347). The balance amounts are unsecured, non-interest bearing and due on demand. The

As at January 31, 2020, loan and interest payable to related party was $50,164, with a total interest accrual of $164. (July 31, 2019 - $Nil). The loan is due on demand and bears interest at 8% per annum. The short-term loan and interest were paid shortly after the quarter end.

Outstanding Share Data

As at the date of this MD&A, the Company has the following outstanding shares:

Securities*	Number
Common shares	375,431,661
Share purchase warrants	18,987,365
Stock options	28,785,766
Preferred shares	50,900,000

Additional Disclosure for Venture Issuers without significant revenue

Additional disclosure concerning the Company's expenses is provided in the Company's statement of loss and note disclosures contained in its condensed interim consolidated financial statements for the period ended January 31, 2020. These statements are available on SEDAR - Site accessed through www.sedar.com.

Ability to Access Private and Public Capital and Nature of Securities

The Company has historically relied entirely on access to both public and private capital in order to support its continuing operations, and the Company expects to continue to rely almost exclusively on the capital markets to finance its investments in the US legal cannabis industry. Although such investments carry a higher degree of risk, and despite the treatment of cannabis under U.S. federal laws, Canadian-based issuers involved in making U.S. cannabis-related investments have been successful in raising substantial amounts of private and public financing. However, there is no assurance the Company will be successful, in whole or in part, in raising funds, particularly if the U.S. federal authorities change their position toward enforcing the *Controlled Substances Act* of 1970 ("**CSA**"). Further, access to funding from U.S. residents may be limited due their unwillingness to be associated with activities which violate US federal laws. The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Dividends

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for investment into the US legal cannabis industry. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the board of directors deem relevant.

Management's Responsibility for Financial Statements

The information provided in this report, including the condensed interim financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. In contrast to the certificate required under National Instrument 52-109 - *Certificate of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting

("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement, on a cost-effective basis, DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Forward-looking-information

Statements included in this document that do not relate to present or historical conditions are "forward-looking statements". Forward-looking statements are projections in respect of future events or the Company's future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "intend", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", or "continue", or the negative of these terms or other comparable terminology. Forward-looking statements in this MD&A include statements with respect to: the closing of the proposed transaction with MichiCann, the nature and extent of the review and comment by the FINRA of Tidal Royalty's Form 20-F and historical filings, speed of the interactions between the applicable U.S. regulatory authorities, statements regarding estimated capital requirements and planned use of proceeds. These statements are only predictions and involve known and unknown risks and uncertainties, including the risks in the section entitled "Risk Factors", and other factors which may cause the Company's actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity or performance. Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of such factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Additional information, including interim and annual financial statements, the management information circulars and other disclosure documents, may also be examined and/or obtained by accessing the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Risks Factors

The effects of Covid-19 may adversely impact the Company's financial performance

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

We have no source of operating revenue and it is likely we will operate at a loss until we are able to realize cash flow from our financings.

We may require additional financing in order to fund our businesses or business expansion. Our ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us, or at all. If additional financing is raised by the issuance of common shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may not be able to operate our businesses at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

We may issue a substantial number of our common shares without investor approval to raise additional financing and we may consolidate the current outstanding common shares.

Any such issuance or consolidation of our securities in the future could reduce an investor's ownership percentage and voting rights in us and further dilute the value of the investor's investment.

Additional Disclosure for Venture Issuers without significant revenue (continued)

The market price of our common shares may experience significant volatility.

Factors such as announcements of quarterly variations in operating results, revenues, costs, changes in financial estimates or other material comments by securities analysts relating to us, our competitors or the industry in general, announcements by other companies in the industry relating to their operations, strategic initiatives, financial condition or performance or relating to the industry in general, announcements of acquisitions or consolidations involving our portfolio companies, competitors or among the industry in general, as well as market conditions in the cannabis industry, such as regulatory developments, may have a significant impact on the market price of our common shares. Global stock markets and the Canadian Securities Exchange ("**CSE**") in particular have, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operations of particular companies. Share prices for many companies in our sector have experienced wide fluctuations that have been often unrelated to the operations of the companies themselves. In addition, there can be no assurance that an active trading or liquid market will be sustained for our common shares.

We do not anticipate that any dividends will be paid on our common shares in the foreseeable future.

We anticipate that we will reinvest any future earnings in the development and growth of our business. Therefore, investors will not receive any funds unless they sell their common shares, and shareholders may not be able to sell their shares on favourable terms or at all.

The Company has a limited operating history with respect to financings in the U.S. cannabis sector, which can make it difficult for investors to evaluate the Company's operations and prospects and may increase the risks associated with investment in the Company.

The Company has a history of negative cash flow and losses that is not expected to change in the short term. Financings may not begin generating cash flow to the Company for several years following any financing.

The Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Company.

Currently, the U.S. cannabis industry generally is comprised of individuals and small to medium-sized entities. However, the risk remains that large conglomerates and companies who also recognize the potential for financial success through investment in this industry could strategically purchase or assume control of certain aspects of the industry. In doing so, these larger competitors could establish price setting and cost controls which would effectively "price out" many of the individuals and small to medium-sized entities who currently make up the bulk of the participants in the varied businesses operating within and in support of the medical and adult-use marijuana industry. While the trend in connection with most state laws and regulations may deter this type of takeover, this industry

The Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Company. (continued)

remains quite nascent, and therefore faces many unknown future developments, which in itself is a risk.

Because of the early stage of the industry in which the Company will operate, the Company expects to face additional competition from new entrants. The Company may not have sufficient resources to remain competitive, which could materially and adversely affect the business, financial condition and results of operations of the Company.

Company indebtedness could have a number of adverse impacts on the Company, including reducing the availability of cash flows to fund working capital and capital expenses.

Any indebtedness of the Company could have significant consequences on the Company, including: increase the Company's vulnerability to general adverse economic and industry conditions; require the Company to dedicate a substantial portion of its cash flow from operations to making interest and principal payments on its indebtedness, reducing the availability of the Company's cash flow to fund capital expenditures, working capital and other general corporate purposes; limit the Company's flexibility in planning for, or reacting to, changes in the business and the industry in which it operates; place the Company at a competitive disadvantage compared to its competitors that have greater financial resources; and limit the Company's ability to complete fundamental corporate changes or transactions or to declare or pay dividends.

The Company's revenues and expenses may be negatively impacted by fluctuations in currency.

The Company's revenues and expenses are expected to be primarily denominated in U.S. dollars, and therefore may be exposed to significant currency exchange fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. Fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar may have a material adverse effect on the Company's business, financial condition and operating results. The Company may, in the future, establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, there can be no assurance that it will effectively mitigate currency risks.

Risks Related to the Cannabis Industry

While certain U.S. states have enacted medical and/or adult-use cannabis legislation, cannabis continues to be illegal under U.S. federal law, which may subject us to regulatory or legal enforcement, litigation, increased costs and reputational harm.

More than half of the U.S. states have enacted legislation to regulate the sale and use of cannabis on either a medical or adult-use level. However, notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a controlled substance under the U.S. Controlled Substances Act of 1970 ("**CSA**"), and as such, activities within the cannabis industry are illegal under U.S. federal law. It is also illegal to aid or abet such activities or to conspire to attempt to engage in such activities. Financing businesses in the cannabis industry may be deemed aiding and abetting an illegal activity under federal law. If such an action were brought, we may be forced to cease operations and our investors could lose their entire investment. Such an action would have a material negative effect on our business and operations. For background information on the inconsistency between state and federal regulation of cannabis, please refer to "*Item 4 — Information on the Company — B. Business Overview — Effects of Government Regulations*".

The funding of businesses in the cannabis industry may expose us to potential criminal liability.

While we do not intend to harvest, distribute or sell cannabis, the funding of businesses in the medical and adult-use cannabis industry could be deemed to be participating in marijuana cultivation, which remains illegal under federal law pursuant to the CSA and exposes us to potential criminal liability, with the additional risk that our properties, or those of our portfolio companies, could be subject to civil forfeiture proceedings. For background information on the

The funding of businesses in the cannabis industry may expose us to potential criminal liability.**(continued)**

inconsistency between state and federal regulation of cannabis, please refer to "*Item 4 — Information on the Company — B. Business Overview — Effects of Government Regulations*".

Management may not be able to predict all new emerging risks or how such risks may impact actual results of the Company in the highly regulated, highly competitive and rapidly evolving U.S. cannabis industry.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, financings with cannabis related businesses in the U.S. are subject to a higher degree of uncertainty and risk. Such risks are difficult to predict. For instance, it is presently unclear whether the U.S. federal government intends to enforce federal laws relating to cannabis where the conduct at issue is legal under applicable state law. Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions.

Unless and until the U.S. federal government amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendment there can be no assurance), there can be no assurance that it will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law. Such potential proceedings could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens; or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favour of the Company. The regulatory uncertainties make identifying the new risks applicable to the Company and its business and the assessment of the impact of those risks on the Company and its business extremely difficult.

Risks Related to the Cannabis Industry

The U.S. cannabis industry is subject to extensive controls and regulations, which impose significant costs on the Company and its portfolio companies and may affect the financial condition of market participants, including the Company.

Participants in the U.S. cannabis industry will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the participant and, thereby, on the Company's prospective returns.

It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that will make it extremely difficult or impossible to transact business in the cannabis industry. If the U.S. federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, then the Company's financings in such businesses would be materially and adversely affected notwithstanding that the Company may not be directly engaged in the sale or distribution of cannabis.

Changes to or the imposition of new government regulations, including those relating to taxes and other government levies, may affect the marketability of cannabis products. Such changes in government levies (including taxes), which are beyond the control of the participant and which cannot be predicted, could reduce the Company's earnings and could make future financing uneconomic.

The Company and the companies it funds may become subject to litigation which could have a significant impact on the Company's profitability.

The cannabis industry is subject to numerous legal challenges and could become subject to new, unexpected legal challenges. The Company, or one or more of the Company's portfolio companies, may become subject to a variety of claims and lawsuits, such as U.S. federal actions against any individual or entity engaged in the marijuana industry. There can be no assurances the federal government of the United States or other jurisdictions will not seek to enforce the applicable laws against the Company. The consequences of such enforcement would be materially averse to the Company and the Company's business and could result in the forfeiture or seizure of all or substantially all of the Company's assets. Litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our business. A material adverse impact on our financial statements also could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

As the possession and use of cannabis is illegal under the CSA, we may be deemed to be aiding and abetting illegal activities through the funding of our portfolio companies, and as such may be subject to enforcement actions which could materially and adversely affect our business.

The possession, use, cultivation, or transfer of cannabis remains illegal under the CSA. As a result, law enforcement authorities regulating the illegal use of cannabis may seek to bring an action or actions against us, including, but not limited to, a claim of aiding and abetting another's criminal activities. The federal aiding and abetting statute provides that anyone who "commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal." 18 U.S.C. §2(a). Such an action would have a material adverse impact on our business and operations.

Risks Related to the Cannabis Industry (Continued)

Losing access to traditional banking and the application of anti-money laundering rules and regulations to our business could have a significant effect on our ability to conclude financings and achieve returns.

The Company is subject to a variety of laws and regulations in Canada and the U.S. that involve money laundering, financial recordkeeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S. and Canada. Further, under U.S. federal law, banks or other financial institutions that provide a cannabis business with a chequing account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy. For background on these laws and various guidance issued by certain regulatory authorities concerning banking cannabis-related businesses, please refer to "*Item 4 — Information on the Company — B. Business Overview — Effects of Government Regulations*".

Overall, since the production and possession of cannabis is illegal under U.S. federal law, there is a strong argument that banks cannot accept for deposit funds from businesses involved with the cannabis industry. Consequently, businesses involved in the cannabis industry often have difficulty finding a bank willing to accept their business. As the Company will have a material ancillary involvement in the U.S. legal cannabis industry, the Company may find that it is unable to open bank accounts with certain Canadian financial institutions, which in turn may make it difficult to operate the Company's business. Furthermore, the Company's U.S. subsidiaries may be unable to open bank accounts with U.S. financial institutions, which may also make it difficult to operate the Company's business.

Proceeds from the Company's financings could be considered proceeds of crime which may restrict the Company's ability to pay dividends or effect other distributions to its shareholders.

The Company's future financings, and any proceeds thereof, may be considered proceeds of crime due to the fact that cannabis remains illegal federally in the U.S. This may restrict the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Company has no current intention to declare or pay dividends on its Shares in the foreseeable future, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

The Company has historically relied entirely on access to both public and private capital in order to support its continuing operations, and the Company expects to continue to rely almost exclusively on the capital markets to finance its business in the U.S. legal cannabis industry.

Although such business carries a higher degree of risk, and despite the legal standing of cannabis businesses pursuant to U.S. federal laws, Canadian based issuers involved in the U.S. legal cannabis industry have been successful in raising substantial amounts of private and public financing. However, there is no assurance the Company will be successful, in whole or in part, in raising funds in the future, particularly if the U.S. federal authorities change their position toward enforcing the CSA. Further, access to funding from U.S. residents may be limited due to their unwillingness to be associated with activities which violate U.S. federal laws.

Risks Related to the Cannabis Industry (Continued)

The Company's involvement in the U.S. cannabis industry may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada, which could lead to the imposition of certain restrictions on the Company's ability to invest in the U.S.

It has been reported in Canada that the Canadian Depository for Securities Limited is considering a policy shift that would see its subsidiary, CDS Clearing and Depository Services Inc. ("**CDS**"), refuse to settle trades for cannabis issuers that have investments in the U.S. CDS is Canada's central securities depository, clearing and settling trades in the Canadian equity, fixed income and money markets. The TMX Group, the owner and operator of CDS, subsequently issued a statement on August 17, 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S., despite media reports to the contrary, and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of the Company's Shares to make and settle trades. In particular, the Shares would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of the Shares through the facilities of the Exchange.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("**MOU**") with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the U.S. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S. However, there can be no guarantee that this approach to regulation will continue in the future.

For the reasons set forth above, the Company's future financings in the U.S. may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest in the U.S. or any other jurisdiction, in addition to those described herein.

The Company's proposed business operations will indirectly be affected by a variety of laws, regulations and guidelines which could increase compliance costs substantially or require the alteration of business plans.

The Company's business operations will indirectly be affected by laws and regulations relating to the manufacture, management, transportation, storage and disposal of cannabis, as well as laws and regulations relating to consumable products health and safety, the conduct of operations and the protection of the environment. These laws are broad in scope and subject to evolving interpretations, which could require participants to incur substantial costs associated with compliance or alter certain aspects of its business plans. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Company's business plans and result in a material adverse effect on certain aspects of its planned operations.

Risks Related to the Cannabis Industry (Continued)

As consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis evolve, the Company may face unfavourable publicity or consumer perception.

The legal cannabis industry in the U.S. is at an early stage of its development. Cannabis has been, and will continue to be, a controlled substance for the foreseeable future. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding cannabis in general or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Public opinion and support for medical and adult-use cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and adult-use cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical marijuana as opposed to legalization in general). The Company's ability to gain and increase market acceptance of its proposed royalty business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful and their failure may have an adverse effect on the Company.

Cannabis use may increase the risk of serious adverse side effects which could subject the Company or its portfolio companies to product liability claims, regulatory action and litigation.

As a company that finances businesses in the cannabis industry, we face the risk of exposure to, or having our portfolio companies exposed to, product liability claims, regulatory action and litigation if the products or services of our portfolio companies are alleged to have caused loss or injury. Our portfolio companies may become subject to product liability claims due to allegations that their products caused or contributed to injury or illness, failed to include adequate instructions for use or failed to include adequate warnings concerning possible side effects or interactions with other substances. This risk is exacerbated by the fact that cannabis use may increase the risk of developing schizophrenia and other psychoses, may exacerbate the symptoms for individuals with bipolar disorder, may increase the risk for the development of depressive disorders, may impair learning, memory and attention capabilities, and result in other side effects. In addition, previously unknown adverse reactions resulting from human consumption of cannabis products alone or in combination with other medications or substances could also occur. There can be no assurance that our portfolio companies will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could result in our portfolio companies becoming subject to significant liabilities that are uninsured and also could adversely affect their commercial arrangements with third parties. Such a product liability claims or regulatory action against an operator

Cannabis use may increase the risk of serious adverse side effects which could subject the Company or its portfolio companies to product liability claims, regulatory action and litigation. (continued)

could result in increased costs, could adversely affect the Company's financing and reputation, and could have a material adverse effect on the results of operations and financial condition of the Company.

Risks Related to the Cannabis Industry (Continued)

If our portfolio companies do not comply with applicable packaging, labeling and advertising restrictions on the sale of cannabis in the adult-use market, we could face increased costs, our reputation could be negatively affected and there could be a material adverse effect on our results of operations and financial condition.

Products distributed by our portfolio companies into the adult-use market may be required to comply with legislative requirements relating to product formats, product packaging, and marketing activities around such products, among others. As such, the portfolio of brands and products of our portfolio companies will need to be specifically adapted, and their marketing activities carefully structured, to enable them to develop their brands in an effective and compliant manner. If our portfolio companies are unable to effectively market their cannabis products and compete for market share, or if the costs relating to compliance with government legislation increase beyond what can be absorbed in the price of products, our earnings could be adversely affected which could make future financing uneconomic.

The products of our portfolio companies may become subject to product recalls, which could negatively impact our results of operations.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products of our portfolio companies are recalled due to an alleged product defect or for any other reason, such recall may disrupt certain aspects of the Company's business plans and result in a material adverse effect on certain aspects of its planned operations. In addition, a product recall involving one or multiple of our portfolio companies may require significant attention by our senior management. If the products of one of our portfolio companies were subject to recall, the image of that brand and the Company as an investor could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the products of our portfolio companies and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of our operations by the U.S. FDA, Health Canada or other regulatory agencies, requiring further senior management attention and potential legal fees and other expenses.

Risks Related to Royalties

The Company may expend valuable time and effort in performing due diligence on companies and their existing royalties which may not be able to be acquired by the Company owing to existing third-party rights.

Rights of third parties may restrict the Company's ability to acquire existing royalties. Royalty interests may be subject to: (i) buy- down right provisions pursuant to which the operator may buy-back all or a portion of the royalty; (ii) pre-emptive rights pursuant to which parties have the right of first refusal or first offer with respect to a proposed sale or assignment of the royalty; or (iii) claw back rights pursuant to which the seller of a royalty has the right to re-acquire the royalty. As a result, (a) royalties held by the Company may not continue for the full term of the original contract, and (b) should the Company seek to acquire existing royalties in the future, holders of such rights may exercise them such that certain existing royalty interests would not be available for acquisition.

The determination of costs is made by the operator and is beyond the control of the Company but may negatively influence the royalty return received by the Company.

Should the Company hold a net profit royalty, it would have the added risk that such royalties allow the operator to account for the effect of prevailing cost pressures on the project before calculating a royalty. These cost pressures may include costs of labour, equipment, electricity, environmental compliance, and numerous other capital, operating and production inputs. Such costs will fluctuate in ways the royalty holder will not be able to predict and will be beyond the control of such holder and can have a dramatic effect on the amount payable on these royalties. Any increase in the costs incurred by the operators will likely result in a decline in the royalty received by the royalty holder. This, in turn, may have a material adverse effect on its profitability, financial condition, and results of operation.

Risks Related to Royalties (Continued)

The Company does not control the business operations over which the royalty is determined and the interests of owners/operators and the Company may not always be aligned, which could negatively influence the royalty return received by the Company.

Cash flows derived from royalties are based on operations by third parties. These third parties will be responsible for determining the manner in which their business is operated or the relevant assets subject to the royalties are exploited, including decisions to expand, continue or reduce production, decisions about the marketing of products extracted from the asset and decisions to advance expansion efforts and further develop non-producing assets. As a holder of royalties or other interests, the Company will have little or no input on such matters. The interests of third-party owners and operators and those of the Company on the relevant assets may not always be aligned.

The Company has limited access to data and disclosure which may make the assessment of the value of the Company's current or future financings difficult to determine and which could result in the royalties being less profitable than expected.

As a holder of royalties and other non-operator interests, the Company neither serves as the owner or operator, and in almost all cases the Company has limited input into how the operations are conducted. As such, the Company has varying access to data on the operations or to the actual assets themselves. This could affect its ability to assess the value of the royalties or enhance their performance. This could also result in delays in cash flow from that anticipated by the Company based on the stage of development of the applicable business or assets. The Company's royalty payments may be calculated by the operator in a manner different from the Company's projections and the Company may or may not have rights of audit with respect to such royalty interests. In addition, some royalties may be subject to confidentiality arrangements which govern the disclosure of information with regard to royalties and as such the Company may not be in a position to publicly disclose non-public information with respect thereto. The limited access to data and disclosure regarding the businesses in which the Company has an interest, may restrict its ability to assess the value or enhance its performance which may have a material adverse effect on the Company's profitability, results of operation and financial condition.

Royalties are largely contractually-based and may not always be honoured by the counterparties to the Company's royalty contracts, which may have a material adverse effect on the Company's profitability, results of operations and financial condition.

Royalties are largely contractually based. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. To the extent grantors of royalties and other interests do not abide by their contractual obligations, the Company may be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly, and as with all litigation, no guarantee of success can be made. Should any such decision be determined adversely to the Company, it may have a material adverse effect on the Company's profitability, results of operations and financial condition.

General Business Risks

There can be no assurance that future financings made by the Company will be profitable.

As part of the Company's overall business strategy, the Company intends to pursue its financing policy and objectives. There are always risks associated with any business transaction, particularly one that involves a largely cash based operation, operating in a new and growing field, with conflicting federal and state laws. There is no assurance any financings will be profitable.

As the cannabis industry is nascent, expectations regarding the development of the market may not be accurate and may change.

Due to the early stage of the legal cannabis industry, forecasts regarding the size of the industry and the sales of products are inherently subject to significant unreliability. A failure in the demand for products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

General Business Risks (Continued)

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management.

While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such people. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

The Company's participation in the cannabis industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, or local governmental authorities.

Litigation, complaints, and enforcement actions the Company could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

The Company is a British Columbia corporation governed by the Business Corporations Act (British Columbia) and, as such, our corporate structure, the rights and obligations of shareholders and our corporate bodies may be different from those of the home countries of international investors.

Non-Canadian residents may find it more difficult and costlier to exercise shareholder rights. International investors may also find it costly and difficult to effect service of process and enforce their civil liabilities against us or some of our directors, controlling persons and officers.

The cultivation, extraction and processing of cannabis and derivative products is dependent on a number of key inputs and their related costs including raw materials, electricity, water and other local utilities.

Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of an operator. Some of these inputs may only be available from a single supplier or a limited group of suppliers.

If a sole source supplier was to go out of business, an operator might be unable to find a replacement for such source in a timely manner or at all. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of an operator, and consequently, the Company.

The success of the Company may depend, in part, on the ability of an operator to maintain and enhance trade secret protection over its various existing and potential proprietary techniques and processes, or trademark and branding developed by it.

Each operator may also be vulnerable to competitors who develop competing technology, whether independently or as a result of acquiring access to the proprietary products and trade secrets of the operator. In addition, effective future patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain jurisdictions.

General Business Risks (Continued)

Insurance coverage obtained by an operator may be insufficient to cover all claims to which the operator may become subject.

The Company will require an operator to have insurance coverage for applicable risks. However, there can be no assurance that such coverage will be available or sufficient to cover claims to which the operator may become subject. Each operator may be affected by a number of operational risks and may not be adequately insured for certain risks, including: civil litigation; labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non- compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, an operator's properties, grow facilities and extraction facilities, personal injury or death, environmental damage, adverse impacts on the operator's operations, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Company's future cash flows, earnings and financial condition. Also, an operator may be subject to or affected by liability or sustain loss for certain risks and hazards against which it may elect not to insure because of the cost. If insurance coverage is unavailable or insufficient to cover any such claims, an operator's financial resources, results of operations and prospects, as well as the Company's financing, could be adversely affected.

Maintaining a public listing is costly and will add to the Company's legal and financial compliance costs.

As a public company, there are costs associated with legal, accounting and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Company may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business.

Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for Shares. Even if the Company is involved in litigation and wins, litigation can redirect significant resources.

The Company may experience difficulty implementing its business strategy.

The growth and expansion of the Company is heavily dependent upon the successful implementation of its business strategy. There can be no assurance that the Company will be successful in the implementation of its business strategy.

Conflicts of interest involving the Company's directors and officers may arise and may be resolved in a manner that is unfavourable to the Company.

Certain of the Company's directors and officers are, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services the Company intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Company's interests. In accordance with applicable corporate law, directors who have a material interest in or who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and officers are required to act honestly and in good faith with a view to the Company's best interests. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company.

The available talent pool may not be large enough for the Company to identify and hire personnel required to develop the business, which may mean that the growth of the Company's business will suffer.

As the Company grows, it will need to hire additional human resources to continue to develop the business. However, experienced talent in the areas of financings and cannabis may be difficult to source, and there can be no assurance that the appropriate individuals will be available or affordable to the Company. Without adequate personnel and expertise, the growth of the Company's business may suffer.

If the requirements of the Investment Company Act of 1940 (the "1940 Act") were imposed on the Company, such requirements would adversely affect our operations.

The Company intends to conduct its operations so that it is not required to register as an investment company under the 1940 Act. Section 3(a)(1)(A) of the 1940 Act defines an investment company as any issuer that is or holds itself out as being engaged primarily in the business of investing, reinvesting or trading in securities. Section 3(a)(1)(C) of the 1940 Act defines an investment company as any issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of the issuer's total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis, which we refer to as the 40% test. Excluded from the term "investment securities," among other things, are securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company set forth in Section 3(c)(1) or Section 3(c) (7) of the 1940 Act.

The Company is organized as a holding company that conducts business primarily through wholly-owned or majority-owned subsidiaries. The Company intends to conduct operations so that it complies with the 40% test. The Company will monitor our holdings to comply with this test. Failure to comply with the 40% test could require the Company to register as an investment company under the 1940 Act, which would have a material adverse effect on our operations.

There could be adverse tax consequence for our shareholders in the United States if we are deemed a passive foreign investment company.

Under United States federal income tax laws, if a company is (or for any past period was) a passive foreign investment company (which we refer to as "**PFIC**"), it could have adverse United States federal income tax consequences to U.S. shareholders even if the company is no longer a PFIC. The determination of whether we are a PFIC is a factual determination made annually based on all the facts and circumstances and thus is subject to change. Furthermore, the principles and methodology used in determining whether a company is a PFIC are subject to interpretation. The Company believes based on current business plans and financial expectations that it may be a PFIC for the current tax year and future tax years. United States purchasers of our common shares are urged to consult their tax advisors concerning United States federal income tax consequences of holding our common shares if we are considered to be a PFIC.

If we are a PFIC, U.S. holders would be subject to adverse U.S. federal income tax consequences such as the ineligibility for any preferred tax rates on capital gains, the ineligibility for actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements under U.S. federal income tax laws or regulations. Whether or not U.S. holders make a timely qualified electing fund (or QEF) election or mark-to-market election may affect the U.S. federal income tax consequences to U.S. holders with respect to the acquisition, ownership, and disposition of our common shares and any distributions such U.S. holders may receive. Investors should consult their own tax advisors regarding all aspects of the application of the PFIC rules to our common shares.

Exhibit 99.4

Form 52-109FV2
Certification of interim filings - venture issuer basic certificate

I, **Brendan Purdy**, **Chief Executive Officer** of **Tidal Royalty Corp.**, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of **Tidal Royalty Corp.** (the "issuer") for the interim period ended **January 31, 2020.**

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: **March 31, 2020.**

"Brendan Purdy"
Brendan Purdy
Chief Executive Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Exhibit 99.5

Form 52-109FV2
Certification of interim filings - venture issuer basic certificate

I, **Theo van der Linde**, **Chief Financial Officer** of **Tidal Royalty Corp.**, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of **Tidal Royalty Corp.** (the "issuer") for the interim period ended **January 31, 2020.**

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: **March 31, 2020**

/s/ Theo van der Linde
Theo van der Linde
Chief Financial Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Execution Version

MICHICANN MEDICAL INC.

and

TIDAL ROYALTY CORP.

and

2690229 ONTARIO INC.

AMENDED AND RESTATED BUSINESS COMBINATION AGREEMENT
MARCH 12, 2020

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)
Page

AMENDED AND RESTATED BUSINESS COMBINATION AGREEMENT

THIS AGREEMENT is made as of March 12, 2020,

BETWEEN:

MICHICANN MEDICAL INC., a corporation incorporated under the laws in the Province of Ontario ("**MichiCann**")

-and-

TIDAL ROYALTY CORP., a corporation incorporated under the laws of the Province of British Columbia ("**Tidal**")

-and

2690229 ONTARIO INC.
a corporation incorporated under the laws of the Province of Ontario
("**Subco**")

(each a "**Party**" and collectively, the "**Parties**")

WHEREAS Tidal is a reporting issuer listed on the Canadian Securities Exchange (" **CSE**");

AND WHEREAS pursuant to an amended and restated letter of intent between the Parties dated February 12, 2019 and a business combination agreement dated May 8, 2019 (as amended June 28, 2019 and July 30, 2019), MichiCann and Tidal propose to combine the business and assets of MichiCann with those of Tidal;

AND WHEREAS the Parties intend to carry out the proposed business combination by way of a statutory amalgamation under the provisions of the OBCA (as defined below) and related transaction steps;

AND WHEREAS pursuant to the business combination agreement dated May 8, 2019, MichiCann obtained shareholder approval for the amalgamation on the terms as contemplated in such agreement at a special meeting of shareholders held on May 21, 2019;

AND WHEREAS the Parties now wish to amend certain terms of the proposed business combination, which will require MichiCann to seek the requisite shareholder approval for the amalgamation as now contemplated by the terms of this Agreement;

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings, respectively: "**Affiliate**" has the meaning ascribed thereto in the OBCA;

"**Agreement**", "**this Agreement**", "**herein**", "**hereto**", and "**hereof**" and similar expressions refer to this business combination agreement, including the schedules attached hereto, as the same may be amended or supplemented from time to time;

"**Amalco**" means the amalgamated corporation resulting and continuing from the Amalgamation;

"**Amalco Shares**" means the common shares in the share capital of Amalco;

"**Amalgamation**" means the amalgamation of MichiCann and Subco by way of a "three-cornered amalgamation" with Tidal pursuant to Section 174 of the OBCA;

"**Amalgamation Agreement**" means the agreement among MichiCann, Tidal and Subco in respect of the Amalgamation, to be substantially in the form attached as Schedule A to this Agreement;

"**Amalgamation Resolution**" means the special resolution of the MichiCann Shareholders approving the Amalgamation which is to be considered at the MichiCann Meeting, substantially in the form and content of Schedule B to this Agreement;

"**Articles of Amalgamation**" means the articles of amalgamation giving effect to the Amalgamation required under the OBCA to be filed with the Director;

"**BCBCA**" means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Bridging Credit Agreements**" means: (i) the amended and restated credit agreement dated January 10, 2020 between RWB Illinois, Inc., Mid-American Growers Inc. and PharmaCo as borrowers and MichiCann as guarantor and Bridging Finance Inc., as lender; (ii) the guarantee and indemnity agreement dated January 10, 2020 made by MichiCann in favour of Bridging Finance Inc.; (iii) the postponement and subordination agreement dated January 10, 2020 made by MichiCann in favour of Bridging Finance Inc.; (iv) the continuing security agreement dated January 10, 2020 made by RWB Illinois, Inc. in favour of Bridging Finance Inc.; (v) the collateral assignment agreement made as of January 10, 2020 made by RWB Illinois, Inc. in favour of Bridging Finance Inc.; (vi) the collateral assignment agreement made as of January 10, 2020 made by Mid-American Growers, Inc. in favour of Bridging Finance Inc.; (vii) the environmental and ADA indemnity agreement dated as of January 10, 2020 made by RWB Illinois, Inc., Mid-American Growers and MichiCann to and for the benefit of Bridging Finance Inc.; and (viii) the mortgage, assignment of leases and rents, security agreement made on January 10, 2019 by RWB Illinois, Inc., Mid-American Growers, Inc. to Bridging Finance Inc.;

"**Business Day**" means any day of the year, other than a Saturday, Sunday, legal holiday or any day on which banking institutions are closed for business in Toronto, Ontario or Vancouver, British Columbia;

"**Business Combination**" means the series of transactions, as detailed in this Agreement, through which the businesses of MichiCann and Tidal will be combined, including the Amalgamation, the Tidal Share Consolidation, the Tidal Name Change and the Tidal Director Appointments**;**

"**Certificate of Amalgamation**" means the certificate in respect of the Amalgamation issued by the Director;

"**Completion Deadline**" means April 30, 2020 or such later date as may be mutually agreed between the Parties in writing;

"**Confidentiality Agreement**" means the mutual non-disclosure agreement dated January 22, 2019 and accompanying acknowledgement regarding confidential information dated January 23, 2019;

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

"**Debt Instrument**" has the meaning ascribed thereto in section 3.1(dd) hereof;

"**Depositary**" means such Person as Tidal may appoint to act as depositary in relation to the Business Combination, with the approval of MichiCann, acting reasonably;

"**Director**" means the Director appointed under Section 278 of the OBCA;

"**Dissenting MichiCann Shares**" means the MichiCann Shares held by Dissenting Shareholders;

"**Dissenting Shareholder**" means a registered holder of MichiCann Shares who, in connection with the special resolution of the MichiCann Shareholders approving the Amalgamation, has exercised the right to dissent pursuant to Section 185 of the OBCA in strict compliance with the provisions thereof and thereby becomes entitled to be paid the fair value of his, her or its MichiCann Shares and who has not withdrawn the notice of the exercise of such right as permitted by Section 185 of the OBCA;

"**Documents**" means, collectively, this Agreement and the Amalgamation Agreement;

"**DRS Statement**" means a statement evidencing a shareholding position under the Direct Registration System.

"**Effective Date**" means the date shown on the Certificate of Amalgamation giving effect to the Amalgamation, which date shall be in accordance with section 2.1(e) hereof;

"**Effective Time**" means 12:01 a.m. (Toronto time) on the Effective Date or such other time on the Effective Date as may be agreed by MichiCann and Tidal;

"**Environmental Laws**" means collectively, all applicable Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes;

"**Escrow Agent**" means National Securities Administrators Ltd. acting as escrow agent or such other escrow agent mutually satisfactory to the parties;

"**Escrow Agreement**" means the escrow agreement, in a form to be agreed between MichiCann and Tidal and entered into by the Escrow Agent and the directors, officers and shareholders of MichiCann, PharmaCo and Tidal as contemplated by the MichiCann Escrow Agreements and the Tidal Escrow Agreements, pursuant to which the shares subject to the Escrow Agreements will be restricted from transfer and other dealings and released in three equal tranches as follows: 1/3 on the date that is six
(6) months following the Effective Date, 1/3 on the date that is twelve (12) months following the Effective Date and 1/3 on the date that is eighteen (18) months following the Effective Date;

"**Exchange Ratio**" means 2 Resulting Issuer Consideration Shares (comprised of 1 Resulting Issuer Shares and 1 Resulting Issuer Series II Preferred Shares) for each one (1) MichiCann Share held; provided that the Exchange Ratio shall be adjusted in such manner as agreed to in writing by Tidal and MchiCann to account for acquisitions or other dilutive transactions of MichiCann or Tidal that may be completed prior to the Time of Closing, with the consent in writing by Tidal and MichiCann, as applicable;

"**fair value**" where used in relation to a MichiCann Share held by a Dissenting Shareholder, means fair value as determined by a court under Section 185 of the OBCA or as agreed between MichiCann and the Dissenting Shareholder;

"Fundamental Change Written Consent" means the written consent of the Tidal Shareholders, substantially in the form of Schedule C hereto, approving the Business Combination which constitutes a "Fundamental Change" as such term is defined in CSE Policy 8;

"**Governing Documents**" means, in respect of each Party, as applicable, its certificate, its notice of articles as amended, its articles of incorporation, as amended, and its by-laws, as amended;

"**Government Authority**" means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the CSE;

"**IFRS**" means International Financial Reporting Standards applicable as at the relevant date;

"In-The-Money Amount" in respect of a MichiCann Option means the amount, if any, by which the aggregate fair market value at that time of the securities subject to the option exceeds the aggregate exercise price of the option;

"**in writing**" means written information including documents, files, software, records and books made available, delivered or produced to one Party by or on behalf of the other Party;

"**Laws**" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Government Authority, statutory body or self-regulatory authority, and the term "applicable" with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Government Authority (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business, undertaking, property or securities;

"**Letter of Transmittal**" means a letter of transmittal to be sent, if required by the Depositary's internal procedures, to holders of MichiCann Shares or Tidal Shares, as applicable, for use in connection with the Business Combination and in order to receive the Resulting Issuer Consideration Shares or the Resulting Issuer Shares, as applicable, to which they are entitled after giving effect to the Amalgamation and the Tidal Share Consolidation;

"**MAG Acquisition Agreements** " means: (i) the agreement and plan of merger dated as of October 9, 2019 (as amended by that first amendment No. 1 dated as of November 1, 2019 and amendment No. 2 dated as of January 9, 2020) by and among MichiCann, RWB Acquisition Sub, Inc., Arthur VanWindergerden and Ken VanWindergerden; and (ii) the real estate purchase agreement made and entered into as of January 10, 2020 between RWB Illinois, Inc. and VW Properties, LLC and Arthur VanWindergerden and Ken VanWindergerden;

"**Material Adverse Change**" means any change in the financial condition, operations, assets, liabilities, or business of a Party and its Subsidiaries, considered as a whole, which is materially adverse to the business of such Party and its Subsidiaries, considered as a whole, other than a change: (a) which arises out of or in connection with a matter that has been publicly disclosed or otherwise disclosed in writing by such Party to the other Party prior to the date of this Agreement; (b) resulting from conditions affecting the marijuana industry as a whole; or (c) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere;

"**Material Adverse Effect**" means any event, change or effect that is or would reasonably be expected to be materially adverse to the financial condition, operations, assets, liabilities, or business of a Party and its Subsidiaries, considered as a whole, provided, however, that a Material Adverse Effect shall not include an adverse effect resulting from a change: (a) which arises out of or in connection with a matter that has been publicly disclosed or otherwise disclosed in writing by such Party to the other Party prior to the date of this Agreement; (b) resulting from conditions affecting the medical marijuana industry as a whole; or (c) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere;

"**material fact**", "**material change**", and"**misrepresentation**" have the meanings ascribed thereto in the *Securities Act* (Ontario) as the same has been and may hereafter from time to time be modified;

"**MichiCann**" means MichiCann as it exists prior to the completion of the Business Combination;

"**MichiCann Convertible Securities**" means collectively, the MichiCann Options, the MichiCann Warrants, the 37,000,000 MichiCann Shares (subject to adjustment) issuable upon the exercise of the put rights or call rights under the PharmaCo Put/Call Option Agreement, the MichiCann Debenture and the rights to receive 17,133,600 MichiCann Shares (plus up to an additional 5,280,200 Resulting Issuer Consideration Shares) issuable pursuant to the MAG Acquisition Agreements;

"**MichiCann Debenture**" means a secured convertible debenture in the principal amount of $15,000,000 effective as of February 25, 2019 (as amended by a first amending agreement entered into on August 28, 2019, and as increased by US$2,000,000 by a second amending agreement entered into on September 11, 2019 and as increased by US$500,000 by a third amending agreement entered into on March 12, 2020) issued by MichiCann to Tidal;

"**MichiCann Escrow Agreements**" means the Escrow Agreements, to be signed by each of the current officers and directors of MichiCann and certain shareholders of MichiCann and PharmaCo, such that a minimum of 50% of the aggregate number of issued and outstanding MichiCann Shares on a fully diluted basis are subject to the Escrow Agreements;

"**MichiCann Financial Statements**" has the meaning ascribed thereto in section 3.1(l) hereof;

"**MichiCann Meeting**" means a special meeting of the shareholders of MichiCann to be held in order to seek shareholder approval for the Amalgamation;

"**MichiCann Options**" means the stock options to purchase MichiCann Shares granted to MichiCann's directors, officers, employees, contractors and other eligible persons pursuant to the MichiCann Stock Option Plan, of which, as of the date of this Agreement, there are 6,500,000 MichiCann Options issued and outstanding;

"**MichiCann Shareholder**" means a registered holder of MichiCann Shares, from time to time, and "**MichiCann Shareholders**" means all such holders;

"**MichiCann Shareholder Approval**" means the approval of the Amalgamation Resolution by at least two-thirds of the votes cast by the MichiCann Shareholders present in person or by proxy at the MichiCann Meeting;

"**MichiCann Shares**" means the common shares in the capital of MichiCann; "**MichiCann Stock Option Plan**" means the stock option plan of MichiCann;

"**MichiCann Subsidiaries**" mean RWB Illinois, Inc. and Mid-American Growers, Inc.;

"**MichiCann Warrants**" means the common share purchase warrants of MichiCann, including compensation options issued to brokers in connection with a prior financing, of which, as of the date of this Agreement, there are 595,340 MichiCann Warrants issued and outstanding;

"**OBCA**" means the *Business Corporations Act* (Ontario) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Party**" means each of Tidal, MichiCann and Subco individually, and collectively, the "**Parties**";

"**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Government Authority, syndicate or other entity, whether or not having legal status;

"**Personnel Obligations**" means any obligations or liabilities of a Party or any of its Subsidiaries to pay any amount to its or their officers, directors, employees and consultants, other than for salary, bonuses under its or their existing bonus arrangements and directors' fees in the ordinary course, in each case in amounts consistent with historic practices and obligations or liabilities in respect of insurance or indemnification contemplated by this Agreement or arising in the ordinary and usual course of business and, without limiting the generality of the foregoing, Personnel Obligations shall include the obligations of such Party or any of its Subsidiaries to directors, officers, employees and consultants: (a) for payments on or in connection with any change in control of such Party pursuant to any change in control agreements, policies or arrangements, including the payments specified herein; and (b) for any special incentive bonus payments and commitments;

"**PharmaCo**" means PharmaCo, Inc., a Michigan corporation, and its successors and permitted assigns (by amalgamation, merger or otherwise);

"**PharmaCo Assets**" means the: (i) at least 18 licensed provisioning centres, of which 10 are operational; (ii) 5 licensed cultivation facilities; and (iii) 2 licensed processing facilities, all in the State of Michigan, that PharmaCo owns or otherwise has executed and delivered binding purchase agreements in respect of, all as set forth in Schedule 3.3(p) to the MichiCann Debenture;

"**PharmaCo Debenture**" means a secured convertible debenture for a principal amount of up to US$114,734,209 dated January 4, 2019 issued by PharmaCo to MichiCann pursuant to the PharmaCo Debenture Purchase Agreement;

"**PharmaCo Debenture Purchase Agreement**" means the debenture purchase agreement dated January 4, 2019 and made between PharmaCo and MichiCann, as may be amended, supplemented, otherwise modified, restated or replaced from time to time;

"**PharmaCo Put/Call Option Agreement**" means the put/call option agreement dated January 4, 2019 and made between, *inter alios*, MichiCann and the shareholders of PharmaCo, as may be amended, supplemented, otherwise modified, restated or replaced from time to time;

"**Regulatory Approval**" means any approval, consent, waiver, permit, order or exemption from any Government Authority having jurisdiction or authority over any Party or the Subsidiary of any Party which is required or advisable to be obtained in order to permit the Business Combination to be effected and "**Regulatory Approvals**" means all such approvals, consents, waivers, permits, orders or exemptions;

"**Reporting Jurisdictions**" has the meaning ascribed thereto in section 3.2(f) hereof;

"**Resulting Issuer**" means Tidal upon completion of the Business Combination to be renamed "**Red White & Bloom Brands Inc.**" or such other similar name as may be accepted by the relevant regulatory authorities and approved by its board of directors;

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer;

"**Resulting Issuer Consideration Shares**" means the Resulting Issuer Shares and the Resulting Issuer Series II Preferred Shares, to be issued in accordance with the Exchange Ratio;

"**Resulting Issuer Convertible Securities**" means, collectively, the Resulting Issuer Options and the Resulting Issuer Warrants;

"**Resulting Issuer Options**" means stock options to purchase Resulting Issuer Shares and Resulting Issuer Series II Preferred Shares to be issued to the holders of the MichiCann Options in replacement for their MichiCann Options in accordance with the Exchange Ratio;

"**Resulting Issuer Preferred Shares**" means the Tidal Preferred Shares after giving effect to the completion of the Business Combination;

"**Resulting Issuer Series II Preferred Shares**" means the Tidal Series II Preferred Shares after giving effect to the completion of the Business Combination;

"**Resulting Issuer Shares**" means the post-consolidated Tidal Shares after giving effect to the completion of the Business Combination;

"**Resulting Issuer Warrants**" means purchase warrants to purchase Resulting Issuer Shares and Resulting Issuer Series II Preferred Shares to be issued to the holders of the MichiCann Warrants in replacement for their MichiCann Warrants in accordance with the Exchange Ratio;

"**Securities Authorities**" means the applicable securities commissions or similar securities regulatory authorities in each of the Reporting Jurisdictions, and the CSE;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval available at www.sedar.com;

"**Subco**" means 2690229 Ontario Inc., a corporation incorporated under the laws of Province of Ontario, and a Subsidiary of Tidal;

"**Subco Shares**" means the common shares in the capital of Subco;

"**Subsidiary**" has the meaning ascribed thereto in the OBCA;

"**Taxes**" has the meaning ascribed thereto in section 3.1(u) hereof;

"**Tidal**" means Tidal Royalty Corp. as it exists prior to the completion of the Business Combination;

"**Tidal Advisory Fee**" means the 14,762,000 Resulting Issuer Shares to be issued to certain advisors upon completion of the Business Combination of which 50% will be Resulting Issuer Shares and 50% will be Resulting Issuer Series II Preferred Shares;

"**Tidal Director Appointments**" means, subject to the completion of the Amalgamation, the reconstitution of the board of directors of Tidal to consist of five (5) directors, as more particularly set out in section 2.3, to be approved by the board of directors of Tidal;

"**Tidal Escrow Agreements**" means the Escrow Agreements to be signed by each of the current officers and directors of Tidal and holders of 10% or more of the Tidal Shares and Tidal Preferred Shares such that approximately 25% to 30% of the current issued and outstanding Tidal Shares are subject to Escrow Agreements;

"**Tidal Financial Statements**" has the meaning ascribed thereto in section 3.2(o) hereof;

"**Tidal Finder's Warrants**" means the 9,402,365 common share purchase warrants of Tidal (preconsolidation) issued to certain finders that remain outstanding as of the date of this Agreement;

"**Tidal Name Change**" means, subject to the completion of the Amalgamation, a change in the name of Tidal to "Red White & Bloom Brands Inc." or such other similar name as may be accepted by the relevant regulatory authorities and approved by the board of directors of Tidal;

"**Tidal Options**" means the stock options of Tidal, of which, as of the date of this Agreement, there are 28,785,766 Tidal Options (pre-consolidation) issued and outstanding;

"**Tidal Preferred Shareholders**" means the holders of Tidal Preferred Shares;

"**Tidal Preferred Shares**" means the series I preferred shares in the capital of Tidal;

"**Tidal Series II Preferred Shares**" means the series II preferred shares in the capital of Tidal containing the conditions set out in Schedule D hereto;

"**Tidal Share Consolidation**" means a consolidation of the Tidal Shares on the basis of 1 post-consolidated Tidal Share for every 16 pre-consolidated Tidal Share to be approved by the board of directors of Tidal;

"**Tidal Shareholder**" means a registered holder of Tidal Shares from time to time, and " **Tidal Shareholders**" means all such holders;

"**Tidal Shareholder Approval**" means obtaining the Fundamental Change Written Consent signed by at least 50.1% of the Tidal Shareholders as required pursuant to the rules of the CSE;

"**Tidal Shares**" means the common shares in the capital of Tidal;

"**Tidal Subsidiaries**" means Subco, RLTY USA Corp., RLTY Beverage 1 LLC, RLTY Development MA 1 LLC, RLTY Development Springfield LLC, RLTY Development Orange LLC, RLTY Development NV 1 LLC, RLTY Service LLC, RLTY Development FLA 1 LLC, RLTY Development FLA 2 LLC and RLTY Development CA 1 LLC; and

"**Tidal Warrants**" means the common share purchase warrants of Tidal, of which, as of the date of this Agreement, there are 9,585,000 Tidal Warrants (pre-consolidation) issued and outstanding.

1.2 Singular, Plural, etc.

Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Deemed Currency

In the absence of a specific designation of any currency any undescribed dollar amount herein shall be deemed to refer to Canadian dollars.

1.4 Headings, etc.

The division of this Agreement into Articles and Sections, the provision of a table of contents hereto and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement to Articles and Sections refer to Articles and Sections of and to this Agreement in which such reference is made.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the Parties hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.6 Governing Law

This Agreement shall be governed by and interpreted in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein. Each Party hereby irrevocably attorns to the jurisdiction of the Courts of the Province of Ontario sitting in and for the judicial district of Toronto in respect of all matters arising under or in relation to this Agreement.

1.7 Attornment

The Parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of Ontario for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by single registered mail to the addresses of the Parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against either Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of Ontario and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

1.8 Schedules

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof.

Schedule A – Amalgamation Agreement

Schedule B – Amalgamation Resolution

Schedule C – Fundamental Change Written Consent

Schedule D – Tidal Series II Preferred Share Conditions

ARTICLE 2
THE BUSINESS COMBINATION

2.1 Business Combination Steps

MichiCann and Tidal agree to effect the combination of their respective businesses and assets by way of a series of steps or transactions including the Amalgamation, the Tidal Share Consolidation, the Tidal Name Change and the Tidal Director Appointments. Each Party hereby agrees that as soon as reasonably practicable after the date hereof or at such other time as is specifically indicated below in this section 2.1, and subject to the terms and conditions of this Agreement, it shall take the following steps indicated for it:

(a) MichiCann shall duly call and convene the MichiCann Meeting not later than April 15, 2020 at which the MichiCann Shareholders will be asked to approve the Amalgamation Resolution, and MichiCann shall use all commercially reasonable efforts to obtain the MichiCann Shareholder Approval for the foregoing matter;

(b) Tidal shall circulate the Fundamental Change Written Consent for the purpose of obtaining the Tidal Shareholder Approval in accordance with Tidal's articles and applicable Laws, as soon as reasonably practicable, and shall use all commercially reasonable efforts to obtain the Tidal Shareholder Approval;

(c) Tidal shall prepare and circulate forms of directors resolutions for the purpose of obtaining the approval of the board of directors for the Tidal Share Consolidation, the Tidal Name Change and the Tidal Director Appointments, or hold one or more directors meetings in lieu thereof, in accordance with Tidal's articles and applicable Laws, as soon as reasonably practicable;

(d) Following the receipt of the MichiCann Shareholder Approval, the Tidal Shareholder Approval and immediately prior to the filing of the Articles of Amalgamation, Tidal shall take all necessary corporate steps to complete the Tidal Share Consolidation, the Tidal Name Change and the Tidal Director Appointments;

(e) MichiCann and Subco shall amalgamate by way of statutory amalgamation under Section 174 of the OBCA on the terms and subject to the conditions contained in the Documents and MichiCann and Tidal further agree that the Effective Date shall occur within five (5) Business Days following the later of: (i) the receipt of MichiCann Shareholder Approval; (ii) the receipt of Tidal Shareholder Approval; and (iii) the satisfaction or waiver of all conditions imposed herein and by the CSE or any other regulatory requirements;

(f) the Parties shall cause the Articles of Amalgamation to be filed to effect the Amalgamation, pursuant to which:

(i) MichiCann and Subco will amalgamate under the provisions of the OBCA and continue as one amalgamated corporation, being Amalco;

(ii) subject to section 2.1(g), holders of outstanding MichiCann Shares shall receive Resulting Issuer Consideration Shares in accordance with the Exchange Ratio;

(iii) each outstanding Subco Share will be exchanged for Amalco Shares on the basis of one (1) Amalco Share for each Subco share;

(iv) as consideration for the issuance of the Resulting Issuer Consideration Shares to the holders of MichiCann Shares to effect the Amalgamation, Amalco will issue to the Resulting Issuer one (1) fully paid Amalco Share for each Resulting Issuer Consideration Share so issued;

(v) all of the property and assets of each of MichiCann and Subco will be the property and assets of Amalco and Amalco will be liable for all of the liabilities and obligations of each of MichiCann and Subco; and

(vi) Amalco will be a wholly-owned Subsidiary of Tidal;

(g) in accordance with section 8.5, MichiCann Shares which are held by a Dissenting Shareholder shall not be converted as prescribed by section 2.1(f)(ii). However, if a Dissenting Shareholder fails to perfect or effectively withdraws its claim under Section 185 of the OBCA or forfeits its right to make a claim under Section 185 of the OBCA or if its rights as a shareholder of MichiCann are otherwise reinstated, such Dissenting Shareholder's Dissenting MichiCann Shares shall thereupon be deemed to have been converted as of the Effective Date as prescribed by section 2.1(f)(ii);

(h) Resulting Issuer Options (subject to Section 2.4 hereof) and Resulting Issuer Warrants shall be issued to the holders of the MichiCann Options and MichiCann Warrants, respectively, in exchange and replacement for, on an equivalent basis, such MichiCann Options and MichiCann Warrants, which shall thereby be cancelled. For greater certainty, 50% of the Resulting Issuer Options and the Resulting Issuer Warrants shall be exercisable into Resulting Issuer Shares and 50% of the Resulting Issuer Options and Resulting Issuer Warrants shall be exercisable into Resulting Issuer Series II Preferred Shares;

(i) as soon as practicable after the Effective Date, in accordance with normal commercial practice and section 2.2(f), the Resulting Issuer shall issue or cause to be issued certificates, DRS Statements or electronic positions within CDS representing the appropriate number of the Resulting Issuer Shares and Resulting Issuer Series II Preferred Shares to the former MichiCann Shareholders and the former Tidal Shareholders, as applicable. No fractional shares will be delivered to any MichiCann Shareholder or Tidal Shareholder otherwise entitled thereto and instead the number of shares to be issued to each former MichiCann Shareholder and Tidal Shareholder will be rounded down to the nearest whole number; and

(j) the Parties shall take any other action and do anything, including the execution of any other agreements, documents or instruments, that are necessary or useful to give effect to the Business Combination.

2.2 Implementation Covenants

(a) **Preparation of MichiCann Meeting Documentation.** MichiCann shall duly prepare documentation required in connection with the MichiCann Meeting, and deliver such documentation to MichiCann Shareholders.

(b) **Preparation of Tidal Documentation.** Subject to Section 8.3, Tidal shall duly prepare documentation required in connection with obtaining the Tidal Shareholder Approval, and deliver such documentation to Tidal Shareholders.

(c) **Listing.** Tidal shall use all commercially reasonable efforts to have the issuance of all the Resulting Issuer Shares, including those issuable upon exercise of the Resulting Issuer Convertible Securities, accepted by the CSE.

(d) **Preparation of Filings.** MichiCann and Tidal shall cooperate in the preparation of any documents and taking of all actions reasonably deemed by MichiCann or Tidal to be necessary to discharge their respective obligations under applicable Laws in connection with the Business Combination and all other matters contemplated in the Documents, and in connection therewith:

(i) each of MichiCann and Tidal shall furnish to the other all such information concerning it and its shareholders as may be required to effect the actions described in this Article 2, and each covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Business Combination will contain any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished or to be used;

(ii) MichiCann and Tidal shall each promptly notify the other if at any time before the Effective Date it becomes aware that any disclosure document filed in connection with the Business Combination contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the disclosure document. In any such event, MichiCann and Tidal shall cooperate in the preparation of a supplement or amendment to such disclosure document, as required and as the case may be, and, if required, shall cause the same to be filed with the applicable Securities Authorities; and

(iii) each of MichiCann and Tidal shall ensure that any such disclosure document complies with all applicable Laws and, without limiting the generality of the foregoing, that the disclosure document does not contain any untrue statement of a material fact or omit to state a material fact with respect to itself required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

(e) **Amalgamation Agreement, etc.** The Parties hereby acknowledge that the Amalgamation Agreement shall be substantially in the form attached as Schedule "A" to this Agreement. Subco shall, subject to the terms and conditions of this Agreement and subject to and following the receipt of all Regulatory Approvals, deliver to MichiCann the duly executed Articles of Amalgamation and related documents which will be filed by MichiCann with the Director.

(f) **Resulting Issuer Shares and Procedures**.

(i) On the Effective Date: (i) the MichiCann Shareholders (other than Dissenting Shareholders who are ultimately entitled to be paid fair value for their Dissenting MichiCann Shares) shall be deemed to be the registered holders of the Resulting Issuer Consideration Shares to which they are entitled hereunder; (ii) the Resulting Issuer shall deposit such Resulting Issuer Consideration Shares with the Depositary and/or the electronic positions representing such Resulting Issuer Consideration Shares with CDS, as applicable, to satisfy the consideration issuable to such MichiCann Shareholders; and (iii) certificates formerly representing MichiCann Shares which are held by such MichiCann Shareholders shall cease to represent any claim upon or interest in MichiCann other than the right of the registered holder to receive the number of Resulting Issuer Consideration Shares to which it is entitled hereunder, all in accordance with the provisions of the Amalgamation Agreement.

(ii) As soon as reasonably practicable after the Effective Date, the Depositary will forward to, or hold for pick-up by, each former MichiCann Shareholder that submitted to the Depositary a duly completed Letter of Transmittal, together with the certificate (if any) representing the MichiCann Shares held by such MichiCann Shareholder or a DRS Statement or such other evidence of ownership of such MichiCann Shares as is satisfactory to the Depositary, acting reasonably, (i) the certificates or DRS Statements representing the Resulting Issuer Consideration Shares to which such MichiCann Shareholder is entitled, in accordance with its Letter of Transmittal, or (ii) confirmation of a non-certificated electronic position transfer in CDS representing the Resulting Issuer Consideration Shares to which such MichiCann Shareholder is entitled, all in accordance with the provisions of the Amalgamation Agreement.

(iii) As soon as reasonably practicable after the Effective Date, the Depositary will forward to, or hold for pick-up by, each Tidal Shareholder that submitted to the Depositary a duly completed Letter of Transmittal, together with the certificate (if any) representing the Tidal Shares held by such Tidal Shareholder or a DRS Statement or such other evidence of ownership of such Tidal Shares as is satisfactory to the Depositary, acting reasonably, (i) the certificates or DRS Statements representing the Resulting Issuer Shares to which such Tidal Shareholder is entitled, in accordance with its Letter of Transmittal, or (ii) confirmation of a non-certificated electronic position transfer in CDS representing the Resulting Issuer Shares to which such Tidal Shareholder is entitled, all to reflect the completion of the Tidal Share Consolidation.

(iv) Tidal, as the registered holder of the Subco Shares, shall be deemed to be the registered holder of the Amalco Shares to which it is entitled hereunder and Tidal shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled hereunder. Until delivery of such certificate, the share certificate or certificates representing the Subco Shares held by Tidal will be evidence of Tidal's right to be registered as a shareholder of Amalco. Share certificates evidencing Subco Shares shall cease to represent any claim upon or interest in Subco other than the right of the registered holder to receive the number of Amalco Shares to which it is entitled pursuant to the terms hereof and the Amalgamation.

2.3 Board of Directors and Senior Officers

(a) Each of the Parties hereby agrees that upon completion of the Business Combination and giving effect to the Tidal Director Appointments, and subject to approval by the CSE and any other regulatory approvals, the board of directors shall consist of five (5) members of which two (2) members shall be nominees of Tidal and of which three (3) members shall by nominees of MichiCann, and the senior officers of the Resulting Issuer shall be appointed by the reconstituted board of Tidal following the Tidal Director Appointments.

(b) Each of the Parties hereby agree that their respective director nominees as set forth above shall satisfy the Resulting Issuer's eligibility criteria of general application, including for the avoidance of doubt, applicable Laws and stock exchange rules or policies for director candidates (the "**Director Eligibility Criteria**").

(c) Each of the Parties also hereby acknowledge that all directors and officers of the Resulting Issuer shall be required to complete applications for licensing in all jurisdictions where the Resulting Issuer or its subsidiaries operate or intend to conduct commercial cannabis operations and that such applications will require approvals by the applicable and relevant state regulatory bodies (the "**State Licensing Approvals**").

Any director or officer who fails to obtain the requisite State Licensing Approvals shall immediately be required to tender their resignation.

2.4 MichiCann Options

Each MichiCann Option held by a MichiCann optionholder that is outstanding at the Effective Time will be exchanged for an option to purchase Resulting Issuer Shares and Resulting Issuer Series II Preferred Shares, on an equivalent basis, at an exercise price equal to the original exercise price of the MichiCann Option and each such MichiCann Option shall be cancelled. Except as otherwise provided in this Section 2.4, the term to expiry, conditions to and manner of exercising, and all other terms and conditions of a replacement Resulting Issuer Option, will be the same as the MichiCann Option for which it is exchanged (provided that 50% of the Resulting Issuer Options shall be exercisable into Resulting Issuer Shares and 50% of the Resulting Issuer Options shall be exercisable into Resulting Issuer Series II Preferred Shares), and any document or agreement previously evidencing a MichiCann Option shall thereafter evidence and be deemed to evidence such replacement Resulting Issuer Option. It is intended that subsection 7(1.4) of the Income Tax Act (Canada) apply to the exchange of MichiCann Options by MichiCann optionholders who acquired MichiCann Options by virtue of their employment. Accordingly, and notwithstanding the foregoing, if required, the exercise price of a replacement Resulting Issuer Option held by such a MichiCann optionholder will be increased such that the In-The-Money Amount of the replacement Resulting Issuer Option immediately after the exchange does not exceed the In-The-Money Amount of the MichiCann Option immediately before the exchange.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of MichiCann

MichiCann hereby represents and warrants to Tidal, and acknowledges that Tidal is relying upon such representations and warranties in connection with the entering into of this Agreement, as follows:

(a) MichiCann (i) has been duly incorporated and is validly existing and in good standing under the laws of the Province of Ontario and is current and up-to-date with all filings required to be made by it in such jurisdiction, (ii) is duly qualified to conduct business and is in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification; (iii) has the requisite corporate power and authority and the legal right to own and operate its properties and assets, to lease the property it operates under lease and to conduct its business as presently conducted in the jurisdictions in which it currently carries on business; and (iv) is in compliance with its constating documents and by-laws;

(b) MichiCann has (i) no Subsidiaries other than the MichiCann Subsidiaries; and (ii) no material investments other than MichiCann's investments arising pursuant to the PharmaCo Debenture and the PharmaCo Put/Call Option Agreement. Each MichiCann Subsidiary has been duly incorporated and is validly existing under the laws of its jurisdiction of formation and is current and up-to-date with all filings required to be made by it in such jurisdiction, all of the issued shares in the capital of each of the MichiCann Subsidiaries are owned directly or indirectly by MichiCann, free and clear of any pledge, lien, security interest, charge, claim or encumbrance or in relation to inter-corporate security, and neither MichiCann nor any MichiCann Subsidiary is a party or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any securities of any of the MichiCann Subsidiaries or securities convertible into or exchangeable for any securities of any of the MichiCann Subsidiaries;

(c) MichiCann has full corporate power, capacity and authority to undertake all steps of the Business Combination contemplated in the Documents and to carry out its obligations under this Agreement;

(d) the authorized capital of MichiCann consists of an unlimited number of MichiCann Shares, of which, at the date hereof, there are 84,207,282 MichiCann Shares issued and outstanding; except for such MichiCann Shares and the MichiCann Convertible Securities, MichiCann has no other securities issued and outstanding at the date hereof;

(e) MichiCann is not a party to and has not granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any MichiCann Shares, or securities convertible into or exchangeable for MichiCann Shares other than under the terms of the MichiCann Convertible Securities;

(f) MichiCann is not a reporting issuer nor an associate of any reporting issuer (as defined in the *Securities Act* (Ontario) or the *Securities Act* of any other province of Canada) and the MichiCann Shares do not trade on any exchange;

(g) Each of MichiCann, the MichiCann Subsidiaries and, to the knowledge of MichiCann after due inquiry, PharmaCo, (i) has conducted and is conducting its business in compliance in all material respects with all applicable laws of each jurisdiction in which it carries on business (other than the Controlled Substances Act (CSA) (21 U.S.C. 811) and other federal laws in the United States that make cannabis illegal) and (ii) possesses or will possess all material approvals, consents, certificates, registrations, authorizations, permits and licenses issued by the appropriate provincial, state, municipal, federal or other regulatory agency or body necessary to carry on its business as currently conducted or contemplated to be conducted (collectively, the "**Permits**"). MichiCann, the MichiCann Subsidiaries and, to the knowledge of MichiCann after due inquiry, PharmaCo is in compliance in all material respects with the terms and conditions of all such Permits and MichiCann, the MichiCann Subsidiaries and, to the knowledge of MichiCann after due inquiry, PharmaCo has not received any notice of the material modification, revocation or cancellation of, or any intention to materially modify, revoke or cancel, or any proceeding relating to the modification, revocation or cancellation of any such Permit and no event has occurred that, with or without notice or lapse of time or both (including after the closing of the Business Combination), would reasonably be expected to result in the modification, revocation or cancellation of any such Permit;

(h) (i) MichiCann and each MichiCann Subsidiary owns or otherwise holds good and valid legal title to, or a valid leasehold interest in, all material assets and properties that are required to conduct the business and operations of MichiCann and each MichiCann Subsidiary as presently conducted; and (ii) to the knowledge of MichiCann after due inquiry, PharmaCo owns or otherwise has executed and delivered binding purchase agreements under which it has enforceable rights to the PharmaCo Assets, and, in either case, there are no encumbrances on any such assets or properties that would, individually or in the aggregate, materially detract from the value of any such assets (including to the knowledge of MichiCann after due inquiry, the PharmaCo Assets) or properties or materially and adversely impact the normal use and operation thereof by MichiCann or the MichiCann Subsidiaries or, to the knowledge of MichiCann after due inquiry, PharmaCo, in the ordinary course of business;

(i) each of the Documents has been or at the Effective Time will be, duly authorized, and with respect to this Agreement, executed and delivered by MichiCann and constitutes a valid and binding obligation of MichiCann enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of MichiCann other than the submission of the Amalgamation to the MichiCann Shareholders is necessary to authorize this Agreement and the transactions contemplated hereby;

(j) the entering into and the performance by MichiCann of the Business Combination contemplated in the Documents:(i) do not require any consent, approval, authorization or order of any court or governmental agency, body or Government Authority, except that which may be required under applicable corporate and securities legislation and the policies of the CSE; (ii) will not contravene any statute or regulation of any Government Authority which is binding on MichiCann where such contravention would have a Material Adverse Effect; and (iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of MichiCann or any mortgage, note, indenture, contract or agreement instrument, lease or other document to which MichiCann is a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would have a Material Adverse Effect;

(k) there is no action, suit or proceeding, at law or in equity, by any Person, nor any arbitration, administrative, regulatory or other proceeding by or before (or, to the knowledge of MichiCann, any investigation by) any Government Authority pending, or, to the knowledge of MichiCann, contemplated or threatened, against or affecting MichiCann or a MichiCann Subsidiary or any of its properties or rights and, to the knowledge of MichiCann, there is no valid basis which would reasonably be expected to result in any such action, suit, proceeding, arbitration or investigation or which would reasonably be expected to have a Material Adverse Effect on MichiCann or its assets. MichiCann is not subject to any judgment, order or decree entered in any lawsuit or proceeding;

(l) the audited consolidated financial statements of MichiCann for the year ended December 31, 2018 and for the period from incorporation on December 5, 2017 to December 31, 2017 and the notes thereto and the unaudited consolidated financial statements of MichiCann for the nine month period ended September 30, 2019 (the "**MichiCann Financial Statements**") have been prepared in accordance with IFRS and present fairly and correctly, in all material respects, the financial position and results of operations and cash flows of MichiCann as at such date, and do not omit to state any material fact that is required by IFRS or by applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;

(m) since December 31, 2018, neither MichiCann nor any MichiCann Subsidiary has entered into any contract in respect of its business or assets, other than in the ordinary course of business and other than the MAG Acquisition Agreements and pursuant to the MichiCann Debenture, the Bridging Credit Agreements and advances under the PharmaCo Debenture, and has continued to carry on its business and maintain its assets in the ordinary course of business, with the exception of reasonable costs incurred in connection with the Business Combination, and without limitation but subject to the above exceptions, has maintained payables and other liabilities at levels consistent with past practice, not engaged or committed to engage in any extraordinary material transactions and has not made or committed to make distributions, dividends or special bonuses;

(n) since December 31, 2018, other than pursuant to the MAG Acquisition Agreements, the MichiCann Debenture, the Bridging Credit Agreements and advances under the PharmaCo Debenture there has been no change in the affairs, assets, liabilities, business, prospects, operations or conditions (financial or otherwise) of MichiCann which had or would reasonably be expected to have a Material Adverse Effect;

(o) except as disclosed in the MichiCann Financial Statements and pursuant to the MichiCann Stock Option Plan, there are no plans for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, pension, incentive or otherwise contributed to or required to be contributed to, by MichiCann or any MichiCann Subsidiary for the benefit of any current or former director, officer, employee or consultant of MichiCann or any MichiCann Subsidiary, and all such plans have been maintained in material compliance with the terms thereof and with the requirements prescribed by any and all statutes, orders, rules, policies and regulations that are applicable to any such plan. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not (either alone or in combination with another event) (i) increase any material benefits otherwise payable under any such plan, or (ii) result in the acceleration of the time of payment or vesting of or satisfy some or all of the conditions to any material compensation or benefits from MichiCann or any MichiCann Subsidiary to any current or former director, officer, employee or consultant of MichiCann or any MichiCann Subsidiary;

(p) MichiCann is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of MichiCann;

(q) MichiCann and each MichiCann Subsidiary owns and possesses adequate enforceable rights to use all trademarks, patents, copyrights and trade secrets used or proposed to be used in the conduct of the business thereof and, to the best of MichiCann's knowledge, after due inquiry, neither MichiCann nor any MichiCann Subsidiary is infringing upon the rights of any other person with respect to any such trademarks, patents, copyrights or trade secrets and, no person has infringed any such trademark, patents, copyrights or trade secrets;

(r) there are no material liabilities of MichiCann or any MichiCann Subsidiary whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the MichiCann Financial Statements except for those required pursuant to the MAG Acquisition Agreements, those incurred pursuant to the Bridging Credit Agreements and those incurred in the ordinary course of business consistent with past practice as of the date hereof and which are not individually or in the aggregate, material in amount;

(s) MichiCann has not admitted in writing that it is, or has been declared to be, insolvent or unable to pay its debts. MichiCann has not committed an act of bankruptcy or sought protection from its creditors before any court or pursuant to any legislation, proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of its assets, had any Person holding any encumbrance, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property or had any petition for a receiving order in bankruptcy filed against it;

(t) except as disclosed in the MichiCann Financial Statements, neither MichiCann nor any of the MichiCann Subsidiaries has engaged in any transaction with any non-arm's length person;

(u) all taxes (including income taxes, capital tax, payroll taxes, employer health taxes, workers' compensation payments, property taxes, sales, use, goods and services taxes, value-added taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by MichiCann and each MichiCann Subsidiary have been paid or provision made therefor in the MichiCann Financial Statements except where the failure to pay such Taxes would not result in a Material Adverse Effect for MichiCann. All tax returns, declarations, remittances and filings required to be filed by MichiCann and each MichiCann Subsidiary have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of MichiCann, no audit or other examination of any tax return of MichiCann or any MichiCann Subsidiary is currently in progress nor has MichiCann been notified in writing or otherwise of any request for such an audit or other examination and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by MichiCann or any MichiCann Subsidiary. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to MichiCann or any MichiCann Subsidiary;

(v) there is no person, firm or company acting or purporting to act at the request of MichiCann who is or will be entitled to any brokerage or finder's fee in connection with the transactions contemplated herein;

(w) MichiCann and each of the MichiCann Subsidiaries has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business and with all Laws material to its operation, and neither MichiCann nor the MichiCann Subsidiaries has received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the licenses, leases or other instruments conferring rights to MichiCann or the MichiCann Subsidiaries for the conduct of its business;

(x) to the knowledge of MichiCann, after due inquiry, all activities of MichiCann and the MichiCann Subsidiaries have been, up to and including the date hereof, conducted in compliance, in all material respects, with any and all applicable Laws, including, without limitation, Environmental Laws;

(y) any and all material agreements pursuant to which MichiCann or the MichiCann Subsidiaries holds any of its material assets or holds any material rights or obligations, including without limitation the MAG Acquisition Agreements, the Bridging Credit Agreements, the PharmaCo Put/Call Option Agreement and the PharmaCo Debenture Purchase Agreement, are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, neither MichiCann nor any MichiCann Subsidiary is in default, and to MichiCann's knowledge, no third party is in default, of any of the material provisions of any such agreements including, without limitation, failure to fulfil any payment or work obligation thereunder nor has any such default been alleged, MichiCann has not provided or received any notice of any intention to terminate any of such agreements and is not aware of any material disputes with respect thereto. All material assets of MichiCann are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licenses and concessions pursuant to which MichiCann and the MichiCann Subsidiaries derive their interests in such material assets are in good standing and there has been no material default under any such leases, licenses and concessions and all real or other property taxes required to be paid with respect to such assets to the date hereof have been paid. Complete and correct copies of each material agreement of MichiCann (including all modifications, amendments and supplements thereto and any waivers thereunder), including without limitation the MAG Acquisition Agreement, the Bridging Credit Agreements, the PharmaCo Put/Call Option Agreement and the PharmaCo Debenture Purchase Agreement, have been made available to Tidal and, as of the date of this Agreement, there exists no actual or, to the knowledge of MichiCann, threatened termination, cancellation or material limitation of, or any material amendment, material modification or material change to, any of such material agreements;

(z) except as disclosed in the MichiCann Financial Statements, neither MichiCann nor any MichiCann Subsidiary has any loan or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada));

(aa) to the knowledge of MichiCann, there are no outstanding labour disputes, (whether filed or lodged with MichiCann or any MichiCann Subsidiary or any other person or organization), pending labour disruptions or pending unionization with respect to MichiCann or the MichiCann Subsidiaries;

(bb) neither MichiCann nor any of the MichiCann Subsidiaries is bound by or a party to any collective bargaining agreement;

(cc) there is not, in the constating documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which MichiCann or any MichiCann Subsidiary is a party other than the Bridging Credit Agreements, any restriction upon or impediment to the declaration or payment of dividends by the directors of MichiCann or any MichiCann Subsidiaries or the payment of dividends by MichiCann or any MichiCann Subsidiaries to the holders of its securities;

(dd) except for the MichiCann Debenture, the Bridging Credit Agreements or as disclosed in the MichiCann Financial Statements, neither MichiCann nor any MichiCann Subsidiary is a party to any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) of MichiCann for borrowed money ("**Debt Instrument**") or any agreement contract or commitment to create, assume or issue any Debt Instrument;

(ee) neither MichiCann nor any MichiCann Subsidiary is a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of MichiCann or any MichiCann Subsidiary to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of MichiCann or any MichiCann Subsidiary or which would prohibit or restrict MichiCann from entering into and completing the Business Combination;

(ff) Neither MichiCann nor any MichiCann Subsidiary is a party to any agreement, nor is MichiCann aware of any agreement, which in any manner affects the voting control of any of the MichiCann Shares or other securities of MichiCann or any MichiCann Subsidiary;

(gg) Neither MichiCann nor any MichiCann Subsidiary is aware of any pending or contemplated change to any applicable Law or governmental position that would materially affect the business of MichiCann or the MichiCann Subsidiaries taken as a whole or the legal environments under which MichiCann and the MichiCann Subsidiaries operate;

(hh) no representation, warranty or statement of MichiCann in this Agreement contains or will contain at the Effective Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading;

(ii) the corporate records and minute books of MichiCann and the MichiCann Subsidiaries contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders since the date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed, and all corporate proceedings and actions reflected therein have been conducted or taken in material compliance with all applicable laws and with the constating documents of MichiCann; and

(jj) all written and factual information previously furnished or to be furnished to Tidal by or on behalf of MichiCann in the data room or otherwise for this transaction, is (i) as it relates to MichiCann and the MichiCann Subsidiaries, true and accurate, and (ii) as it relates to PharmaCo, to the best of MichiCann's knowledge and belief, true and accurate, in either case, in every material respect and such information is not incomplete by the omission of any material fact necessary to make such information not misleading.

3.2 Representations and Warranties of Tidal

Tidal hereby represents and warrants to MichiCann, and acknowledges that MichiCann is relying upon these representations and warranties in connection with the entering into of this Agreement, as follows:

(a) Tidal (i) has been duly incorporated and is validly existing and in good standing under the laws of the Province of British Columbia and is current and up-to-date with all filings required to be made by it in such jurisdiction, (ii) is duly qualified to conduct business and is in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification; (iii) has the requisite corporate power and authority and the legal right to own and operate its properties and assets, to lease the property it operates under lease and to conduct its business as presently conducted in the jurisdictions in which it currently carries on business; and (iv) is in compliance with its constating documents;

(b) The Tidal Subsidiaries are the only Subsidiaries of Tidal. Each Tidal Subsidiary has been duly incorporated and is validly existing under the laws of its jurisdiction of formation and is current and up-to-date with all filings required to be made by it in such jurisdiction, all of the issued shares in the capital of each of the Tidal Subsidiaries are owned directly or indirectly by Tidal, free and clear of any pledge, lien, security interest, charge, claim or encumbrance or in relation to inter-corporate security, and neither Tidal nor any Tidal Subsidiary is a party or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any securities of any of the Tidal Subsidiaries or securities convertible into or exchangeable for any securities of any of the Tidal Subsidiaries;

(c) Tidal has full corporate power, capacity and authority to undertake all steps of the Business Combination contemplated in the Documents and to carry out its obligations under this Agreement;

(d) the authorized capital of Tidal consists of an unlimited number of Tidal Shares and an unlimited number of Tidal Preferred Shares, of which 375,431,661 Tidal Shares and 50,900,000 Tidal Preferred Shares are currently issued and outstanding (prior to the Tidal Share Consolidation); except for such Tidal Shares, the Tidal Preferred Shares, the Tidal Warrants, the Tidal Finder's Warrants, the Tidal Options and the Tidal Advisory Fee, Tidal has no other securities outstanding nor is it a party to or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any Tidal Shares or securities convertible into or exchangeable for Tidal Shares;

(e) on the Effective Date, the Resulting Issuer Shares, the Resulting Issuer Preferred Shares and the Resulting Issuer Series II Preferred Shares will be duly and validly issued and outstanding as fully paid and non-assessable and the Resulting Issuer Convertible Securities will be duly and validly created and issued;

(f) Tidal is a reporting issuer, or the equivalent thereof, in the provinces of British Columbia and Ontario (collectively, the "**Reporting Jurisdictions**") and is not currently in default of any requirement of the applicable laws of each of the Reporting Jurisdictions and other regulatory instruments of the Securities Authorities in such provinces, and no order ceasing, halting or suspending trading in securities of Tidal or prohibiting the distribution of such securities has been issued to and is outstanding against Tidal and no investigations or proceedings for such purposes are, to the knowledge of Tidal, pending or threatened;

(g) since July 31, 2019, other than as disclosed in the public record, Tidal has not entered into any contract in respect of its business or assets, other than in the ordinary course of business, and has continued to carry on its business and maintain its assets in the ordinary course of business, with the exception of reasonable costs incurred in connection with the Business Combination, and without limitation but subject to the above exceptions, has maintained payables and other liabilities at levels consistent with past practice, not engaged or committed to engage in any extraordinary material transactions and has not made or committed to make distributions, dividends or special bonuses;

(h) Tidal is in compliance in all material respects with all its disclosure obligations under applicable Laws and all documents filed by Tidal pursuant to such obligations are in compliance in all material respects with applicable Laws and, other than in respect of documents that have been amended or refiled did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(i) Tidal and each Tidal Subsidiary has all requisite corporate capacity, power and authority, and possesses all material certificates, authority, permits and licenses issued by the appropriate state, provincial, municipal or federal regulatory agencies or bodies necessary to conduct the business as now conducted by it and to own its assets and is in compliance in all material respects with such certificates, authorities, permits or licenses. Tidal has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, income or future prospects of Tidal and each Tidal Subsidiary;

(j) Tidal and each Tidal Subsidiary is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material property or assets thereof free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those reflected or reserved against it in the Tidal Financial Statements;

(k) each of the Documents has been, or at the Effective Time will be, duly authorized and, with respect to this Agreement, executed and delivered by Tidal and constitutes a valid and binding obligation of Tidal enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of Tidal, other than the submission of the Fundamental Change Written Consent to Tidal Shareholders in order to obtain the Tidal Shareholder Approval and the approval of the matters provided in Section 2.1 for which Tidal board of director approval is to be sought in accordance with this Agreement, is necessary to authorize this Agreement and the transactions contemplated hereby;

(l) the entering into and the performance by Tidal and Subco of the transactions contemplated in the Documents:

(i) do not require any consent, approval, authorization or order of any court or governmental agency or body or Government Authority on the part of Tidal or the Tidal Subsidiaries, except that which may be required under applicable corporate and securities legislation and the policies of the CSE;

(ii) will not contravene any statute or regulation of any Government Authority which is binding on Tidal or Subco where such contravention would have a Material Adverse Effect; and

(iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents or resolutions of Tidal or Subco or any mortgage, note, indenture, contract or agreement, instrument, lease or other document to which Tidal or Subco is or will be a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would have a Material Adverse Effect;

(m) there is no action, suit or proceeding, at law or in equity, by any Person, nor any arbitration, administrative, regulatory or other proceeding by or before (or, to the knowledge of Tidal, any investigation by) any Government Authority pending, or, to the knowledge of Tidal, contemplated or threatened, against or affecting Tidal or a Tidal Subsidiary or any of its properties or rights and, to the knowledge of Tidal, other than as Tidal has advised MichiCann, there is no valid basis which would reasonably be expected to result in any such action, suit, proceeding, arbitration or investigation or which would reasonably be expected to have a Material Adverse Effect on Tidal or its assets. Tidal is not subject to any judgment, order or decree entered in any lawsuit or proceeding;

(n) since July 31, 2019, there has been no change in the affairs, assets, liabilities, business, prospects, operations or conditions (financial or otherwise) of Tidal, which had or would reasonably be expected to have, a Material Adverse Effect;

(o) the audited annual financial statements of Tidal for the year ended July 31, 2019 and 2018 and the notes thereto and the unaudited condensed interim consolidated financial statements of Tidal as at October 31, 2019 and 2018 and the notes thereto (collectively, the "**Tidal Financial Statements**"), in each case, have been prepared in accordance with IFRS, present fairly and correctly, in all material respects, the financial position and results of operations and cash flows of Tidal as at such date, and do not omit to state any material fact that is required by IFRS or by applicable law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;

(p) except as disclosed in the Tidal Financial Statements, there are no plans for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, pension, incentive or otherwise contributed to, or required to be contributed to, by Tidal or any Tidal Subsidiary for the benefit of any current or former director, officer, employee or consultant of Tidal or any Tidal Subsidiary, and all such plans disclosed in the Tidal Financial Statements have been maintained in material compliance with the terms thereof and with the requirements prescribed by any and all statutes, orders, rules, policies and regulations that are applicable to any such plan;

(q) Tidal and each Tidal Subsidiary maintains insurance against loss or damage in respect of its assets, business and operations, with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses and such insurance policies are in full force and effect and shall remain in full force and effect following consummation of the Business Combination;

(r) Tidal and each Tidal Subsidiary owns and possesses adequate enforceable rights to use all trademarks, patents, copyrights and trade secrets used or proposed to be used in the conduct of the business thereof and, to the best of Tidal's knowledge, after due inquiry, neither Tidal nor any Tidal Subsidiary is infringing upon the rights of any other person with respect to any such trademarks, patents, copyrights or trade secrets and, no person has infringed any such trademark, patents, copyrights or trade secrets;

(s) there are no material liabilities of Tidal or any Tidal Subsidiary whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Tidal Financial Statements except for those incurred in the ordinary course of business consistent with past practice as of the date hereof and which are not, individually or in the aggregate, material in amount and except for those in respect of which Tidal has advised MichiCann;

(t) Tidal has not admitted in writing that it is, or has been declared to be, insolvent or unable to pay its debts. Tidal has not committed an act of bankruptcy or sought protection from its creditors before any court or pursuant to any legislation, proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of its assets, had any Person holding any encumbrance, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property or had any petition for a receiving order in bankruptcy filed against it;

(u) except as disclosed in the Tidal Financial Statements, neither Tidal nor any of the Tidal Subsidiaries has engaged in any transaction with any non-arm's length person;

(v) all Taxes due and payable by Tidal and each Tidal Subsidiary have been paid or provision made therefor in the financial statements of Tidal except for where the failure to pay such Taxes would not result in a Material Adverse Effect for Tidal. All tax returns, declarations, remittances and filings required to be filed by Tidal and each Tidal Subsidiary have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of Tidal, no audit or other examination of any tax return of Tidal or any Tidal Subsidiary is currently in progress nor has Tidal been notified in writing or otherwise of any request for such an audit or other examination and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by Tidal or any Tidal Subsidiary. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to Tidal or any Tidal Subsidiary;

(w) other than in connection with the Tidal Advisory Fee, there is no person, firm or company acting or purporting to act at the request of Tidal who is entitled to any brokerage or finder's fee in connection with the transactions contemplated in the Documents;

(x) Tidal and each of the Tidal Subsidiaries has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business (other than Tidal with respect to corporate law requirements to have held an annual shareholders meeting during the 2019 calendar year) and with all Laws material to its operation and neither Tidal and the Tidal Subsidiaries have received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any concessions, licenses, leases or other instruments conferring rights to Tidal or the Tidal Subsidiaries;

(y) to the knowledge of Tidal, after due inquiry, all activities of Tidal and the Tidal Subsidiaries have been, up to and including the date hereof, conducted in compliance, in all material respects, with any and all applicable Laws, including, without limitation, Environmental Laws;

(z) any and all material agreements pursuant to which Tidal or the Tidal Subsidiaries holds any of their material assets are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, neither Tidal nor any Tidal Subsidiary, nor to the knowledge of Tidal, any third party, is in default of any of the material provisions of any such agreements including, without limitation, failure to fulfil any payment or work obligation thereunder nor has any such default been alleged, Tidal has not provided or received notice of any intention to terminate any of such agreements and is not aware of any material disputes with respect thereto and such assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licenses and concessions pursuant to which Tidal and the Tidal Subsidiaries derive their interests in such material assets are in good standing and there has been no material default under any such leases, licenses and concessions and all real or other property taxes required to be paid with respect to such assets to the date hereof have been paid. Complete and correct copies of each material agreement of Tidal (including all modifications, amendments and supplements thereto and any waivers thereunder) have been made available to MichiCann and, as of the date of this Agreement, there exists no actual or, to the knowledge of Tidal, threatened termination, cancellation or material limitation of, or any material amendment, material modification or material change to, any of such material agreements;

(aa) to the knowledge of Tidal, after due inquiry, all the properties in which Tidal or the Tidal Subsidiaries have any freehold, leasehold, license or other interest are free and clear of any hazardous or toxic material, pollution, or other adverse environmental conditions which may give rise to any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursement or expenses (including, without limitation, attorneys' fees and costs, experts' fees and costs, and consultant's fees and costs) of any kind or of any nature whatsoever that are asserted against Tidal or Tidal Subsidiaries, alleging liability (including, without limitation, liability for studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation costs, contaminant costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource damages, property damages, business losses, personal injuries, penalties or fines) arising out of, based on or resulting from (i) the presence, release, threatened release, discharge or emission into the environment of any hazardous materials or substances existing or arising on, beneath or above properties and/or emanating or migrating and/or threatening to emanate or migrate from such properties to off-site properties; (ii) physical disturbance of the environment; and (iii) the violation or alleged violation of all Environmental Laws; and to the knowledge of Tidal, after due inquiry, all environmental approvals required pursuant to Environmental Laws with respect to activities carried out on any part of the lands covered by such properties, have been obtained, are valid and in full force and effect and have been complied with; and there are no proceedings commenced or threatened to revoke or amend any such environmental approvals;

(bb) except as disclosed in the Tidal Financial Statements, neither Tidal nor any Tidal Subsidiary has any loan or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada));

(cc) to the knowledge of Tidal, there are no outstanding labour disputes, (whether filed or lodged with Tidal or any Tidal Subsidiaries or any other person or organization), pending labour disruptions or pending unionization with respect to Tidal or the Tidal Subsidiaries;

(dd) neither Tidal nor any of the Tidal Subsidiaries is bound by or a party to any collective bargaining agreement;

(ee) since the date of its incorporation Tidal has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on Tidal Shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any Tidal Shares or securities or agreed to do any of the foregoing;

(ff) there is not, in the constating documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which Tidal or any Tidal Subsidiaries is a party any restriction upon or impediment to, the declaration or payment of dividends by the directors of Tidal or any Tidal Subsidiaries or the payment of dividends by Tidal or any Tidal Subsidiaries to the holders of its securities;

(gg) except as disclosed in the Tidal Financial Statements, Tidal is not a party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument;

(hh) except to the extent that Tidal must comply with the policies of the CSE, neither Tidal nor any Tidal Subsidiary is a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Tidal or any Tidal Subsidiary to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of Tidal or any Tidal Subsidiary or which would prohibit or restrict Tidal from entering into and completing the Business Combination;

(ii) neither Tidal nor any Tidal Subsidiary is a party to any agreement, nor is Tidal aware of any agreement, which in any manner affects the voting control of any of the Tidal Shares or other securities of Tidal or any Tidal Subsidiary;

(jj) neither Tidal nor any Tidal Subsidiary is aware of any pending or contemplated change to any applicable Law or governmental position that would materially affect the business of Tidal or the Tidal Subsidiaries taken as a whole or the legal environments under which Tidal and the Tidal Subsidiaries operate;

(kk) no representation, warranty or statement of Tidal or Subco in this Agreement contains or will contain at the Effective Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading;

(ll) the corporate records and minute books of Tidal and the Tidal Subsidiaries contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders for the last three years, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed, and all corporate proceedings and actions reflected therein have been conducted or taken in material compliance with all applicable Laws and with the constating documents of Tidal; and

(mm) all written and factual information previously furnished or to be furnished to MichiCann by or on behalf of Tidal in the data room or otherwise for this transaction, is true and accurate, in every material respect, and such information is not incomplete by the omission of any material fact necessary to make such information not misleading.

3.3 Survival

For greater certainty, the representations and warranties of each of MichiCann and Tidal contained herein shall survive the execution and delivery of this Agreement and shall terminate and be extinguished on the earlier of the termination of this Agreement in accordance with its terms and the Effective Time.

ARTICLE 4
CONDUCT OF BUSINESS

4.1 Conduct of Business by the Parties

Except as required by Law or as otherwise expressly permitted or specifically contemplated by this Agreement, each of the Parties covenants and agrees that, during the period from the date of this Agreement until the earlier of either the Effective Time or the time that this Agreement is terminated by its terms, unless each of the other Parties shall otherwise agree in writing:

(a) it shall, and shall cause its Subsidiaries to conduct business in, and not take any action except in, the usual and ordinary course of business, with the exception of reasonable costs incurred in connection with the Business Combination, and it shall and shall cause its Subsidiaries to use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships and it shall not, and shall cause its Subsidiaries to not, without the prior written consent of the other Parties, enter into any contract in respect of its business or assets, other than in the ordinary course of business, and without limitation but subject to the foregoing, shall maintain payables and other liabilities at levels consistent with past practice, shall not engage or commit to engage in any extraordinary material transactions and shall not make or commit to make distributions, dividends or special bonuses, without the prior written consent of the other Parties; and

(b) other than as contemplated by this Agreement, it shall not directly or indirectly do or permit to occur any of the following:

(i) amend its Governing Documents;

(ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its shares owned by any Person other than inter-corporate loans and advances;

(iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares other than, in the case of MichiCann: (A) the issuance of MichiCann Shares upon the exercise of any MichiCann Convertible Securities, and other than, in the case of Tidal: (X) the issuance of Tidal Shares pursuant to existing obligations including the Tidal Preferred Shares, the Tidal Series II Preferred Shares, the Tidal Warrants, the Tidal Finder's Warrants and the Tidal Options;

(iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities including, without limitation, under an issuer bid;

(v) split, combine or reclassify any of its shares;

(vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of itself or any of its Subsidiaries; or

(vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above.

ARTICLE 5
COVENANTS

5.1 Waiver of Notice of Subco Shareholder Meeting and Resolution in Lieu of Meeting byTidal

Tidal, as sole shareholder of Subco, shall waive notice of and its attendance at a meeting of the shareholders of Subco to approve the Amalgamation and shall sign a resolution in writing of the sole shareholder of Subco approving the Amalgamation.

5.2 Representations and Warranties

(a) MichiCann covenants and agrees that from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in section 3.1 being untrue in any material respect.

(b) Tidal covenants and agrees that, from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in section 3.2 being untrue in any material respect.

5.3 Notice of Material Change

(a) From the date hereof until the termination of this Agreement, each Party shall promptly notify the other Party in writing of:

(i) any material change (actual, anticipated, contemplated or, to the knowledge of such Party or any of its Subsidiaries, threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of such Party and its Subsidiaries, taken as whole;

(ii) any change in the facts relating to any representation or warranty set out in sections 3.1 or 3.2 hereof, as applicable, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or

(iii) any material fact which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement.

(b) Each of the Parties shall in good faith discuss with the other any change in circumstances (actual, anticipated, contemplated or, to its knowledge of its or any of its Subsidiaries, threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other pursuant to this section.

5.4 Non-Solicitation

None of the Parties nor their representatives shall directly or indirectly solicit any offers to purchase its shares or assets and neither of Tidal nor MichiCann nor any of their representatives will directly or indirectly initiate or encourage any discussions or negotiations with any third party with respect to such a transaction or amalgamation, merger, take-over, plan of arrangement or similar transaction during the period commencing on the date hereof and ending on the termination of this Agreement. The Parties and their representatives shall immediately cease and cause to be terminated any existing discussions, negotiations or provision of information with or to any third party related to any of the foregoing. In the event any of the Parties or any of their representatives is approached in respect of any such transaction, it shall immediately notify the other.

5.5 Other Covenants

Each of the Parties covenants and agrees that it shall:

(a) use all commercially reasonable efforts to consummate the Business Combination, subject only to the terms and conditions hereof and thereof;

(b) use all commercially reasonable efforts to obtain all appropriate Regulatory Approvals;

(c) use all commercially reasonable efforts to obtain signed copies of the MichiCann Escrow Agreements and the Tidal Escrow Agreements, as applicable, as soon as practicable following the execution of this Agreement and in any event prior to the Effective Date;

(d) not, other than in connection with the Business Combination, split, consolidate or reclassify any of its outstanding securities, nor declare, set aside or pay any dividends on or make any other distributions on or in respect of its outstanding securities;

(e) not, other than in connection with the Business Combination, reorganize, amalgamate or merge with any other person, nor acquire by amalgamating, merging or consolidating with, purchasing a majority of the voting securities or substantially all of the assets of or otherwise, any business or Person which acquisition or other transaction would reasonably be expected to prevent or materially delay the Business Combination contemplated hereby; and

(f) not take any action that is intended to, or would be reasonably expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of it to consummate the Business Combination or the other transactions contemplated by the Documents.

ARTICLE 6
MUTUAL COVENANTS

6.1 Other Filings

The Parties shall, as promptly as practicable hereafter, prepare and file all filings required under any securities Laws, the rules of the CSE or any other applicable Laws relating to the Business Combination contemplated hereby.

6.2 Additional Agreements

Subject to the terms and conditions of this Agreement and subject to fiduciary obligations under applicable Laws, each of the Parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Business Combination contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts:

(a) to obtain all necessary waivers, consents and approvals from other Parties to material agreements, leases and other contracts or agreements;

(b) to defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the Business Combination contemplated hereby;

(c) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the Parties to consummate the Business Combination contemplated hereby;

(d) to effect all necessary registrations and other filings and submissions of information requested by the CSE;

(e) to effect all necessary registrations and other filings and submissions of information requested by any Government Authority; and

(f) to fulfill all conditions and satisfy all provisions of this Agreement.

For purposes of the foregoing, the obligation to use "**commercially reasonable efforts**" to obtain waivers, consents and approvals to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other Parties.

ARTICLE 7
CONDITIONS AND CLOSING MATTERS

7.1 Mutual Conditions Precedent

The respective obligations of the Parties hereto to complete each step of the Business Combination contemplated by this Agreement shall be subject to the satisfaction, on or before the Effective Date, of the following conditions precedent, each of which may be waived only by the mutual consent of the Parties:

(a) there shall have been no action taken under any applicable Law or by any Government Authority and there shall not be in force any order or decree restraining or enjoining the consummation of the Business Combination;

(b) this Agreement shall not have been terminated pursuant to Article 8;

(c) all Regulatory Approvals (including CSE approvals) and corporate approvals shall have been obtained;

(d) each Party shall not have entered into any transaction or contract which would have a material effect on the financial and operational condition, or the assets of each Party, excluding those transactions or contracts undertaken in the ordinary course of business, without first discussing and obtaining the approval of the other Party;

(e) the MichiCann Shareholder Approval shall have been obtained;

(f) the Tidal Shareholder Approval shall have been obtained; and

(g) Tidal shall have completed the Tidal Share Consolidation, the Tidal Name Change and the Tidal Director Appointments.

If any of the above conditions shall not have been complied with or waived by the Parties on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then a Party may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by the Party terminating the Agreement. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by a Party of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, such defaulting Party shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own noncompliance with its obligations under this Agreement.

7.2 Additional Conditions Precedent to the Obligations of MichiCann

The obligations of MichiCann to complete the Business Combination contemplated by this Agreement shall also be subject to the satisfaction, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of MichiCann and may be waived by MichiCann and any one or more of which, if not satisfied or waived, will relieve MichiCann of any obligation under this Agreement):

(a) on or prior to the Effective Date, and effective upon completion of the Amalgamation, each of the directors and officers of Tidal who are not continuing on in such capacities pursuant to Section 2.3 shall have tendered their resignations and provided mutual releases in a form acceptable to MichiCann and the board of directors of Tidal, subject to the approval of the CSE, shall have been reconstituted, and the officers shall have been appointed, as set forth in Section 2.3;

(b) no Material Adverse Change with respect to Tidal shall have occurred between the date hereof and the Effective Date and the CEO of Tidal or another officer satisfactory to MichiCann shall deliver a certificate addressed to MichiCann certifying the foregoing immediately prior to the Effective Time;

(c) Tidal shall have complied and performed, in all material respects, all of its covenants and other obligations under this Agreement which have not been waived by MichiCann, and all representations and warranties of Tidal contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall remain true and correct in all material respects thereafter (provided, however, that if the breaching Party has been given written notice by the other Party specifying in reasonable detail any such misrepresentation, breach or non-performance, the breaching Party shall have had three days to cure such misrepresentation, breach or non-performance), and the CEO of Tidal or another officer satisfactory to MichiCann shall deliver a certificate addressed to MichiCann certifying the foregoing immediately prior to the Effective Time;

(d) the Tidal board of directors, the Subco board of directors and the Tidal Shareholders as necessary, shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by Tidal to permit the consummation of the Business Combination and the transactions contemplated therewith; and

(e) MichiCann shall have received all of the Tidal Escrow Agreements and all covenants under the Tidal Escrow Agreements to be performed on or before the Effective Time which have not been waived by MichiCann shall have been duly performed by the counterparties thereto in all material respects.

If any of the above conditions shall not have been complied with or waived by MichiCann on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to the cure provision provided for in section 7.2(c), MichiCann may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by MichiCann. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by MichiCann of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, MichiCann shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own noncompliance with its obligations under this Agreement.

7.3 Additional Conditions Precedent to the Obligations of Tidal

The obligations of Tidal to complete each step of the Business Combination contemplated by this Agreement shall also be subject to the satisfaction, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of Tidal and may be waived by Tidal and any one or more of which, if not satisfied or waived, will relieve Tidal of any obligation under this Agreement):

(a) no Material Adverse Change with respect to MichiCann taken as a whole shall have occurred between the date hereof and the Effective Date and the President of MichiCann or another officer satisfactory to Tidal shall deliver a certificate addressed to Tidal certifying the foregoing immediately prior to the Effective Time;

(b) MichiCann shall have complied and performed, in all material respects, all of its covenants or other obligations under this Agreement which have not been waived by Tidal, and all representations and warranties of MichiCann contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall remain true and correct in all material respects thereafter (provided, however, that if the breaching Party has been given written notice by the other Party specifying in reasonable detail any such misrepresentation, breach or nonperformance, the breaching Party shall have had three days to cure such misrepresentation, breach or nonperformance), and the President of MichiCann or another officer satisfactory to Tidal shall deliver a certificate addressed to Tidal certifying the foregoing immediately prior to the Effective Time;

(c) the MichiCann board of directors and the MichiCann Shareholders shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by MichiCann to permit the consummation of the Amalgamation, the Business Combination and the transactions contemplated by the Documents;

(d) Tidal shall have received all of the MichiCann Escrow Agreements and all covenants under the MichiCann Escrow Agreements to be performed on or before the Effective Time which have not been waived by Tidal shall have been duly performed by the counterparties thereto in all material respects; and

(e) the number of Dissenting MichiCann Shares, for which dissent rights have not been withdrawn, at the time of the MichiCann Meeting shall not exceed 5% of the number of issued and outstanding MichiCann Shares.

If any of the above conditions shall not have been complied with or waived by Tidal on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to the cure provision provided for in section 7.3(b), Tidal may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Tidal or Subco. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by Tidal or Subco of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, neither Party shall rely on such failure (to satisfy one or more of the above conditions) as a basis for its own noncompliance with its obligations under this Agreement.

7.4 Merger of Conditions

The conditions set out in sections 7.1, 7.2 and 7.3 shall be conclusively deemed to have been satisfied, waived or released by the Parties on the filing of the Articles of Amalgamation with the Director and such other documents as are required to be filed under the OBCA for acceptance by the Director to give effect to the Amalgamation.

7.5 Closing Matters

The completion of the transactions contemplated under this Agreement shall be effected via electronic exchange or at the offices of MichiCann's counsel, Gowling WLG (Canada) LLP, at 10:00 a.m. (Toronto time) (the "**Time of Closing**") on the Effective Date.

ARTICLE 8
TERMINATION, AMENDMENT AND DISSENTING SHAREHOLDERS

8.1 Termination

This Agreement may be terminated by written notice promptly given to the other Party hereto, at any time prior to the Effective Date:

(a) by mutual agreement in writing by the Parties;

(b) as set forth in sections 7.1, 7.2 and 7.3 of this Agreement; or

(c) by either Party if the Business Combination has not been completed by the Completion Deadline.

8.2 Effect of Termination

In the event of the termination of this Agreement as provided in section 8.1 hereof, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of Tidal or MichiCann hereunder except as set forth in section 8.3 hereof and this section 8.2, in addition to sections 1.6, 9.3, 9.5, 9.8 and the provisions of the Confidentiality Agreement, all of which shall survive the termination of this Agreement. For the avoidance of doubt, nothing contained in this Section 8.2 shall relieve or have the effect of relieving any Party in any way from liability for damages incurred or suffered by a Party as a result of any breach of this Agreement.

8.3 Fees and Expenses

Each of MichiCann and Tidal shall pay its own costs and expenses (including all legal, accounting and financial advisory fees and expenses) incurred in connection with the completion of the Business Combination, including without limitation, expenses related to the preparation, execution and delivery of all agreements including, without limitation, this Agreement and other documents referenced herein.

8.4 Amendment

This Agreement and the Amalgamation Agreement may, at any time and from time to time on or before the Effective Date be amended by mutual written agreement between the Parties hereto without further notice or authorization on the part of the MichiCann Shareholders or Tidal Shareholders. This Agreement and the Amalgamation Agreement may only be amended by an instrument in writing signed by the appropriate officers on behalf of each of the Parties hereto.

8.5 Dissenting Shareholders

On the earlier of the Effective Date, the making of an agreement between a Dissenting Shareholder and MichiCann for the purchase of their Dissenting MichiCann Shares or the pronouncement of a court order pursuant to Section 185 of the OBCA, a Dissenting Shareholder shall cease to have any rights as a MichiCann Shareholder other than the right to be paid the fair value of its Dissenting MichiCann Shares in the amount agreed to or as ordered by the court, as the case may be. Notwithstanding anything in this Agreement to the contrary, Dissenting MichiCann Shares which are held by a Dissenting Shareholder shall not be exchanged for Tidal Shares or Tidal Series II Preferred Shares, as the case may be, on the Effective Date as provided in section 2.1 hereof. However, in the event that a Dissenting Shareholder fails to perfect or effectively withdraws the Dissenting Shareholder's claim under Section 185 of the OBCA or otherwise forfeits the Dissenting Shareholder's right to make a claim under Section 185 of the OBCA, the Dissenting Shareholder's Dissenting MichiCann Shares shall thereupon be deemed to have been exchanged as of the Effective Date for Resulting Issuer Consideration Shares on the basis set forth in section 2.1 hereof.

8.6 Waiver

A Party may (i) extend the time for the performance of any of the obligations or other acts of the other Party, (ii) waive compliance with any of the other Party's agreements or the fulfillment of any of its conditions contained herein or (iii) waive inaccuracies in another Party's representations or warranties contained herein or in any document delivered by the other Party hereto, in each case only to the extent such obligations, agreements, conditions or representations are intended for its benefit; and provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. Any such waiver shall be limited to the specific breach or condition waived and shall not extend to any other matter or occurrence. No failure or delay in exercising any right, power or privilege under this Agreement will operate as a waiver, nor will any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege under this Agreement.

ARTICLE 9
GENERAL

9.1 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered

if to MichiCann:

MichiCann Medical Inc.

8820 Jane Street

Concord, ON L4K 2M9

Attention: Brad Rogers, Chief Executive Officer

E-mail:

with a copy to:

Gowling WLG (Canada) LLP

Suite 1600, 1 First Canadian Place

100 King Street West

Toronto, Ontario M5X 1G5

Attention:

E-mail:

if to Tidal or Subco:

Tidal Royalty Corp.

Suite 810 789 West Pender Street

Vancouver, BC V6C 1H2

Attention: Theo van der Linde, Chief Financial Officer and Director

E-mail:

with a copy to:

Cassels Brock & Blackwell LLP

40 King Street West, Suite 2100

Toronto, Ontario M5H 3C2

Attention:

E-mail:

9.2 Assignment

This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties hereto without the prior written consent of the other Party.

9.3 Complete Agreement

This Agreement and the Confidentiality Agreement sets forth the entire understanding between the Parties hereto and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the subject matter hereof, including but not limited to, the amended and restated letter of intent dated February 12, 2019 between MichiCann and Tidal and the business combination agreement made as of May 8, 2019, between MichiCann, Tidal and Subco. No other agreements, representations, warranties or other matters, whether oral or written, shall be deemed to bind the Parties hereto with respect to the subject matter hereof.

9.4 Further Assurances

Each Party hereto shall, from time to time, and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

9.5 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.6 Counterpart Execution

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

9.7 Investigation by Parties

No investigations made by or on behalf of either Party or any of their respective authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by the other Party in or pursuant to this Agreement.

9.8 Public Announcement; Disclosure and Confidentiality

(a) Unless and until the transactions contemplated in this Agreement will have been completed, none of the Parties shall make any public announcement concerning this Agreement or the matters contemplated herein, their discussions or any other memoranda, letters or agreements between them relating to the matters contemplated herein without the prior consent of the other Parties, which consent shall not be unreasonably withheld, provided that no party shall be prevented from making any disclosure which is required to be made by law or any rules of a stock exchange or similar organization to which it is bound.

(b) All information provided to or received by the parties hereunder and pursuant to the Confidentiality Agreement shall be treated as confidential ("**Confidential Information**"). Subject to the provisions of this Section, no Confidential Information shall be published by any party hereto without the prior written consent of the others, but such consent in respect of the reporting of factual data shall not be unreasonably withheld. The consent required by this Section shall not apply to a disclosure to: (a) comply with any applicable laws, stock exchange rules or a regulatory authority having jurisdiction; (b) a director, officer or employee of a party; (c) an affiliate (within the meaning of the OBCA) of a party; (d) a consultant, contractor or subcontractor of a party that has a bona fide need to be informed; (e) any third party to whom the disclosing party may assign any of its rights under this Agreement; provided, however, that in the case of subsection (e) the third party or parties, as the case may be, agree to maintain in confidence any of the Confidential Information so disclosed to them, or any disclosure made in compliance with the Confidentiality Agreement.

(c) The obligations of confidence and prohibitions against use of Confidential Information under this Agreement shall not apply to information that the disclosing party can show by reasonable documentary evidence or otherwise: (a) as of the date of this Agreement, was in the public domain; (b) after the date of this Agreement, was published or otherwise became part of the public domain through no fault of the disclosing party or an affiliate thereof (but only after, and only to the extent that, it is published or otherwise becomes part of the public domain); or (c) was information that the disclosing party or its affiliates were required to disclose pursuant to the order of any Government authority or judicial authority.

(d) Each Party shall comply with applicable privacy Laws in the course of collecting, using and disclosing personal information about identifiable individuals in connection with the transactions contemplated hereby (the "**Transaction Personal Information**"). Neither Party shall disclose Transaction Personal Information originally collected by the other Party to any Person other than to its advisors who are evaluating and advising on the transactions contemplated by this Agreement. The Parties shall protect and safeguard the Transaction Personal Information against unauthorized collection, use or disclosure. Each Party shall cause its advisors to observe the terms of this Section 9.8 and to protect and safeguard all Transaction Personal Information in their possession. If this Agreement shall be terminated, each Party shall promptly deliver to the other Party all Transaction Personal Information originally collected by such other Party in its possession or in the possession of any of its advisors, including all copies, reproductions, summaries or extracts thereof, except, unless prohibited by applicable Law, for electronic backup copies made automatically in accordance with the usual backup procedures of the Party returning such Transaction Personal Information

9.9 Equitable Remedies

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which the Parties may be entitled at law or in equity.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

MICHICANN MEDICAL INC.

Per: [redacted]

Michael Marchese
President

TIDAL ROYALTY CORP.

Per: _____

Theo van der Linde
Chief Financial Officer

2690229 ONTARIO INC.

Per: _____

Brendan Purdy
President

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

MICHICANN MEDICAL INC.

Per: _____

Michael Marchese
President

TIDAL ROYALTY CORP.

Per: [redacted]

Theo van der Linde
Chief Financial Officer

2690229 ONTARIO INC.

Per: [redacted]

Brendan Purdy
President

SCHEDULE A
AMALGAMATION AGREEMENT

(Attached)

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the ● day of ●, 2020,

AMONG:

TIDAL ROYALTY CORP., a corporation incorporated under the laws of The Province of British Columbia ("**Tidal**");

-and

2690229 ONTARIO INC.
a corporation incorporated under the laws of the Province of Ontario

("**Subco**");

-and

MICHICANN MEDICAL INC., a corporation incorporated under the laws of the Province of Ontario ("**MichiCann**");

WHEREAS MichiCann and Tidal have agreed to combine their businesses and assets pursuant to the Business Combination Agreement;

AND WHEREAS MichiCann and Subco are each incorporated under the OBCA;

AND WHEREAS Subco is a wholly-owned subsidiary of Tidal;

AND WHEREAS the authorized capital of MichiCann consists of an unlimited number of MichiCann Shares, of which ● MichiCann Shares are issued and outstanding at the date hereof as fully paid and non-assessable shares;

AND WHEREAS the authorized capital of Subco consists of an unlimited number of Subco Shares, of which 100 Subco Shares are issued and outstanding at the date hereof as fully paid and non-assessable shares, all of which are owned beneficially and of record by Tidal;

AND WHEREAS pursuant to the Amalgamation, and subject to the terms of the Business Combination Agreement, MichiCann and Subco shall amalgamate and continue as Amalco, which shall become a wholly-owned subsidiary of Tidal, and Tidal shall issue to each MichiCann Shareholder one (1) Tidal Share and one (1) Tidal Series II Preferred Share for each one (1) MichiCann Share held;

AND WHEREAS MichiCann, Tidal and Subco have each made full disclosure to the other of all their respective assets and liabilities;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties agree as follows:

1. Interpretation

In this Agreement, including the recitals hereto, the following words and expressions shall have the respective meanings ascribed to them below:

"**Agreement**" means this agreement, its recitals and exhibits, as the same may be amended, modified or supplemented from time to time;

"**Amalco**" means the corporation resulting from the Amalgamation and continuing the corporate existence of the Amalgamating Corporations;

"**Amalco Shareholder**" means a registered holder of Amalco Shares, from time to time, and " **Amalco Shareholders**" means all of such holders;

"**Amalco Shares**" means the common shares in the share capital of Amalco;

"**Amalgamating Corporations**" means MichiCann and Subco and "**Amalgamating Corporation**" means either of them as applicable;

"**Amalgamation**" means the amalgamation of the Amalgamating Corporations pursuant to the provisions of the OBCA in the manner contemplated in and pursuant to this Agreement;

"**Articles of Amalgamation**" means the articles of amalgamation giving effect to the Amalgamation to be filed with the Director appointed under the OBCA pursuant to this Agreement, in the form annexed hereto as Exhibit "A";

"**Business Combination Agreement**" means the amended and restated business combination agreement dated March 12, 2020 between MichiCann, Tidal and Subco;

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

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Director in respect of the Amalgamation;

"**Depositary**" means National Securities Administrators Ltd. at its principal office in Vancouver, British Columbia, which is also the transfer agent and registrar for the Tidal Shares;

"**Director**" means the Director appointed under Section 278 of the OBCA;

"**Dissenting Shareholder**" means a registered MichiCann Shareholder who, in connection with the special resolution of the Shareholders which approves and adopts this Agreement, has exercised the right to dissent pursuant to Section 185 of the OBCA in strict compliance with the provisions thereof and thereby becomes entitled to be paid the fair value of his, her or its MichiCann Shares and who has not withdrawn the notice of the exercise of such right as permitted by Section 185 of the OBCA;

"**Effective Date**" means the date shown on the Certificate of Amalgamation;

"**fair value**" where used in relation to a MichiCann Share held by a Dissenting Shareholder, means fair value as determined by a court under Section 185 of the OBCA or as agreed between MichiCann and the Dissenting Shareholder;

"**In-The-Money Amount**" in respect of a MichiCann Option means the amount, if any, by which the aggregate fair market value at that time of the securities subject to the option exceeds the aggregate exercise price of the option;

"**Letter of Transmittal**" means a letter of transmittal to be sent to holders of MichiCann Shares for use in connection with the Amalgamation and in order to receive the Tidal Shares and Tidal Series II Preferred Shares to which they are entitled after giving effect to the Amalgamation;

"**MichiCann Shares**" means the common shares in the capital of MichiCann;

"**MichiCann Shareholder**" means a registered holder of MichiCann Shares, from time to time, and "**MichiCann Shareholders**" means all of such holders. "**OBCA**" means the *Business Corporations Act* (Ontario); "**Parties**" means MichiCann, Subco and Tidal, and "**Party**" means each of them as applicable; "**Person**" means a natural person, partnership, limited liability partnership, corporation, joint stock

company, trust, unincorporated association, joint venture or other entity, and pronouns have a similarly extended meaning; "**Subco**" means 2690229 Ontario Inc., a corporation incorporated under the OBCA; "**Subco Shares**" means the common shares in the capital of Subco;

"**Subco Shareholder**" means the registered holder of Subco Shares, being Tidal; "**Tidal Name Change**" means, subject to the completion of the Amalgamation, a change in the name of Tidal to "Red White & Bloom Brands Inc." or such other similar name as may be accepted by the relevant regulatory authorities and approved by the board of directors of Tidal following the Amalgamation;
"**Tidal Series II Preferred Shares**" means the series II preferred shares in the capital of Tidal; "**Tidal Shares**" means the common shares in the capital of Tidal;

2. Paramountcy

In the event of any conflict between the provisions of this Agreement and the provisions of the Business Combination Agreement, the provisions of this Agreement shall prevail.

3. Agreement to Amalgamate

Each of the Parties hereby agrees to the Amalgamation such that the Amalgamating Corporations shall amalgamate to create and continue as Amalco under the provisions of Section 174 of the OBCA, on the terms and conditions set out in this Agreement.

4. Filing of Articles

Following the approval of this Agreement by the shareholders of the Amalgamating Corporations in accordance with the OBCA, and in accordance with the terms and conditions of the Business Combination Agreement, including the satisfaction or waiver of all conditions precedent set forth in the Business Combination Agreement, MichiCann shall file the Articles of Amalgamation with the Director as provided under the OBCA.

5. Conditions Precedent to the Amalgamation

The Amalgamation is subject to the satisfaction or waiver by the party entitled to make such waiver, of the conditions precedent set forth in Article 7 of the Business Combination Agreement. The signing and delivery of the Articles of Amalgamation by MichiCann and Subco shall be conclusive evidence that such conditions have been satisfied to the satisfaction of MichiCann and Tidal, or waived by the party entitled to make such waiver, and that MichiCann and Subco may amalgamate in accordance with the provisions of this Agreement.

6. Amalgamation Events

Pursuant to the Amalgamation, on the Effective Date:

(a) each issued and outstanding MichiCann Share held by each Dissenting Shareholder will become an entitlement to be paid the fair value of such share;

(b) each issued and outstanding Subco Share shall be exchanged for one (1) fully paid and non-assessable Amalco Share;

(c) each issued and outstanding MichiCann Share (other than those held by Dissenting Shareholders) shall be exchanged for one (1) fully paid and non-assessable Tidal Share and one (1) fully paid and non-assessable Tidal Series II Preferred Shares;

(d) each issued and outstanding MichiCann Option and MichiCann Warrant, shall be exchanged, on an equivalent basis, for Resulting Issuer Options and Resulting Issuer Warrants (each as defined in the Business Combination Agreement), provided that in respect of MichiCann Options held by optionholders who acquired such MichiCann Options by virtue of their employment, the exercise price of a Resulting Issuer Option will be increased, if necessary, so that the In-The-Money Amount of the replacement Resulting Issuer Option immediately after the exchange does not exceed the In-The-Money Amount of the MichiCann Option immediately before the exchange;

(e) as consideration for the issuance of Tidal Shares and Tidal Series II Preferred Shares in exchange for the MichiCann Shares, Amalco shall issue to Tidal one (1) Amalco Share for each Tidal Share and Tidal Series II Preferred Share so issued;

(f) MichiCann and Subco shall be amalgamated and continue as Amalco;

(g) all of the property and assets of each of MichiCann and Subco shall be the property and assets of Amalco and Amalco shall be liable for all of the liabilities and obligations of each of MichiCann and Subco, including civil, criminal and quasi criminal, and all contracts, liabilities and debts of Subco and MichiCann;

(h) all rights of creditors against the property, assets, rights, privileges and franchises of Subco and MichiCann and all liens upon their property, rights and assets shall be unimpaired by the Amalgamation and all debts, contracts, liabilities and duties of Subco and MichiCann shall thenceforth attach to and be enforced against Amalco; and

(i) no action or proceeding by or against Subco or MichiCann shall abate or be affected by the Amalgamation but, for all purposes of such action or proceeding, the name of Amalco shall be substituted in such action or proceeding in place of Subco or MichiCann, as the case may be.

7. Articles of Amalgamation

The Articles of Amalgamation of Amalco shall be in the form annexed hereto as Exhibit “A”.

8. Name

The Name of Amalco shall be "MichiCann Medical Inc." or such other name as mutually agreed to by the Parties.

9. Registered Office

Until changed in accordance with the OBCA, the registered office of Amalco shall be in the Province of Ontario.

10. Authorized Capital

The authorized capital of Amalco shall consist of an unlimited number of Amalco Shares, the rights, privileges, restrictions and conditions attaching to which shall be as set out in the Articles of Amalgamation annexed hereto as Exhibit "A".

11. Share Transfer Restrictions

The Amalco Shares shall be subject to restrictions on transfer as set out in the Articles of Amalgamation annexed hereto as Exhibit "A".

12. Business

There shall be no restrictions on the business which Amalco is authorized to carry on or the powers which Amalco may exercise.

13. Number of Directors

The board of directors of Amalco shall consist of not less than one (1) and not more than ten (10) directors, the exact number of which shall be determined by the directors from time to time.

14. First Directors

The first director of Amalco shall be the persons whose names and addresses for service appear below:

Name	Address	Resident Canada
Brad Rogers	**[Redacted]**	Yes

The above directors shall hold office from the Effective Date until the first annual meeting of Amalco Shareholders or until his successor is elected or appointed.

15. Special Provisions

Subject to the provisions of the OBCA, the following provisions shall apply to Amalco:

(a) Without in any way restricting the powers conferred upon Amalco or its board of directors by the OBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the board of directors may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deems expedient:

(i) borrow money upon the credit of Amalco;

(ii) issue, re-issue, sell, pledge, or hypothecate debt obligations of Amalco;

(iii) give a guarantee on behalf of Amalco to secure performance of an obligation of any person; and

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of Amalco owned or subsequently acquired, to secure any obligation of Amalco.

The board of directors may from time to time delegate to a director, a committee of directors or an officer of Amalco any or all of the powers conferred on the board as set out above, to such extent and in such manner as the board shall determine at the time of such delegation.

16. By-laws

The by-laws of Amalco shall be, to the extent not inconsistent with this Agreement, the by-laws of Subco, until repealed or amended.

17. Fractional Shares

No fractional Tidal Shares, Tidal Series II Preferred Shares or Amalco Shares will be issued or delivered to any former MichiCann Shareholders or the former Subco Shareholder otherwise entitled thereto, if any. Instead, the number of Tidal Shares, Tidal Series II Preferred Shares or Amalco Shares issued to each former holder of MichiCann Shares or Subco Shares will be rounded down to the nearest whole number.

18. Stated Capital

The stated capital account in the records of Amalco for the Amalco Shares shall be equal to the paid-up capital (within the meaning of the *Income Tax Act* (Canada)) attributed to the MichiCann Shares and the Subco Shares, determined immediately before the Amalgamation.

An amount equal to the paid-up capital (within the meaning of the Income Tax Act (Canada)) attributed to the MichiCann Shares shall be added to the stated capital account maintained by Tidal for the Tidal Shares and the Tidal Series II Preferred Shares as the case may be.

19. Delivery of Securities Following Amalgamation as soon as Practicable After the Effective Date:

(a) Amalco shall issue certificates representing the appropriate number of Amalco Shares to the former Subco Shareholder. Until delivery of such certificate, the share certificate or certificates representing the Subco Shares held by the former Subco Shareholder will be evidence of the former Subco Shareholder's right to be registered as a shareholder of Amalco. Share certificates formerly representing Subco Shares which are held by the former Subco Shareholder shall cease to represent any claim upon or interest in Subco other than the right of the registered holder to receive the number Amalco Shares to which it is entitled pursuant to the terms hereof; and

(b) in accordance with normal commercial practice, Tidal shall issue or cause to be issued certificates, direct registration statements or electronic positions within CDS representing the appropriate number of Tidal Shares and Tidal Series II Preferred Shares (post-Tidal Name Change) to the former MichiCann Shareholders (other than Dissenting Shareholders) by: (i) depositing such Tidal Shares and Tidal Series II

Preferred Shares with the Depositary and/or the electronic positions representing such Tidal Shares and Tidal Series II Preferred Shares with CDS (in the name of the Depository), as applicable, to satisfy the consideration issuable to such MichiCann Shareholders; and (ii) as soon as reasonably practicable after the Effective Date, causing the Depositary to forward to, or hold for pick-up by, each former MichiCann Shareholder that submitted a duly completed Letter of Transmittal or other evidence of entitlement to the Depositary, together with the certificate (if any) representing the MichiCann Shares held by such MichiCann Shareholder or such other evidence of ownership of such MichiCann Shares as is satisfactory to the Depositary, acting reasonably, (A) the certificates representing the Tidal Shares and Tidal Series II Preferred Shares to which such MichiCann Shareholder is entitled, in accordance with its Letter of Transmittal (or other evidence of entitlement), or (B) confirmation of a non-certificated electronic position transfer in CDS representing the Tidal Shares and the Tidal Series II Preferred Shares to which such MichiCann Shareholder is entitled, in accordance with its Letter of Transmittal. Share certificates formerly representing MichiCann Shares which are held by the former MichiCann Shareholders shall cease to represent any claim upon or interest in MichiCann other than the right of the registered holder to receive the number of Tidal Shares and the Tidal Series II Preferred Shares to which it is entitled pursuant to the terms hereof.

20. Negative Covenants

From the date hereof to and including the Effective Date, each of MichiCann, Subco and Tidal covenants that it will not:

(a) reserve, allot, create, issue or distribute any of its securities, other than: (i) securities issuable upon the exercise, conversion or exchange of previously issued securities including, in the case of MichiCann, the MichiCann Convertible Securities (all as defined in the Business Combination Agreement); (ii) stock options granted under its stock option plan; (iii) securities to be issued pursuant to employee purchase plans; or

(iv) securities to be issued in order to effect the transactions described in the Business Combination Agreement;

(b) declare or pay dividends on any of its shares other than as has been publicly disclosed as of the date hereof or make any other issue, payment or distribution to the holders of its securities including, without limitation, the issue, payment or distribution of any of its assets or property to such holders;

(c) authorize or take any action to amalgamate, merge, reorganize, effect an arrangement, liquidate, dissolve, wind-up or transfer all or substantially all of its undertaking or assets to another corporation or entity;

(d) reclassify any outstanding securities or change such securities into other shares or securities or subdivide, redivide, reduce, combine or consolidate such securities into a greater or lesser number of securities, effect any other capital reorganization or amend the designation of or the rights, privileges, restrictions or conditions attaching to such securities, other than in order to effect the transactions described in the Business Combination Agreement;

(e) amend its articles or by-laws, other than in order to effect the transactions described in the Business Combination Agreement; or

(f) enter into any transaction, or take any other action, out of the ordinary course of its business, other than in order to effect the transactions described in the Business Combination Agreement.

21. Termination

Subject to the terms of the Business Combination Agreement, this Agreement may be terminated by the board of directors of each of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholders of the Amalgamating Corporations, at any time prior to the issuance of the Certificate of Amalgamation. If this Agreement is terminated pursuant to this section, this Agreement shall forthwith become void and of no further force and effect.

22. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario sitting in and for the judicial district of Toronto in respect of all matters arising under or in relation to this Agreement.

23. Further Assurances

Each of the Parties agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Amalgamation Agreement.

24. Time of the Essence

Time shall be of the essence of this Agreement.

25. Amendments

This Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

26. Counterparts

This Agreement may be signed in counterparts (including counterparts by facsimile), and all such signed counterparts, when taken together, shall constitute one and the same agreement, effective on this date.

IN WITNESS WHEREOF the Parties have executed this Agreement by their duly authorized officers as of the day and year first above written.

TIDAL ROYALTY CORP.

Per: _____

Theo van der Linde
Chief Financial Officer

2690229 ONTARIO INC.

Per: _____

Brendan Purdy
President

MICHICANN MEDICAL INC.

Per: _____

Michael Marchese
President

EXHIBIT "A"
ARTICLES OF AMALGAMATION

(TO BE INSERTED AT THE TIME OF SIGNING THE AMALGAMATION AGREEMENT)

SCHEDULE B
AMALGAMATION RESOLUTION

The text of the Amalgamation Resolution which the MichiCann Shareholders approved at the MichiCann Meeting is substantially as follows:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1 The amalgamation under Section 174 of the Business Corporations Act (Ontario) (the "Amalgamation") involving MichiCann Medical, Inc. ("MichiCann") and 2690229 Ontario Inc. ("Subco"), all as more particularly described and set forth in the management information circular (the "Circular") of MichiCann, is hereby authorized, approved and adopted.

2 The amalgamation agreement (the "Amalgamation Agreement") between MichiCann and Subco, implementing the Amalgamation, substantially in the form and containing substantially the same terms and conditions as set out in Schedule A to the business combination agreement between MichiCann, Tidal Royalty Corp. ("Tidal") and Subco dated May 8, 2019 as amended and restated on March 12, 2020 (the "Business Combination Agreement") (as the Amalgamation Agreement may be, or may have been modified or amended in accordance with its terms) is hereby authorized, approved and adopted.

3 Notwithstanding that this resolution has been passed (and the Amalgamation approved) by the shareholders of MichiCann, the directors of MichiCann are hereby authorized and empowered, without further notice to, or approval of, the shareholders of MichiCann to amend the Business Combination Agreement or the Amalgamation Agreement to the extent permitted by the Business Combination Agreement or the Amalgamation Agreement, or subject to the terms of the Business Combination Agreement, not proceed with the Amalgamation.

4 Any director or officer of MichiCann is hereby authorized and directed for and on behalf of MichiCann to execute, whether under corporate seal of MichiCann or otherwise, and to deliver articles of amalgamation and such other documents as are necessary or desirable to the Director under the OBCA in accordance with the Amalgamation Agreement for filing.

5 Any one or more directors or officers of MichiCann is hereby authorized, for and on behalf and in the name of MichiCann, to execute and deliver, whether under corporate seal of MichiCann or otherwise, all such agreements, forms, waivers, notices, certificate, confirmations and other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE C FUNDAMENTAL CHANGE WRITTEN CONSENT

The text of the Fundamental Change Written Consent which the Tidal Shareholders will be asked to sign is substantially as follows:

TO: TIDAL ROYALTY CORP. (the "Corporation")

AND TO: THE DIRECTORS THEREOF

WHEREAS MichiCann Medical Inc. ("MichiCann") is a company existing under the laws of the Province of Ontario whose material assets consists of its wholly owned subsidiaries Mid-American Growers Inc. and RWB Illinois Inc., a secured convertible debenture for a principal amount of up to US$114,734,209 dated January 4, 2019 issued by PharmaCo, Inc. ("PharmaCo") and a put/call option agreement dated January 4, 2019 between MichiCann and the shareholders of PharmaCo.

AND WHEREAS PharmaCo is a company existing under the laws of the State of Michigan and operating in the cannabis industry in the United States, with assets comprised of licensed provisioning centers, licensed cultivation facilities and licensed processing facilities, all in the State of Michigan.

AND WHEREAS the Corporation, its wholly owned subsidiary 2690229 Ontario Inc. and MichiCann have entered into an amended and restated business combination agreement dated March 12, 2020 (the "Business Combination Agreement"), pursuant to which, among other things, the Corporation will complete a business combination transaction with MichiCann by way of a "three-cornered" amalgamation (the "Business Combination").

AND WHEREAS, as part of the Business Combination, it is currently proposed that the Corporation will, among other things, (a) consolidate its outstanding shares on a 16:1 basis, and (b) change its name to "Red White & Bloom Brands Inc." or such other similar name as may be accepted by the relevant regulatory authorities and approved by the board of directors of the Corporation.

AND WHEREAS, in connection with the completion of the Business Combination, certain directors and officers of the Corporation will resign and new directors and officers will be appointed as directors and officers of the issuer resulting from the Business Combination (the "Resulting Issuer") as described in the Business Combination Agreement:

AND WHEREAS pursuant to Policy 8 of the Canadian Securities Exchange ("CSE"), the Business Combination constitutes a "Fundamental Change" (as such term is defined in Policy 8), requiring the Corporation to obtain shareholder approval.

NOW THEREFORE, the undersigned hereby confirms that he, she or it:

1. Consents to the Corporation completing the Business Combination and all other transactions and ancillary matters related thereto to give effect to the Business Combination.

2. Acknowledges that this consent will be filed with the CSE in support of an application with the CSE for approval to the completion of the Business Combination and to qualify the listing of the securities of the Resulting Issuer on the CSE.

3. Acknowledges that notwithstanding the fact that this consent may be signed by the requisite percentage of shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered, if they decide not to proceed with the Business Combination, to revoke this consent at any time prior to the closing of the Business Combination without further notice to or approval of the shareholders of the Corporation.

4. Acknowledges that he, she or it has received all information that he, she or it has deemed necessary or advisable for purposes of evaluating the Business Combination, the other transactions and ancillary matters related thereto and this consent, and has had the opportunity to ask and have answered any and all questions which he, she or it wished to have answered by the Corporation with respect to the Business Combination, the other transactions and ancillary matters related thereto and this consent, prior to the execution of this consent.

Acknowledges that delivery of a signed copy of this consent by facsimile or email (in PDF form or otherwise) is as valid as a delivery of a signed original, and notwithstanding the date of execution, this consent shall be deemed to be dated as of the date set forth below.

SCHEDULE D
TIDAL SERIES II PREFERRED SHARE CONDITIONS

SEE ATTACHED

TIDAL ROYALTY CORP. TERMS OF SERIES 2 CONVERTIBLE PREFERRED SHARES

1. Designation and Number of Shares. There shall hereby be created and established a series of preferred shares of Tidal Royalty Corp. (the "**Company**") designated as "Series 2 Convertible Preferred Shares" (the "**Series 2 Preferred Shares**"). The authorized number of Series 2 Preferred Shares shall be unlimited. Capitalized terms not defined herein shall have the meaning as set forth in Section 18 below. No dividends shall accrue or be payable with respect to the Series 2 Preferred Shares except as set forth in Section 8 below.

2. Ranking. Except with respect to any future series of preferred shares of senior rank to the Series 2 Preferred Shares in respect of the preferences as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company or the Series 2 Preferred Shares and any future series of preferred shares of *pari passu* rank to the Series 2 Preferred Shares in respect of the preferences as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company (collectively, the "**Parity Shares**"), all shares of capital stock of the Company shall be junior in rank to all Series 2 Preferred Shares with respect to the preferences as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company provided same are issued in accordance with the terms hereof including, for greater certainty, the Series 1 Convertible Preferred Shares and the Common Shares (collectively, the "**Junior Shares**"). The rights of all such shares of the Company shall be subject to the rights, powers, preferences and privileges of the Series 2 Preferred Shares set forth herein. For the avoidance of doubt, in no circumstance will a Series 2 Preferred Share have any rights subordinate or otherwise inferior to the rights of shares of Parity Shares or Junior Shares (as defined herein).

3. Issuance of Series 2 Preferred Shares. The Series 2 Preferred Shares may be issued in both certificated and uncertificated form. The Company shall, or shall cause the Transfer Agent to, deliver to each Holder (as defined herein) on the Initial Issuance Date certificates registered in the name of such Holder (or as such Holder may direct prior to the Initial Issuance Date) ("**Certificated Series 2 Preferred Shares**"), a direct registration statement evidencing such number of Series 2 Preferred Shares or an electronic deposit evidencing such number of Series 2 Preferred Shares as the Holder is entitled to (each of the direct registration statement and electronic deposit methods representing "**Uncertificated Series 2 Preferred Shares**").

4. Conversion. Each Series 2 Preferred Share shall be convertible into validly issued, fully paid and non-assessable Common Shares (as defined herein) on the terms and conditions set forth in this Section 3.

(a) Holder's Conversion Right. At any time or times on or after the seven month anniversary of the Initial Issuance Date and before the two year anniversary of the Initial Issuance Date, each holder of a Series 2 Preferred Share (each, a "**Holder**" and collectively, the "**Holders**") shall be entitled to convert any whole number of Series 2 Preferred Shares, including any Series 2 Preferred Shares accrued from dividends issued hereunder, into validly issued, fully paid and non-assessable Common Shares in accordance with Section 4(c) at the Conversion Rate (as defined below). Any Series 2 Preferred Shares outstanding on the two year anniversary of the Initial Issuance Date, including any Series 2 Preferred Shares accrued from dividends, shall automatically convert into fully paid and non-assessable Common Shares at such time in accordance with this Section 4 and without requiring any further action by the Holder.

(b) Conversion Rate. The number of validly issued, fully paid and non-assessable Common Shares issuable upon conversion of each Series 2 Preferred Share pursuant to Section 4(a) shall initially be set at 1:1 (the "**Conversion Rate**"), subject to adjustment as provided herein.

No fractional Common Shares are to be issued upon the conversion of any Series 2 Preferred Shares. If the issuance would result in the issuance of a fraction of a Common Share, the Company shall round such fraction of a Common Share down to the nearest whole Common Share.

(c) Mechanics of Conversion. The conversion of each Series 2 Preferred Share shall be conducted in the following manner:

(i) Holder's Conversion. To convert a Series 2 Preferred Share into validly issued, fully paid and non-assessable Common Shares on any Business Day after the seven month anniversary of the Initial Issuance Date and prior to the two year anniversary of the Initial Issuance Date (a "**Conversion Date**"), a Holder shall deliver (whether via facsimile or otherwise), for receipt on or prior to 11:59 p.m., Vancouver time, on such date, a copy of an executed notice of conversion of the Series 2 Preferred Shares subject to such conversion in the form attached hereto as "Exhibit I (the "**Conversion Notice**") to the Company.

(A) A Holder of Certificated Series 2 Preferred Shares shall, within five (5) Business Days following a Conversion Notice of any such Series 2 Preferred Shares as aforesaid, surrender to a nationally recognized overnight delivery service for delivery to the Company the original certificates representing the Series 2 Preferred Shares so converted as aforesaid.

(B) A Holder of Uncertificated Series 2 Preferred Shares evidenced by a direct registration statement shall be deemed to have surrendered any such Series 2 Preferred Shares upon receipt by the Company of the Conversion Notice.

(C) A Holder of Uncertificated Series 2 Preferred Shares evidenced by a security entitlement in respect of such Series 2 Preferred Shares in the book entry registration system who desires to convert Series 2 Preferred Shares must do so by causing a Book Entry Participant to deliver to the Depository the Conversion Notice on behalf of the Holder. Forthwith upon receipt by the Depository, the Depository shall deliver to the Transfer Agent confirmation of its intention to convert Series 2 Preferred Shares in a manner acceptable to the Transfer Agent, including by electronic means through a book based registration system, including CDSX. By causing a Book Entry Participant to deliver a Conversion Notice to the Depository, a Holder shall be deemed to have irrevocably surrendered his or her Series 2 Preferred Shares so converted and appointed such Book Entry Participant to act as his or her exclusive settlement agent with respect to the conversion of the Series 2 Preferred Shares and the receipt of Common Shares in connection with the obligations arising from such conversion. Any Conversion Notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no force and effect and the conversion to which it relates shall be considered for all purposes not to have been converted thereby. A failure by a Book Entry Participant to convert or to give effect to the settlement thereof in accordance with the Holder's instructions will not give rise to any obligations or liability on the part of the Company or Transfer Agent to the Book Entry Participant or the Holder.

(ii) Company's Response. On or before the fifth (5^{th}) Business Day following the date of receipt by the Company of the original certificates representing the Series 2 Preferred Shares subject to the Conversion Notice (in the case of Certificated Series 2 Preferred Shares) or a duly completed Conversion Notice (in the case of Uncertificated Series 2 Preferred Shares), the Company shall issue and deliver, or cause to be issued and delivered (via reputable overnight courier, as applicable) as specified in such Conversion Notice, a certificate, direct registration statement or electronic deposit, registered in the name of such Holder or its designee, for the number of Common Shares to which such Holder shall be entitled. In the case of Certificated Series 2 Preferred Shares, if the number of Series 2 Preferred Shares represented by the Series 2 Preferred Share certificate(s) submitted for conversion pursuant to this Section 4(c) is greater than the number of Series 2 Preferred Shares being converted,

then the Company shall issue and deliver to such Holder (or its designee) a new Series 2 Preferred Share certificate representing the number of Series 2 Preferred Shares not converted.

(iii) Record Holder. The Person or Persons entitled to receive the Common Shares issuable upon a conversion of Series 2 Preferred Shares shall be treated for all purposes as the record holder or holders of such Common Shares on the Conversion Date.

(iv) Withholding Tax. The Company will be entitled to deduct and withhold from any conversion of Series 2 Preferred Shares, and to otherwise recover from the Holder the full amount of taxes or other additional amounts required to be deducted or withheld by the Company under applicable laws.

5. Adjustments.

(a) Adjustment of Conversion Rate upon Subdivision or Combination of Common Shares. If the Company at any time on or after the Initial Issuance Date subdivides (by any share split, share dividends, recapitalization or otherwise) its outstanding Common Shares into a greater number of shares, the Conversion Rate in effect immediately prior to such subdivision will be proportionately increased. If the Company at any time on or after the Initial Issuance Date combines (by combination, reverse share split or otherwise) its outstanding Common Shares into a smaller number of shares, the Conversion Rate in effect immediately prior to such combination will be proportionately decreased. Any adjustment pursuant to this Section 5 shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 5 occurs during the period that a Conversion Rate is calculated hereunder, then the calculation of such Conversion Rate shall be adjusted appropriately to reflect such event.

(b) Rights Upon Fundamental Transactions. The Company shall not enter into or be party to a Fundamental Transaction unless the Successor Entity assumes in writing all of the obligations of the Company under these terms in accordance with the provisions of this Section 5(b) pursuant to written agreements, agreeing to deliver to each holder of Series 2 Preferred Shares in exchange for such Series 2 Preferred Shares a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to these terms and having similar ranking to the Series 2 Preferred Shares. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of these terms and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under these terms and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein and therein. In addition to the foregoing, upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to each Holder confirmation that there shall be issued upon conversion of the Series 2 Preferred Shares at any time after the consummation of such Fundamental Transaction, in lieu of the Common Shares (or other securities, cash, assets or other property (except such items still issuable under Section 5(a), which shall continue to be receivable thereafter)) issuable upon the conversion of the Series 2 Preferred Shares prior to such Fundamental Transaction, such publicly traded common shares (or their equivalent) of the Successor Entity (including its Parent Entity) that each Holder would have been entitled to receive upon the happening of such Fundamental Transaction had all the Series 2 Preferred Shares held by each Holder been converted immediately prior to such Fundamental Transaction (without regard to any limitations on the conversion of the Series 2 Preferred Shares contained herein), as adjusted in accordance with the provisions herein. The provisions of this Section 5(b) shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations on the conversion of the Series 2 Preferred Shares.

6. Authorized Common Shares. The Company shall reserve and authorize for issuance such number of Common Shares as required to satisfy the conversion of each Series 2 Preferred Share. So long as any of the Series 2 Preferred Shares are outstanding, the Company shall take all action necessary to reserve and authorize for issuance such number of Common Shares as required to satisfy the conversion of the number of outstanding Series 2 Preferred Shares, as of any given date, at the then applicable Conversion Rate.

7. Voting Rights. Holders of Series 2 Preferred Shares shall have voting rights and are entitled to vote on a matter with holders of Common Shares (and Series 1 Preferred Shares if required by law or otherwise entitled to vote with the holders of Common Shares), voting together as one class. Each Series 2 Preferred Share shall entitle the holder thereof to cast that number of votes per share as is equal to the number of Common Shares into which it is then convertible using the record date for determining the shareholders of the Company eligible to vote on such matters as the date as of which the Conversion Rate is calculated. Holders of the Series 2 Preferred Shares shall be entitled to written notice of all shareholder meetings or written consents (and copies of proxy materials and other information sent to shareholders), which notice shall be provided pursuant to the Company's bylaws and applicable law.

8. Dividends. Holders of Series 2 Preferred Shares shall be entitled to receive, and the Company shall pay thereon, a fixed dividend equal to 5.0% per annum, calculated monthly and payable in Series 2 Preferred Shares. Upon conversion of Series 2 Preferred Shares, the dividend shall be calculated *pro rata* as at the most recently completed month prior to the Conversion Date. Holders of Series 2 Preferred Shares shall be entitled to receive such dividends paid and distributions made to the holders of the Common Shares to the same extent as if such Holders had converted each Series 2 Preferred Share held by them into Common Shares and had held such Common Shares on the record date for such dividends and distributions. Payment under the preceding sentence shall be made concurrently with the dividend or distribution to the holders of Common Shares. The Company will be entitled to deduct and withhold from any dividends paid in respect of Series 2 Preferred Shares, and to otherwise recover from the Holder the full amount of taxes or other additional amounts required to be deducted or withheld by the Company under applicable laws.

9. Liquidation. Dissolution, Winding-Up. In the event of a Liquidation Event, the Holders shall be entitled to receive in cash out of the assets of the Company, whether from capital or from earnings available for distribution to its shareholders (the "**Liquidation Funds**"), before any amount shall be paid to the holders of any Junior Shares, an amount per Series 2 Preferred Share equal to the amount per share such Holder would receive if such Holder converted such Series 2 Preferred Shares into Common Shares immediately prior to the date of such payment, provided that if the Liquidation Funds are insufficient to pay the full amount due to the Holders and holders of Parity Shares, then each Holder and each holder of Parity Shares shall receive a percentage of the Liquidation Funds equal to the full amount of Liquidation Funds payable to such Holder and such holder of Parity Shares as a liquidation preference, in accordance with their respective terms, as a percentage of the full amount of Liquidation Funds payable to all holders of Series 2 Preferred Shares and all holders of Parity Shares. To the extent necessary, the Company shall cause such actions to be taken by each of its Subsidiaries so as to enable, to the maximum extent permitted by law, the proceeds of a Liquidation Event to be distributed to the Holders in accordance with this Section 8. All the preferential amounts to be paid to the Holders under this Section 8 shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any Liquidation Funds of the Company to the holders of shares of Junior Shares in connection with a Liquidation Event as to which this Section 8 applies.

10. Vote to Change the Terms of or Issue Series 2 Preferred Shares. In addition to any other rights provided by law, except where the vote or written consent of the holders of a greater number of shares is required by law or by another provision of the constating documents of the Company, without first obtaining the affirmative vote at a meeting duly called for such purpose or the written consent without a meeting of the Required Holders, voting together as a single class, the Company shall not: (a) amend or repeal any provision of, or add any provision to, the constating documents of the Company, or file any certificate of amendment, if such action would adversely alter or change in any respect the preferences, rights, privileges or powers, or restrictions provided for the benefit, of the Series 2 Preferred Shares, regardless of whether any such action shall be by means of amendment to the constating documents of the Company or by merger, consolidation or otherwise.

11. Lost or Stolen Certificates. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any certificates representing Series 2 Preferred Shares (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of an indemnification undertaking by the applicable Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of the certificate(s), the Company shall execute and deliver new certificate(s) of like tenor and date.

12. Remedies, Other Obligations, Breaches and Injunctive Relief. The remedies provided in these terms shall be cumulative and in addition to all other remedies available under these terms, at law or in equity (including a decree of specific performance and/or other injunctive relief), and no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy. Nothing herein shall limit any Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms hereof. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by a Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder may cause irreparable harm to the Holders and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, each Holder shall be entitled, in addition to all other available remedies, to seek an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required, to the extent permitted by applicable law. The Company shall provide all information and documentation to a Holder that is reasonably requested by such Holder to enable such Holder to confirm the Company's compliance with the terms and conditions of these terms.

13. Noncircumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its constating documents or through any reorganization, transfer of assets, consolidation, merger, plan of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms hereof, and will at all times in good faith carry out all the provisions of these terms and take all action as may be reasonably required to protect the rights of the Holders. Without limiting the generality of the foregoing or any other provision of these terms, the Company (i) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the conversion of Series 2 Preferred Shares and (ii) shall, so long as any Series 2 Preferred Shares are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued Common Shares, solely for the purpose of effecting the conversion of the Series 2 Preferred Shares, the maximum number of Common Shares as shall from time to time be necessary to effect the conversion of the Series 2 Preferred Shares then outstanding (without regard to any limitations on conversion contained herein).

14. Failure or Indulgence Not Waiver. No failure or delay on the part of a Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

15. Notices.. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, electronic mail, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, or electronic mail at the address or number designated below (if delivered on a Business Day during normal business hours where such notice is to be received), or the first Business Day following such delivery (if delivered other than on a Business Day during normal business hours where such notice is to be received) or (b) on the second Business Day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Company, to 789 West Pender Street, Suite 810, Vancouver, BC V6C 1H2; and if to the Holder to the address on the register for the Series 2 Preferred Shares.

16. Series 2 Preferred Shares Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the Holders), a register for the Series 2 Preferred Shares, in which the Company shall record the name, address, electronic mail and facsimile number of the Persons in whose name the Series 2 Preferred Shares have been issued, as well as the name and address of each transferee. The Company may treat the Person in whose name any Series 2 Preferred Shares is registered on the register as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary, but in all events recognizing any properly made transfers.

17. Shareholder Matters; Amendment.

(a) Shareholder Matters. Any shareholder action, approval or consent required, desired or otherwise sought by the Company pursuant to the applicable laws, the constating documents of the Company, the terms hereof or otherwise with respect to the issuance of Series 2 Preferred Shares may be effected by written consent of the Company's shareholders or at a duly called meeting of the Company's shareholders, all in accordance with applicable laws.

(b) Amendment. The terms or any provision hereof may be amended by obtaining the affirmative vote at a meeting duly called for such purpose of the Required Holders, or written consent without a meeting in accordance with the applicable laws of all Holders, voting separately as a single class, and with such other shareholder approval, if any, as may then be required by applicable laws and constating documents of the Company.

18. Certain Defined Terns. For purposes of these terms, the following terms shall have the following meanings:

(a) "**Book Entry Participant**" means an institution that participates directly or indirectly in the Depository's book entry registration system for the Series 2 Preferred Shares.

(b) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of Vancouver are authorized or required by law to remain closed.

(c) "**CDSX**" means the settlement and clearing system of CDS Clearing and Depository Services Inc. for equity and debt securities in Canada.

(d) "**Common Shares**" means the common shares in the capital of the Company, as constituted from time to time.

(e) "**Depository**" means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Company to act as depository in respect of the Series 2 Preferred Shares.

(f) "**Fundamental Transaction**" means:

(i) the purchase or acquisition by any Person, or group of Persons acting jointly or in concert, of voting control or direction of an aggregate of 50% or more of the outstanding Common Shares, or securities convertible into or carrying the right to acquire Common Shares, other than as a result of the conversion of the Series 2 Preferred Shares hereunder;

(ii) the completion by the Company of an amalgamation, arrangement, merger or other consolidation or combination of the Company with another corporation or entity which requires approval of the shareholders of the Company pursuant to its constating documents, such that Persons would beneficially own, or exercise control or direction over, voting securities of the Company carrying the right to cast more than 50% of the votes attaching to all voting securities, and immediately following such an event, the directors of the Company immediately prior to such event do not constitute a majority of the board of directors (or equivalent) of the successor or continuing corporation or entity immediately following such event;

(iii) the election at a meeting of the Company's shareholders of that number of Persons which would represent a majority of the board of directors of the Company, as directors of the Company who are not included in the slate for election as directors proposed to the Company's shareholders by the Company; or

(iv) the sale, lease or exchange of all or substantially all of the property of the Company other than in the ordinary course of business;

(g) "**Initial Issuance Date**" means the date upon which the Series 2 Preferred Shares are issued by the Company.

(h) "**Liquidation Event**" means, whether in a single transaction or series of transactions, the voluntary or involuntary liquidation, dissolution or winding up of the Company or such Subsidiaries the assets of which constitute all or substantially all of the assets of the business of the Company and its Subsidiaries, taken as a whole.

(i) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(j) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(k) "**Required Holders**" means the holders of at least 50.1% of the outstanding Series 2 Preferred Shares.

(l) "**Subsidiary**" means any Person in which the Company, directly or indirectly, (i) owns a majority of the outstanding capital shares or holds a majority of equity or similar interest of such Person or (ii) controls or operates all or any part of the business, operations or administration of such Person.

(m) "**Successor Entity**" means the Person (or, if so elected by the Required Holders, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Required Holders, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(n) "**Transaction Documents**" means these terms and each of the other agreements and instruments entered into or delivered by the Company or any of the Holders in connection with the transactions contemplated thereby, all as may be amended from time to time in accordance with the terms hereof or thereof.

(o) "**Transfer Agent**" means National Securities Administrators Ltd. acting as transfer agent or such other transfer agent as appointed by the Company.

EXHIBIT I

TIDAL ROYALTY CORP.

CONVERSION NOTICE

Reference is made to the terms (the "**Terms**"), of the Series 2 Convertible Preferred Shares of Tidal Royalty Corp. (the "**Series 2 Preferred Shares**"). In accordance with and pursuant to the Terms, the undersigned hereby elects to convert the number of Series 2 Preferred Shares of Tidal Royalty Corp., a British Columbia corporation (the "**Company**"), indicated below into common shares (the "**Common Shares**") of the Company, as of the date specified below.

Date of Conversion: _____

Number of Series 2 Preferred Shares to be converted: _____

Share certificate no(s). of Series 2 Preferred Shares to be converted (or account number if held in electronic book entry system): _____

Tax ID Number (If applicable): _____

Conversion Rate: _____

Number of shares of Common Shares to be issued: _____

Please issue the Common Shares into which the Series 2 Preferred Shares are being converted in the following name and to the following address:

Issue to: _____

Address: _____

Telephone Number: _____

Facsimile Number and / or e-mail address: _____

Holder: _____

By: _____

Title: _____

Dated: _____

Account Number (if electronic book entry transfer): _____

Transaction Code Number (if electronic book entry transfer): _____