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: September 30, 2020

Commission File Number: 000-55992

Red White & Bloom Brands Inc.
(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 speak 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:

Exhibit No.	Description	Date filed on SEDAR
99.1	News Release	September 2, 2020
99.2	Material Change Report	September 8, 2020
99.3	Material Documents, Securities Purchase Agreement, August 31, 2020	September 8, 2020
99.4	Cover letter, Adding Recipient Agencies to SEDAR Filings in Connection With the Filing of a Short Form Prospectus	September 8, 2020
99.5	Documents Incorporated by Reference, Not Previously Filed: Amended and Restated Credit Agreement, Bridging Finance Inc.	September 10, 2020
99.6	Documents Incorporated by Reference, Not Previously Filed: Distribution Agreement, dated August 11, 2020, Avicanna Inc,	September 10, 2020
99.7	Documents Incorporated by Reference, Not Previously Filed: Acquisition Agreement, NewCo	September 10, 2020
99.8	News Release	September 14, 2020
99.9	Material change report	September 15, 2020
99.10	Amended and restated condensed interim consolidated financial statements for the three and six month periods ended June 30, 2020 and June 30, 2019, September 17, 2020	September 17, 2020
99.11	Amended and restated Management's Discussion and Analysis for the three and six month periods ended June 30, 2020 and June 30, 2019, September 17, 2020	September 17, 2020
99.12	Certification, CEO	September 17, 2020
99.13	Certification, CFO	September 17, 2020
99.14	News Release	September 17, 2020
99.15	Auditors' consent letter, Manning Elliot	September 18, 2020
99.16	Auditors' consent letter, Smythe	September 18, 2020
99.17	Consent letter of issuer's legal counsel, Gowling WLG (CANADA) LLP	September 18, 2020
99.18	Consent letter of underwriter's legal counsel, Borden Ladner Gervais	September 18, 2020
99.19	Decision Document, Prospectus Receipt	September 18, 2020
99.20	Final short form prospectus	September 18, 2020
99.21	Underwriting or agency agreement	September 18, 2020
99.22	News Release	September 24, 2020
99.23	Material change report	September 30, 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: December 11, 2020

99.1	Amended and restated condensed interim consolidated financial statements for the three and six month periods ended June 30, 2020 and June 30, 2019
99.2	Amended and restated Management's Discussion and Analysis for the three and six month periods ended June 30, 2020 and June 30, 2019
99.3	CEO Certification
99.4	CFO Certification

Exhibit 99.1

Red White & Bloom Brands Executes Formal Agreement to Acquire Platinum Vape; Announces Q2 2020 Quarterly Report, First Since Public Debut

- *The Platinum Vape acquisition is expected to close on or about September 15 , 2020, and is not reflected in the quarterly results. Platinum Vape has current annualized revenues of more than CAD $102 million with EBITDA between 25%-30% before forward synergies*
- *The Company's investment in PharmaCo, the owner of significant Michigan cannabis operations, is not reflected in the quarterly results as the Company has not yet closed on the acquisition. The company has now begun to complete the acquisition and will complete subsequent to State regulatory approval. This pending acquisition requires no cash to close and only requires the issuance of 37 million common shares and 37 million series 2 preferred shares*[1]
- *Adjusted EBITDA for the three months ending June 30, 2020 was $6.5 million which excludes both Platinum Vape and PharmaCo*
- *Cash position of $2.6 million expected to grow upon closing of the previously announced $25 million bought deal financing*
- *Gross margin before biological adjustments was 81% representing an all-in cash cost of $0.10 per gram of hemp flower, which is similar in cost to outdoor-grown, lower-value CBD*

Toronto, Ontario, September 2, 2020 – Red White & Bloom Brands Inc. (CSE: RWB and OTC: RWBYF) ("**RWB**" or the "**Company**") is pleased to announce its first financial report after completing its business combination transaction in April of this year.

Concurrently, the Company also reports that it has entered into a definitive, arms-length, agreement with Platinum Vape on September 1, 2020. As part of the transaction the Company is not assuming any long-term debt and there won't be a change of control. The transaction is expected to close in approximately 15 days, subject to the satisfaction of customary closing conditions. A finder's fee will be payable on the transaction. Platinum Vape are purveyors of a full product line of premium cannabis products sold at over 700 retailers throughout Michigan, California and Oklahoma boasting an 84% rating (4.2/5) on WeedMaps.com.

Financial position:

- At the end of the quarter RWB had working capital of $48M and the average monthly cash used by operating activities for the quarter were $1.5 M per month. Current assets increased by 180% while current liabilities decreased by 60% from Q4, 2019. Cash balance of $2.6M at the end of the quarter will be bolstered by up to $25M in cash upon closing of the previously announced bought deal financing.

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[1] *subject to certain adjustments*

Select financial results:

- Revenues for the period totaled $1.5M which excluded both definitive, funded cannabis acquisitions not yet closed.
- Gross margin before fair value impacts was 82%. Strong gross margin performance in quarter attributed to Illinois streamlined operations providing low production cost.
- Q1 2020 Adjusted EBITDA income of $6.5 M marks an improvement versus loss of $4.7M in the same period in 2019. For the first 6 months of 2020 Adjusted EBITDA was $2.8M, an improvement versus loss of $6.6M in the same period in 2019
- IFRS Fair value impact: $8.3M of fair value adjustment on biological assets.

Chairman & CEO Brad Rogers stated:

"After a year and half of hard work by our team, we are now pulling all the pieces together in order to be the driving force in the high-value States we plan to operate in. With the addition Platinum, who comes with one of the highest quality and hardest working management teams having built one of the strongest brands in cannabis, RWB's future couldn't be 'higher'.

"Also, the expected closing of our Michigan Investee, will provide the ability to report some very compelling numbers. I'm looking forward to putting our significant cash raise to work; with our upsized $25 million capital raise we will continue on our disciplined path of growing this business, returning the most value to Shareholders and Making America Dope again"

George Sadler, founder of Platinum Vape commented: "Cody and I are so excited that we we're able to execute on all levels needed, to get this done. To be successful in this space you need a solid team, and that's exactly what we feel we are part of with RWB. The future growth for Platinum, combined with a company that has solid growth, low debt and great direction, is what's needed to navigate through this space and that's what RWB has to offer. We couldn't be happier with the decision we have made to be a part of the RWB team."

Details of the Platinum Vape Transaction:

Under the terms of the definitive agreement, a subsidiary of the Company will acquire all of the issued and outstanding equity interests of Platinum Vape in a cash and stock transaction valued at up to US$35 million, comprised of US$7 million in cash payable at closing, a further US$13 million in cash payable 120 days after closing and a US$15 million convertible promissory note payable on the third anniversary of closing (which may be converted into Company stock only after 12 months). Additional consideration of up to US$25 million, payable either as cash or stock in the Company, may be paid to Platinum Vape securityholders if certain revenue targets and EBIT metrics are achieved by Platinum Vape in 2020 and 2021. Additional details of the transaction shall be provided upon closing.

Adjusted EBITDA Reconciliation:

	Q2 2020	Q2 2019	First 6 months 2020	First 6 Months 2019
Net loss and comprehensive loss	(23,032,068)	(5,553,282)	(20,286,538)	(7,404,237)
Add back				
Interest expense	2,080,625	-	4,042,577	-
Depreciation	1,321,184	-	1,322,246	-
Foreign exchange loss (gain)	3,724,549	1,593,599	(4,380,521)	1,741,600
Interest income	(1,194,523)	(1,165,818)	(2,344,483)	(1,864,340)
Accretion of loans receivable	(758,603)	(464,230)	(1,440,946)	(1,124,015)
Loss on revaluation of call option	(58,246)	839,937	1,420,001	2,008,403
Gain on Disposal	(149,947)	-	(149,947)	-
Write off of deposit	1,853,059	-	1,853,059	-
Revaluation of investment	(91,143)	-	(91,143)	-
Listing Expense	22,832,281	-	22,832,281	-
Adjusted EBITDA	**6,527,168**	**(4,749,794)**	**2,776,586**	**(6,642,589)**

For full company financial statements and MD&A please see sedar.com

About Red White & Bloom Brands Inc.

The Company is positioning itself to be one of the top three multi-state cannabis operators active in the U.S. legal cannabis and hemp sector. RWB is predominately focusing its investments on the major US markets, including Michigan, Illinois, Massachusetts and California with respect to cannabis, and the US and internationally for hemp-based CBD products.

Non-IFRS Financial Measures

Operational gross profit, EBITDA and Adjusted EBITDA are non-IFRS measures and do not have standardized definitions under IFRS. The Company has provided the non-IFRS financial measures, which are not calculated or presented in accordance with IFRS, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with IFRS. These supplemental non-IFRS financial measures are presented because management has evaluated the financial results both including and excluding the adjusted items and believe that the supplemental non-IFRS financial measures presented provide additional perspective and insights when analyzing the core operating performance of the business. These supplemental non-IFRS financial measures should not be considered superior to, as a substitute for or as an alternative to, and should only be considered in conjunction with, the IFRS financial measures presented herein. Accordingly, the following information provides reconciliations of the supplemental non-IFRS financial measures, presented herein to the most directly comparable financial measures calculated and presented in accordance with IFRS.

For more information about Red White & Bloom Brands Inc., please contact:

Tyler Troup, Managing Director

Circadian Group IR

IR@RedWhiteBloom.com

Visit us on the web: www.RedWhiteBloom.com

Follow us on social media:

Twitter: @rwbbrands

Facebook: @redwhitebloombrands

Instagram: @redwhitebloombrands

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.

FORWARD LOOKING INFORMATION

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release includes information relating to the implementation of the Company's business plan including the completion of the Platinum Vape acquisition, the PharmaCo acquisition and the bought deal financing. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the implementation of the Company's business plan and matters relating thereto, risks associated with the cannabis industry, competition, regulatory change, the need for additional financing, reliance on key personnel, the potential for conflicts of interest among certain officers or directors, and the volatility of the Company's common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

There are a number of important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others, risks related to the Company's proposed business, such as failure of the business strategy and government regulation; risks related to the Company's operations, such as additional financing requirements and access to capital, reliance on key and qualified personnel, insurance, competition, intellectual property and reliable supply chains; risks related to the Company and its business generally. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and

information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Company may elect to, it does not undertake to update this information at any particular time.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

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Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Red White & Bloom Brands Inc. (formerly, Tidal Royalty Corp.) (the "**Company**" or "**RWB**")
810-789 West Pender Street
Vancouver, B.C. V6C 1H2

Item 2 Date of Material Change

August 31, 2020

Item 3 News Release

The new release was filed on SEDAR, disseminated through the facilities of GlobeNewsWire and posted to the Issuer's disclosure hall with the CSE on September 2, 2020.

Item 4 Summary of Material Change

The Company announced that it entered into a definitive, arms-length agreement with Platinum Vape LLC ("Platinum Vape"). Under the terms of the definitive agreement, a subsidiary of the Company will acquire all of the issued and outstanding equity interests of Platinum Vape in a cash and stock transaction valued at up to US$35 million, which will be comprised of US$7 million in cash payable at closing, a further US$13 million in cash payable 120 days after closing and a US$15 million convertible promissory note payable on the third anniversary of closing (which may be converted into Company stock only after 12 months). Additional consideration of up to US$25 million, payable either as cash or stock in the Company, may be paid to Platinum Vape securityholders if certain revenue targets and EBIT metrics are achieved by Platinum Vape in 2020 and 2021. The transaction is expected to close in approximately 15 days, subject to the satisfaction of customary closing conditions. A finder's fee will be payable on the transaction.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See the attached news release.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Theo van der Linde, Chief Financial Officer
Phone: 604-687-2038

Item 9 Date of Report

September, 2020

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "*Agreement*") is entered into as of August 31, 2020 (the "*Effective Date*"), by and among RWB Platinum Vape Inc., a California corporation (" *Buyer*"), Red White & Bloom Brands Inc., or its designated assign(s) ("*RWB*" or "*Parent*" and, collectively with Buyer, the "*Buyer Parties*", each a "*Buyer Party*"), on the one hand, and the entities listed on Exhibit A attached hereto (collectively, "*Platinum Vape*" or the "*Company*" or the "*Companies*"), and George Sadler and Cody Sadler, each an individual resident of California (each, a "*Seller*" and collectively as, "*Sellers*"), on the other hand. Buyer Parties, Platinum Vape and Sellers are sometimes referred to herein individually as a "*Party*" and collectively as the "*Parties*."

R E C I T A L S

A. Platinum Vape is an integrated cannabis conglomerate involved in the manufacture, distribution and brand licensing of various cannabis derivative products, including vapes and edibles, through various manufacturing facilities and businesses located in California, Michigan and Oklahoma owned and/or operated through licensing arrangements (the "*Business*").

B. Sellers own all the outstanding capital securities of the Companies.

C. Buyer wishes to purchase from Seller, and Seller wishes to sell to Buyer, one hundred percent (100%) of the issued and outstanding equity securities of Platinum Vape (the "*Purchase Securities*"), for the consideration and pursuant to the terms and conditions detailed herein.

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows:

AGREEMENT

Section 1. ***Definitions***.

"*Accounting Principals*" means those accounting rules, methodologies and adjustments historically applied by the Companies as utilized in the Financial Statements.

"*Adverse Consequences*" means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, amounts paid in settlement, Liabilities, obligations, Taxes, liens, losses, diminution in value, deficiencies, environmental analyses, remediations, settlements and compromises, expenses, and fees, (including, without limitation, court costs and reasonable fees and expenses of attorneys, accountants and other experts).

"*Affiliate*" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act.

"*Agreement*" has the meaning set forth in the preface above.

"*Applicable Law*" or "*Applicable Laws*" means any and all laws, ordinances, constitutions, regulations, statutes, treaties, rules, codes, licenses, certificates, franchises, permits, requirements and

injunctions adopted, enacted, implemented, promulgated, issued or entered by or under the authority of any Governmental Authority having jurisdiction over a specified Person or any of such Person's properties or assets, including but not limited to the Cannabis Laws. Notwithstanding the foregoing, neither "Applicable Law" nor "Applicable Laws" shall include any U.S. federal laws, statutes, codes, ordinances, decrees, rules or regulations which apply to the production, trafficking, distribution, processing, extraction, sale, or any transactions promoting the business or involving the proceeds of marijuana (cannabis) and related substances (collectively, the "*Excluded Laws*"); provided, however that Excluded Laws shall not include any provision of the Code, including, without limitation, Section 280E of the Code.

"*Basis*" means any past or present fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction that forms or could form the basis for any specified consequence.

"*Buyer*" has the meaning set forth in the preface above.

"*Buyer Indemnified Party*" has the meaning set forth in Section 8(b)(i).

"*Cannabis Laws*" means the laws of the jurisdictions in which the Company operates relating to cannabis, and any applicable state and local ordinances, rules or regulations relating to cannabis.

"*Closing*" has the meaning set forth in Section 2(e) below.

"*Closing Date*" has the meaning set forth in Section 2(e) below.

"*Code*" means the Internal Revenue Code of 1986, as amended. "*Company(ies)*" has the meaning set forth in the preface above.

"*Confidential Information*" means any information concerning the businesses and affairs of a Party (that is not already generally available to the public through no wrongful act on the part of any receiving party) whether of a technical, business or other nature, including, without limitation, the following: (i) all information that is a trade secret under applicable trade secret or other law; (ii) all information concerning customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer hardware and software and database technologies, Systems, structures and architectures; (iii) all information concerning the business and affairs of such Party (which includes historical and current financial statements, financial projections and budgets, tax returns and accountants' materials, historical plans, strategic plans, marketing and advertising plans, publications, client and customer lists and files, contracts, the names and backgrounds of key personnel and personnel training techniques and materials, however documented); and (iv) the terms and conditions of this Agreement.

"*Current Assets*" means accounts receivable, inventory, raw products (to the extent not included in inventory) and prepaid expenses, but excluding (a) the portion of any prepaid expense of which Buyer will not receive the benefit following the Closing, (b) deferred Tax assets (if any), and (c) receivables from any of the Company's Affiliates, directors, employees, officers or stockholders and any of their respective Affiliates, determined using the Accounting Principles. The amount attributed to inventory and raw products in Current Assets shall be determined based on the cost paid by the Companies for such goods prior to Closing.

"*Current Liabilities*" means accounts payable, accrued Taxes and accrued expenses, but excluding payables to any of the Company's Affiliates, directors, employees, officers or stockholders and any of their

respective Affiliates, deferred Tax liabilities and the current portion of long term debt, determined using the Accounting Principles.

"*Data Security Requirements*" means, collectively, all of the following to the extent related to data treatment, collection, storage, use, processing, privacy, data protection and security, and anti-spam or similar consumer protection matters: (a) all Applicable Laws; (b) any Company's policies, rules and procedures; (c) any contractual obligation of any Company (including with respect to the Payment Card Industry (PCI) Data Security Standard); and (d) applicable industry standards.

"*Disclosure Schedule*" is the disclosure schedule to be provided by the Company to Buyer. "*Due Diligence Date*" means August 20, 2020.

"*EBIT*" means, with respect to the Companies on a consolidated basis for any period of determination, the net income before income taxes of the Company for such period, determined in accordance with GAAP consistently applied.

"*Employment Agreements*" means, collectively, (a) the Employment Agreement to be entered into on the Closing Date between Buyer and George Sadler in the form attached to this Agreement as Exhibit D, and (b) the Employment Agreement to be entered into on the Closing Date between Buyer and Cody Sadler in the form attached to this Agreement as Exhibit D, in each case as amended or otherwise modified from time to time.

"*Environmental Laws*" means all federal, state, local and foreign Laws, including statutes, regulations, ordinances, rules, directives, orders, decrees and other provisions or common law having the force or effect of law, and all judicial and administrative orders and determinations that are binding upon the Company or the Sellers, concerning pollution or protection of the environment, including all those relating to the generation, handling, transportation, treatment, storage, disposal, distribution, labeling, discharge, release, threatened release, control, or cleanup of any hazardous substances, as such of the foregoing are promulgated and in effect on or prior to the Closing Date. By way of example and not limitation, the term "Environmental Laws" shall include (as may be amended from time to time prior to the Closing Date) the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Water Act, the Safe Drinking Water Act, the Atomic Energy Act, the Oil Pollution Act, the Endangered Species Act, the Safe Drinking Water Act, the Solid Waste Disposal Act, the Emergency Planning and Community Right to Know Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Clean Air Act and all regulations under such statutes.

"*Escrow Agent*" has the meaning set forth in Section 2(d) below.

"*Fundamental Representations*" means Section 3(a)(i) (Authorization of Transaction), Section 3(a)(ii) (Purchase Securities), Section 3(a)(iii) (Broker Fees), Section 3(a)(iv) (Non-contravention), Section 3(c)(i) (Organization, Qualification and Corporate Power), Section 3(c)(iii) (Non-contravention), Section 3(c)(v) (Title to Assets), Section 3(c)(iv) (Broker Fees), Section 3(c)(vii) (Legal Compliance; Permits; Cannabis Matters); Section 3(c)(xv) (Taxes), and Sections 3(b)(i)-(iv) and (xxv).

"*Governmental Authority*" means any (a) nation, region, state, county, city, town, village, district or other jurisdiction, (b) federal, state, local, municipal, foreign or other government, (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department or other entity and any court or other tribunal), (d) multinational organization or (e) body exercising, or entitled

to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"*Indebtedness*" means, with respect to the Companies, without duplication: (i) all liabilities for borrowed money, whether current or funded; (ii) all obligations evidenced by a note, bond, debenture, letter of credit, draft or similar instrument; (iii) that portion of obligations with respect to capital leases, if any, that is properly classified as a liability on a balance sheet; (iv) all other obligations of the Companies, other than normal and customary accounts payable; (v) notes payable and drafts accepted representing extensions of credit; (vi) any obligation owed for all or any part of the deferred purchase price of property or services; (vii) all obligations of the Companies to their members or shareholders; (viii) all Tax obligations of the Companies (including any amounts under audit by any tax authority); (ix) any amounts, fines, penalties or claims asserted the Companies by any Governmental Authority; (x) all interest on the items set forth in (i) through (ix) above; (xi) any guarantees of indebtedness of any other person; (xii) all indebtedness and obligations of the types described in the foregoing clauses (i) through (xi) above to the extent secured by any lien on any property or asset owned or held by the Companies, regardless of whether the indebtedness secured thereby shall have been assumed by that person or is nonrecourse to the credit of that person.

"*Indemnified Party*" has the meaning set forth in Section 6 below.

"*Indemnifying Party*" has the meaning set forth in Section 6 below.

"*Intellectual Property*" means all of the following in any jurisdiction throughout the world: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, divisions, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, slogans, trade names, corporate names, Internet domain names, other source identifiers, and rights in telephone and facsimile numbers, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all rights of publicity, privacy, and endorsement (including rights to the use of names, voices, likenesses, images, appearances, signatures, and biographical information of real persons), (d) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (e) all mask works and all applications, registrations, and renewals in connection therewith, (f) all trade secrets and Confidential Information (including customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (g) all computer software (including Source Code, object code, data, databases, and related documentation), (h) all advertising and promotional materials, (i) Social Media Accounts and pages, (j) all other proprietary rights, and (k) all copies and tangible embodiments of any of the foregoing (in whatever form or medium).

"*Knowledge*" means actual knowledge of a Seller after reasonable investigation.

"*Liability*" means any liability or obligation of whatever kind or nature (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"*Lien*" means any mortgage, pledge, lien (statutory or other), encumbrance, easement, encroachment, right of way, right of first refusal, option, charge, or other security interest.

"*Material Adverse Effect*" or "*Material Adverse Change*" means, with respect to the applicable Party, any effect or change that would be (or could reasonably be expected to be) materially adverse to the business, assets, condition (financial or otherwise), operating results, operations, or business prospects (including as projected in any revenue, earnings, or other forecast, whether internal or published) of the

applicable Party, or to the ability of the applicable Party to consummate the transactions contemplated hereby.

"*Net Working Capital*" means, determined as of the open of business on the Closing Date, (a) the Current Assets of the Company, less (b) the Current Liabilities of the Company.

"*Note*" has the meaning set forth in Section 2(b)(iii).

"*Notice of Termination*" has the meaning set forth in Section 8.

"*Open Source Software*" means any Software that is licensed pursuant to: (a) any license that is a license now or in the future approved by the Open Source Initiative and listed at http://www.opensource.org/licenses, which licenses include all versions of the GNU General Public License (GPL), the GNU Lesser General Public License (LGPL), the GNU Affero GPL, the MIT license, the Eclipse Public License, the Common Public License, the CDDL, the Mozilla Public License (MPL), the Artistic License, the Netscape Public License, the Sun Community Source License (SCSL), and the Sun Industry Standards License (SISL); or (b) any license to Software that is considered "free" or "open source software" by the Open Source Foundation or the Free Software Foundation.

"*Ordinary Course of Business*" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"*Party*" has the meaning set forth in the preface above.

"*Permit*" means any permit, license, franchise certificate, consent, accreditation or other authorization of a Governmental Authority, including state and local commercial cannabis licenses necessary to lawfully operate within the jurisdictions in which the Companies conducts their Business.

"*Permitted Liens*" means the liens on the 2016 Ford Transit Connect and the 2018 Ram Promaster 2500 owned by VPM.

"*Person*" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity, or a governmental entity (or any department, agency, or political subdivision thereof).

"*Pre-Closing Tax Period*" means any Tax period ending on or before the Closing Date and, with respect to any Straddle Period, the portion of such Straddle Period ending on and including the Closing Date.

"*Products*" means all products, including any currently in development, from which any Company or any of their respective Subsidiaries has derived within the three (3) years preceding the date hereof, is currently deriving or is scheduled to derive, revenue from the sale, or provision thereof.

"*Public Disclosure Record*" means all documents filed by or on behalf of RWB on the System for Electronic Document Analysis Retrieval ("*SEDAR*") since June 1, 2020 and the U.S. Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR") and prior to the date hereof that are publicly available on the date hereof;

"*Purchase Price*" has the meaning set forth in Section 2(b) below.

"*Purchase Securities*" has the meaning set forth in the Recitals above.

"*Revenue*" means gross sales proceeds from any source less any state sales tax and excise tax collected from third parties.

"*RTO Effective Date*" means April 24, 2020, the date on which a reverse takeover transaction occurred, certain effects of which being that RWB became a "reporting issuer" and the RWB Shares commenced trading on the CSE.

"*RWB Shares"* means the common shares of RWB that, as of the date hereof, are traded on the OTCQX and the CSE.

"*RWB Securities*" means, collectively, the RWB Shares to be issued under any Transaction Document and the Notes.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Securities Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Security Agreement*" means the Security Agreement substantially in the form contained herewith in Exhibit E securing the Buyer Parties' obligations under the Note.

"*Sellers*" has the meaning set forth in the preface above.

"*Seller Indemnified Party*" has the meaning set forth in Section 6(c)(i).

"*Social Media Accounts*" means any websites, applications and similar electronic means by which users are able to create and share information, ideas, personal messages, and other content (including, without limitation, text, photos and videos) or to participate in social networking.

"*Software*" means all (a) computer software or platform (in object code or source code format), (b) data, databases, compilations, including metadata, whether machine readable or otherwise; (c) algorithms, descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, screens, interfaces, report formats, firmware, development tools, templates, menus, buttons and icons; and (d) and related documentation and materials, including, for clarity, any computer software or platform provided on a "Software-as-a-Service" basis.

"*Source Code*" means human-readable computer software and code, in a form other than Object Code form or machine-readable form, including related programmer comments and annotations, help text, data and data structures, object-oriented and other code, which may be printed out or displayed in human- readable form, and, for purposes of this Source Code definition, "*Object Code*" means computer software code, substantially or entirely in binary form, which is intended to be directly executable by a computer after suitable processing and linking but without the intervening steps of compilation or assembly.

"*Straddle Period*" means any Tax period that begins on or before the Closing Date and ends after the Closing Date.

"*Subsidiaries*" means, with respect to any Person (other than an individual), any corporation or other organization, whether incorporated or unincorporated, of which (a) at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person

and one or more of its Subsidiaries or (b) such Person or any other Subsidiary of such Person is a general partner.

"*Systems*" means the Software, computer firmware, computer hardware (whether general purpose or special purpose), electronic data processing, communications, telecommunications, third party software, networks, peripherals and computer systems, including any outsourced systems and processes, and other similar or related items of automated, computerized and/or software systems that are used or relied on by the Company or over which the Company has any control.

"*Tax*" or "*Taxes*" means any federal, state, local, or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, escheat, abandoned or unclaimed property or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

"*Tax Return*" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"*Third-Party Claim*" has the meaning set forth in Section 6(d) below.

"*Transaction Documents*" means, collectively, this Agreement, the Notes, the Employment Agreements, the Security Agreement, all agreements, instruments, certificates and other documents delivered under Section 5, in each case as amended or otherwise modified from time to time.

"*VWAP*" means, for any date, the price determined by the first of the following clauses that applies: (a) if the RWB Shares is then listed or quoted on a U.S. trading market, the daily volume weighted average price of the RWB Shares for such date (or the nearest preceding date) on the trading market on which the RWB Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a trading market, the volume weighted average price of the RWB Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the RWB Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the RWB Shares are then reported in the "Pink Sheets" published by OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the RWB Shares stock so reported, or (d) in all other cases, the fair market value of a RWB Share as determined by an independent appraiser selected in good faith by the Sellers and reasonably acceptable to RWB, the fees and expenses of which shall be paid by RWB.

Section 2. ***Purchase and Sale of Company Securities***.

(a) *Basic Transaction.* On and subject to the terms and conditions of this Agreement, Buyer agrees to purchase from Sellers, and Sellers agree to sell to Buyer, all of the Purchase Securities, free and clear of any Liens and Liabilities other than Permitted Liens (the "*Purchase*"), all for the consideration specified below in this Section 2.

(b)*Purchase Price*. As consideration for the Purchase, Buyer agrees to pay to Sellers a total of Thirty-Five Million Dollars ($35,000,000.00), payable as follows (collectively, the "*Purchase Price*"):

(i) Seven Million Dollars ($7,000,000.00) in cash or cash equivalent as a non- refundable deposit on or before Closing (the "*Initial Payment*");

(ii) Thirteen Million Dollars ($13,000,000.00) in cash or cash equivalent due on the date that is one hundred twenty (120) days from the Closing Date, or such earlier date as the Parties agree upon in writing (the "*Second Payment*");

(iii) Promissory notes issued by Buyer and acknowledged and agreed by RWB with a total principal amount equal to Fifteen Million Dollars ($15,000,000.00) substantially in the form attached hereto as Exhibit B (the "*Note(s)*"). The Notes will mature after three (3) years and may be converted at the option of the holder into common shares of RWB after twelve (12) months from issuance at a conversion price of USD$0.57, as adjusted pursuant to the terms of the Notes. Buyer Parties' obligations under the Notes shall be secured by all assets and ownership interests of the Company pursuant to the Security Agreement. Beginning on the date four (4) months following issuance, in the event that the closing price of the RWB shares quoted on OTCQX exceeds one hundred fifty percent (150%) of the conversion price for at least ten (10) consecutive trading days, then RWB has the right to force the conversion of the Notes into shares of RWB; provided that a Seller cannot be obligated to convert if such conversion would cause them to be deemed an affiliate of RWB under US or Canadian securities laws to the extent such designation did not apply due to Sellers serving as officers, directors or managers of any Company.

(c) *Earn-out*. As additional consideration for the Purchase, Buyer agrees to pay Sellers a one-time payment of up to an additional Twenty-Five Million Dollars ($25,000,000.00) (the "*Earn-Out Payment*"), as follows:

(i) The Earn-out Payment shall be Seven Million Five Hundred Thousand Dollars ($7,500,000.00) if Platinum Vape earns Revenue of at least Eighty Million Dollars ($80,000,000.00) but less than Ninety Million Dollars ($90,000,000.00) within the twelve (12) months immediately following the Closing Date (the "*Earn-out Period*");

(ii) The Earn-out Payment shall be Fifteen Million Dollars ($15,000,000.00) if Platinum Vape earns Revenue of at least Ninety Million Dollars ($90,000,000.00) but less than One Hundred Million Dollars ($100,000,000.00) within the Earn-out Period; and

(iii) The Earn-out Payment shall be Twenty Five Million Dollars ($25,000,000.00) if Platinum Vape earns Revenue of more than One Hundred Million Dollars ($100,000,000.00) within the Earn-out Period.

(iv) As a condition to earning the Earn-Out Payment, both of the following must be true: (x) the Company's EBIT for the Earn-out Period was at least fifteen percent (15%) of Revenue during the Earn-out Period, and (y) Sellers have continued to be employed by RWB or any Company for the entire the Earn-out Period; unless, Sellers resigned for "Good Reason" or were terminated without "Cause," pursuant to their respective Employment Agreements.

(v) Procedures for Determination of Earn-out Payments.

(A) On or prior to the date that is ten (10) business days after the end of the Earn-out Period (the "*Earn-out Calculation Delivery Date*"), Buyer shall prepare and deliver to Sellers a written statement (the "*Earn-out Calculation Statement*") setting forth in reasonable detail its determination of Revenue for the Earn-out Period, EBIT for the Earn-out Period, and its calculation of the resulting Earn-out Payment, if any (the "*Earn-out Calculation*").

(B) Seller shall have ten (10) business days after receipt of the Earn-out Calculation Statement (the "*Earn-out Review Period*") to review the Earn-out Calculation Statement and the Earn-out Calculation set forth therein. During the Earn-out Review Period, Sellers and their representatives shall have the right to inspect the Company's books and records during normal business hours at the Company's offices. Prior to the expiration of the Earn-out Review Period, Sellers may object to the Earn-out Calculation set forth in the Earn-out Calculation Statement by delivering a written notice of objection (an "*Earn-out Calculation Objection Notice*") to Buyer. Any Earn-out Calculation Objection Notice shall specify the items in the applicable Earn-out Calculation disputed by Sellers and shall describe in reasonable detail the basis for such objection, as well as the amount in dispute. If Sellers fail to deliver an Earn-out Calculation Objection Notice to Buyer prior to the expiration of the Earn-out Review Period, then the Earn-out Calculation set forth in the Earn-out Calculation Statement shall be final and binding on the Parties. If Sellers timely deliver an Earn-out Calculation Objection Notice, Buyer and Sellers shall work with the Company's external auditors and negotiate in good faith to resolve the disputed items and agree upon the resulting amounts of the EBIT, Revenue and Earn-out Payment. If Buyer and Sellers are unable to reach agreement within ten (10) business days after such an Earn-out Calculation Objection Notice has been given, all unresolved disputed items shall be promptly referred to an impartial nationally recognized firm of independent certified public accountants, other than Sellers' accountants or Buyer's accountants, appointed by mutual agreement of Buyer and Sellers (the "*Independent Accountant*"). The Independent Accountant shall be directed to render a written report on the unresolved disputed items with respect to the applicable Earn-out Calculation as promptly as practicable, but in no event later than thirty (30) days after such submission to the Independent Accountant, and to resolve only those unresolved disputed items set forth in the Earn-out Calculation Objection Notice. If unresolved disputed items are submitted to the Independent Accountant, Buyer and Sellers shall each furnish to the Independent Accountant such work papers, schedules and other documents and information relating to the unresolved disputed items as the Independent Accountant may reasonably request. The Independent Accountant shall resolve the disputed items based solely on the applicable definitions and other terms in this Agreement and the presentations by Buyer and Sellers, and not by independent review. The resolution of the dispute and the calculation of EBIT and/or Revenue that is the subject of the applicable Earn-out Calculation Objection Notice by the Independent Accountant shall be final and binding on the parties hereto. The fees and expenses of the Independent Accountant shall be borne by 50% by the Buyer and 50% by the Sellers.

(vi) The Earn-Out Payment shall be due and payable to Sellers within fifteen (15) days after the date on which Sellers and Buyer have agreed upon the amount of the Earn-Out Payment in accordance with Section 2(c)(v). The Earn-Out Payment shall be payable in cash, cash equivalent, RWB Shares (or other class of RWB common shares that is being traded on public markets at the time of determination), or any combination of the foregoing, such class of stock issued being agreed to by Sellers and RWB in writing. For any portion of the Earn-Out Payment paid in RWB Shares, the number of RWB Shares due will be calculated by dividing the applicable amount of the Earn-Out Payment by the five (5)- day VWAP of RWB's Shares for the final five (5) trading days in the Earn-out Period. Payment of any Earn-Out Payment in RWB Shares or other securities to a Seller must be agreed to in writing by the Seller and RWB. Buyer Parties shall have the right to withhold and set off against any amount otherwise due to be paid pursuant to this Section 2(c) the amount of any amount subject to offset under Section 6(e). The Parties hereto understand and agree that (i) the contingent rights to receive any Earn-out Payment shall not be represented by any form of certificate or other instrument, are not transferable, except by operation of Applicable Laws relating to descent and distribution, divorce and community property, and do not constitute an equity or ownership interest in any Buyer Party, (ii) no Seller shall have any rights as a securityholder of any Buyer Party solely as a result of Seller's contingent right to receive any Earn-out Payment hereunder (unless and until such Earn-out Payment is paid in RWB Shares as set forth herein), and (iii) no interest is payable with respect to any Earn-out Payment.

(d)*Escrow for Second Payment*. On or before Closing (defined below) Sellers will deposit with Hollywood Escrow (the "*Escrow Agent*"), the stock powers and assignments for uncertificated shares (LLC interests) contemplated by Section 2(g), to be released to Sellers, to be held by them pursuant to the terms of the Security Agreement, upon payment of the Second Payment, and Buyer shall deposit with Escrow Agent assignments of all Purchase Securities from Buyer back to Sellers, substantially in the form attached hereto as Exhibit C, as well as resignations of all directors and managers to be appointed to the Companies by Buyer Parties (collectively, the "*Assignments*"). In the event that RWB fails to timely pay the Second Payment described in Section 2(b)(ii) (for the avoidance of doubt, Buyer shall be deemed to have paid the full Second Payment hereunder if it is paid net of any amount offset against the Second Payment under Section 6(e)), Sellers shall have the right to terminate/unwind the Purchase and unilaterally instruct Escrow Agent to release the Assignments to Sellers so that Sellers are the sole owners of the Company again. All fees and expenses of the Escrow Agent shall be paid by Buyer Parties. In the event Buyer Parties fail to pay the Second Payment within one hundred twenty (120) days from the Closing Date, Buyer Parties hereby covenant and agree that neither they nor any Person claiming through them shall delay or interfere with the release of Assignments from Escrow Agent to Sellers or bring suit or otherwise assert any claim against the Sellers or Escrow Agent, before any court, arbitrator, mediator or administrative agency anywhere in the world (i) challenging or trying to stop the release of the Assignments to Sellers unless such action is a result of a breach of any representation or warranty of Sellers contained in this Agreement, (ii) asserting that the Initial Payment is a penalty or does not constitute appropriate liquidated damages, (iii) asserting that the Buyer Parties have substantially performed under this Agreement, or (iv) asserting that the provisions of this Section 2(d) are void or unenforceable for any reason; and Buyer Parties agree that Sellers will be entitled to injunction or other equitable relief, as well as damages incurred by Sellers, for any breach by Buyer Parties of the foregoing provisions. Notwithstanding the foregoing, nothing in this Agreement shall prohibit any Buyer Party from bringing good faith claims of fraud. Buyer Parties agree to release Escrow Agent for releasing the Assignments to Sellers in accordance with this Section.

(e) *Payment.* All payments due Sellers hereunder shall be paid in equal proportions to each Seller (i.e., fifty percent (50%) of each such payment to each Seller). All dollar figures stated herein are in US dollars.

(f) *Closing*. The closing of the transactions contemplated by this Agreement (the "*Closing*") shall take place at the offices of Sellers' counsel or by such other means (e.g. facsimile or .pdf and post-Closing delivery of the original execution documents to the extent required under Applicable Law) as Buyer Parties and Sellers may mutually determine, and will take place on a mutually agreed-upon date following the satisfaction of all of the conditions to Closing set forth in Section 7 ("*Closing Date*") but under no circumstances shall the Closing Date occur later than September 15, 2020 unless agreed by the Parties.

(g)*Deliveries at Closing*. At the Closing, in each case unless waived in writing by the receiving Party, (i) Sellers will deliver to Buyer the Transaction Documents duly executed by the Sellers and Companies party thereto and all certificates, instruments, and documents referred to in Section 5(a) below; (ii) Buyer will deliver to Sellers the Transactions Documents duly executed by the Buyer Parties party thereto and all certificates, instruments, and documents referred to in Section 5(b) below; (iii) Sellers will deliver to Escrow Agent stock powers and assignments for uncertificated shares (LLC interests) representing the transfer of the Purchase Securities upon Closing; (iv) Buyer will deliver to Sellers the Initial Payment and Notes; and (v) Sellers will deliver to Buyer (1) all items and equipment required

to operate the Companies; (2) all keys for the Companies' property; and (3) all books, ledgers and records of the Companies, including but not limited to, minute books, financial records and statements, bank statements, account information, tax records and certificates of payments, executed contracts, stock certificates, stock powers and assignments, payroll and employee records, vendor lists, customer lists and records, analytical data, and licenses issued to operate the Business or otherwise.

(h)*Withholding*. Buyer shall be entitled to deduct and withhold (or have deducted and withheld) from the consideration otherwise payable hereunder, such amounts, if any, as are required to be deducted and withheld with respect to the making of such payment under the Code, or any applicable law relating to Taxes. Such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the party in respect of which such deduction and withholding was made.

Section 3. ***Representations and Warranties Concerning Transaction***.

(a) *Sellers' Representations and Warranties.* Each Seller represents and warrants to each Buyer Party that the statements contained in this Section 3(a) are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date.

(i) *Authorization of Transaction*. Seller has full power, capacity and authority to execute and deliver this Agreement and each other Transaction Document and to perform his obligations hereunder and thereunder. This Agreement and each Transaction Document to which a Seller is a party constitutes the valid and legally binding obligation of such Seller, enforceable against such Seller in accordance with its respective terms and conditions, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) (the "*Bankruptcy and Equity Exception*"). Neither Seller is required to give any notice to, make any filing with, or obtain any authorization, consent, order, registration, exemption, approval or other action of any Governmental Authority in order to consummate the transactions contemplated by this Agreement. The execution, delivery, and performance of this Agreement and all other Transaction Documents have been duly authorized by Seller.

(ii) *Non-contravention*. Neither the execution and delivery of this Agreement or any Transaction Document to which Seller is a party, nor the consummation of the transactions contemplated hereby or thereby, will (A) violate any Applicable Law, injunction, judgment, order, decree, ruling, charge, or other restriction of any Governmental Authority, or court to which Seller is subject, (B) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Seller is a party or by which he is bound or to which any of his assets are subject, or (C) result in the imposition or creation of a Lien upon or with respect to the Purchase Securities or any other assets of the Business. Notwithstanding the foregoing, the Parties acknowledge and agree that the landlord for the property leased by Vista Prime Management, LLC ("VPM") at 7895 Convoy, Suites 14, 15, 16 and 17, San Diego, CA 92111 and 7875 Convoy Court, Suites 21, 22 and 24, San Diego CA 92111 ("Convoy Property") must approve the Purchase prior to Closing.

(iii) *Brokers' Fees*. Seller has no Liability to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(iv) *Purchase Securities*. Sellers collectively own of record and beneficially the Purchase Securities, and Sellers have good and marketable title to the Purchase Securities, free and clear of any restrictions on transfer (other than any restrictions under the Securities Act or any other applicable state securities laws), Taxes, Liens, options, warrants, purchase rights, contracts, commitments, equities, claims, and demands. Seller is not a party to any option, warrant, purchase right, or other contract or commitment (other than this Agreement) that could require Seller to sell, transfer, or otherwise dispose of any equity or capital securities in the Company. Seller is not a party to any voting trust, proxy, or other agreement or understanding with respect to the voting of any equity or capital securities of the Company. Other than the Purchase Securities set forth opposite each Seller's name on Schedule 3(a)(iv), Seller owns no other equity securities of any Company, securities, instruments or rights convertible into any equity securities of any Company, or options, warrants or other rights to acquire any equity securities of any Company.

(v) *Securities Representations*.

(A) Sellers understand that the RWB Securities are not registered under the Securities Act, any other U.S. securities laws or applicable state securities laws, and are being issued pursuant to exemptions from such laws, and that RWB's reliance upon such exemptions is predicated in part on the Sellers' representations contained herein. Sellers acknowledge that RWB is relying in part upon Sellers' representations and warranties contained herein for the purpose of qualifying the issuance of the Securities for applicable exemptions from registration or qualification pursuant to federal, state and provincial securities laws, rules and regulations.

(B) Sellers realize that the RWB Securities have not been registered under the Securities Act or any other U.S. securities law, are characterized under the Securities Act as "restricted securities" and, therefore, cannot be sold or transferred unless subsequently registered under the Securities Act or an exemption from such registration is available. Each Seller acknowledges and agrees that all Securities issued under any Transaction Document will be subject to a restrictive legend substantially similar to the following:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE THAT IS 4 MONTHS AND 1 DAY AFTER DATE OF ISSUANCE].

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER THEREOF, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 133 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT, IN THE CASE OF (C)(1) AND (D) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY IS PROVIDED TO THE EFFECT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS."

(C) Sellers are acquiring the RWB Securities for their own accounts for investment only and not with a view to or for sale in connection with any distribution or resale thereof, and does not presently have any contract, agreement or arrangement with any Person to sell or transfer such Securities.

(D) Each Seller is an "accredited investor" within the meaning of Rule 501(a) of Regulation D promulgated under the U.S. securities laws. Sellers, either alone or with the assistance of professional advisors, are sophisticated investors, can fend for themselves in the transactions contemplated by this Agreement, and have such knowledge and experience in financial and business matters that Sellers can evaluate the merits and risks of the prospective investment in the Securities.

(E) Except for the representations specifically set forth in this Agreement by Buyer Parties, Sellers acknowledge that no officer or other representative of Buyer or RWB, nor any other person or entity has made any representations of any kind or nature to induce Sellers to enter into this Agreement or any other Transaction Document and that Sellers are relying solely on the representations in this Agreement and the publicly available information regarding RWB that Sellers have determined was useful in acquiring the RWB Securities. Each Seller's residence is in the State of California.

(b)*Buyer Parties' Representations and Warranties* . Except (x) as disclosed in the Public Disclosure Record and that is reasonably apparent on the face of such disclosure to be applicable to the representation and warranty set forth herein (other than any disclosures contained or referenced therein under the captions "Risk Factors," "Forward-Looking Statements," "Quantitative and Qualitative Disclosures About Market Risk," and any other disclosures contained or referenced therein of information, factors, or risks that are predictive, cautionary, or forward-looking in nature), unless any Buyer Party or any officer thereof has Knowledge that a representation made in this Section 3(b) is incorrect at the signing of this Agreement or at Closing, in which case, the qualifier in this subsection (x) shall not apply; or (y) as set forth in the correspondingly numbered Section of the Disclosure Letter, each Buyer Party represents and warrants to Sellers that the statements contained in this Section 3(b) are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Section 3(b)).

(i) *Organization of Buyer*. RWB is a corporation duly organized, validly existing, and in good standing under the laws of British Columbia, Canada. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the state of California.

(ii) *Authorization of Transaction*. Each Buyer Party has full corporate power and authority to execute and deliver this Agreement and each other Transaction Document and to perform its obligations hereunder and thereunder. This Agreement and each Transaction Document to which a Buyer Party is a party constitutes the valid and legally binding obligation of such Buyer Party, enforceable against such Buyer Party in accordance with its respective terms and conditions, except as may be limited by the Bankruptcy and Equity Exception. Neither Buyer Party is required to give any notice to, make any filing with, or obtain any authorization, consent, order, registration, exemption, approval or other action of any Governmental Authority in order to consummate the transactions contemplated by this Agreement. The execution, delivery, and performance of this Agreement and all other Transaction Documents to which a Buyer Party is a party have been duly authorized by such Buyer Party.

(iii) *Non-contravention.* Neither the execution and delivery of this Agreement and any other Transaction Document, nor the consummation of the transactions contemplated hereby or thereby, will (A) violate any Applicable Law, injunction, judgment, order, decree, ruling, charge, or other

restriction of any Governmental Authority, or court to which a Buyer Party is subject or any provision of its charter, bylaws or other governing documents, or (B) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which a Buyer Party is a party or by which it is bound or to which any of its assets are subject, or (C) result in the imposition or creation of a Lien upon or with respect to the Securities (other than those applicable under applicable securities laws).

(iv) *Brokers' Fees.* Neither Buyer Party has any Liability to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which Sellers could become liable or obligated.

(v) *Cannabis Matters*. Each Buyer Party hereby makes the following representations and warranties relating specifically to cannabis matters:

(A) Each director and officer of Buyer Party is at least twenty-one (21) years of age

(B) Neither Buyer Party nor any director or officer of Buyer Party has any convictions in the State of California or any other jurisdiction. For purposes of this Agreement, "conviction" shall mean and refer to the following:

(1) a plea or verdict of guilty;

(2) a conviction following a plea of nolo contendere;

(3) any convictions dismissed under California Penal Code(the "*Penal Code*") §§1203.4, 1203.4a and 1203.41 or any equivalent non-California law;

(4) any conviction dismissed under California Health and Safety Code (the "*H&S Code*") §11361.8 or any equivalent non-California law; Penal Code;

(5) any violent felony conviction under § 667.5(c) of the Penal Code;

(6) any serious felony conviction under §1192.7(c) of the embezzlement;

(7) a felony conviction involving fraud, deceit or

(8) a felony conviction for hiring, employing or using a minor in transporting, carrying, selling, giving away, preparing for sale or peddling any controlled substance to a minor, or offering, furnishing or selling any controlled substance to a minor;

(9) a felony conviction for drug trafficking with enhancements pursuant to §§ 11370.4 and 11379.8 of the H&S Code; or

(10) a conviction under §§ 382 or 383 of the Penal Code.

(C) Neither Buyer Party nor any director or officer of either Buyer Party has (the foregoing are collectively referred to as "*Specified Legal Non-Compliance*"):

(1) committed any violation of the California Sherman Food, Drug, and Cosmetic Law that resulted in suspension or revocation of a license, administrative penalty, citation, civil proceeding or criminal conviction;

(2) committed any violation of the California Food Sanitation Act that resulted in suspension or revocation of a license, administrative penalty, citation, civil proceeding or criminal conviction;

(3) received any fines or penalties for the production or cultivation of a controlled substance on public or private land pursuant to California Fish and Game Code §§ 12025 or 12025.1;

(4) committed any act that would reasonably be expected to result in the denial, revocation, or suspension of a license, permit, registration or other consent or approval to conduce commercial cannabis activity;

(5) been sanctioned by any licensing authority, city or county for any unlicensed commercial cannabis activity;

(6) had any license, permit, registration or other consent or approval to conduct commercial cannabis activity suspended or revoked by any licensing authority or local jurisdiction, or has had any application for a license, permit, registration or other consent or approval to conduct commercial cannabis activity denied; or

(7) been determined by a court or governmental agency or tribunal to have engaged in any attempt to obtain a registration, license, or approval to operate a cannabis business in any state or locality by fraud, misrepresentation, or the submission of false information.

(D) Neither Buyer Party nor any director or officer of a Buyer Party is employed by any agency in the State of California or any of its political subdivisions in any position that involves the enforcement of laws related to cannabis, or that involves the enforcement of any of the penal provisions of law of the State of California prohibiting or regulating the sale, use, possession, transportation, distribution, testing, manufacturing, or cultivation of cannabis or cannabis products, including but not limited to, employment with the California Department of Justice as a peace officer, or employment in any district attorney's office, in any city attorney's office, in any sheriff's office, or in any local police department.

(E) Each Buyer Party acknowledges and understands that cannabis products are subject to substantial and increasing legislation, regulation, judicial interpretations, and taxation in the United States, which could have an adverse effect on the results of operations, cash flows, and financial position of the Company. The changing nature of the regulation could result in a total loss of the Company's business and Buyer's investment.

(F) Each Buyer Party represents and acknowledges that the changing nature of cannabis regulation could result in a total loss of the Company's business. Companies engaging in specific cannabis related activities, such as, without limitation, cultivation, processing, and distribution of products containing cannabis or certain cannabis extracts that generally require permitting, licensure, and other similar types of state and local regulatory approval ("***license***" or "***licenses***") before participating

in their respective cannabis related activity ("***licensed activities***"). Many regulatory bodies, including state and local agencies (each, a "***regulator***"), are currently in the process of creating or modifying regulations relating to licensed activities. Some regulatory bodies have particular requirements, such as character or individual suitability based licensing requirements which limit the capacity for certain people or entities ("***license holders***") to obtain, maintain and continue to hold the licenses or permits required for such licensed activities. In addition, some jurisdictions review their licenses on a recurring or event driven basis for changes in status of suitability of license holders. License holder suitability factors, permitting issues, and evolving regulation surrounding them create additional uncertainty surrounding a business's or individual's ability to obtain or maintain a license. The Company and/or one of its Affiliates may seek licenses which may include, without limitation, dispensing, processing, distributing, or cultivating cannabis in the future through purchase from other license holders coupled with follow-up regulatory approval and /or direct application with the appropriate regulatory bodies.

(G) Each Buyer Party understands that many banks and credit unions will not accept deposits from legal cannabis businesses on a state or federal level because businesses that participate in cannabis-related activities are still deemed illegal under federal law. In addition, banks or other financial institutions may not make loans or other traditional banking services available. Although the Department of the Treasury issued guidelines (e.g., FinCEN) indicating that banks are permitted to provide services to cannabis-related companies in states that have legal cannabis as long as certain protocols are followed, many banks and credit unions are reluctant to accept deposits or will immediately close bank accounts of cannabis-related companies. In addition, the federal authorities may, at any time, change their policies and begin or continue penalizing banks or credit unions for providing services to cannabis-related companies in states that have legal cannabis. Additionally, even if banks or other financial institutions open accounts or provide financial services for the target companies, accounts may still be subject to financial or other disciplinary action by authorities. Any one of these or other related challenges could cause substantial losses and materially adversely impact the Company. Buyer Parties accept the foregoing risks.

(vi) *Securities Representations*.

(A) Buyer understands that the Purchase Securities are not registered under the Securities Act, or applicable state securities laws, and are being issued pursuant to exemptions from such laws, and that each Seller's and the Company's reliance upon such exemptions is predicated in part on the Buyer's representations contained herein. Buyer acknowledges that Sellers and the Company are relying in part upon Buyer's representations and warranties contained herein for the purpose of qualifying the issuance of the Purchase Securities for applicable exemptions from registration or qualification pursuant to federal or state securities laws, rules and regulations.

(B) Buyer realizes that (1) the Purchase Securities have not been registered under the Securities Act, are characterized under the Securities Act as "restricted securities" and, therefore, cannot be sold or transferred unless subsequently registered under the Securities Act or an exemption from such registration is available, and (2) there is presently no public market for the Purchase Securities and Buyer would most likely not be able to liquidate its investment in the event of an emergency or to pledge the Purchase Securities as collateral security for loans.

(C) Buyer is acquiring the Purchase Securities for its own accounts and not with a view to or for sale in connection with any distribution or resale thereof and does not presently have any contract, agreement or arrangement with any Person to sell or transfer such Securities.

(D) Buyer, either alone or with the assistance of professional advisors, is a sophisticated investor, can fend for itself in the transactions contemplated by this Agreement, and has

such knowledge and experience in financial and business matters that Buyer can evaluate the merits and risks of the prospective investment in the Purchase Securities.

(E) Except for the representations specifically set forth in this Agreement by Sellers and the Company, Buyer Parties acknowledge that no officer or other representative of Sellers or the Company, nor any other person or entity has made any representations of any kind or nature to induce Buyer Parties to enter into this Agreement or any other Transaction Document and that Buyer Parties are relying solely on the representations in this Agreement.

(vii) *RWB Securities*. The RWB Securities, if and when issued, will be validly issued, fully paid, non-assessable, and free and clear of any restrictions on transfer (other than any restrictions under the Securities Act, the Securities Act (*British Columbia*) or any other applicable securities laws), Liens or other encumbrances.

(viii) *Securities Compliance and Filings*.

(A) RWB is a "reporting issuer" within the meaning of applicable securities laws in British Columbia and Ontario, Canada, and is not on the list of reporting issuers in default under applicable Securities Laws, and no securities commission or similar regulatory authority has issued any order preventing or suspending trading of any securities of RWB, and RWB is not in default of any material provision of applicable securities laws or the rules or regulations of the CSE. No delisting, suspension of trading or cease trading order with respect to any securities of RWB is pending or, to the knowledge of RWB, threatened. No inquiry, review or investigation (formal or informal) of RWB by any securities commission or similar regulatory authority under applicable securities laws or the, SEC or CSE is in effect or ongoing or expected to be implemented or undertaken. RWB has not taken any action to cease to be a reporting issuer in British Columbia or Ontario or a foreign reporting issuer in the U.S. nor has RWB received notification from any securities commission or similar regulatory authority seeking to revoke the reporting issuer status of RWB. The documents and information comprising the Public Disclosure Record, as at the respective dates they were filed, were in compliance in all material respects with applicable securities laws and, where applicable, the rules and policies of the CSE and SEC and 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. RWB has not filed any confidential material change report that at the date hereof remains confidential.

(B) RWB has filed all reports, schedules, forms, statements and other documents required to be filed by RWB under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, and under applicable securities laws in Canada and rules and regulations of the CSE, since the RTO Effective Date (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "*SEC Reports*"). As of their respective dates, the Public Disclosure Record complied in all material respects with the requirements of applicable securities laws. The financial statements of RWB included in the Public Disclosure Record comply in all material respects with applicable accounting requirements and the rules and regulations of the U.S. Securities and Exchange Commission (the "*SEC*") and Canadian Securities Administrators ("CSA") with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with the International Financial Accounting Standards applied on a consistent basis during the periods involved ("*IFRS*"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by IFRS, and fairly present in all material respects the financial position of RWB and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i x) *Material Changes; Undisclosed Events, Liabilities or Developments*. Since the RTO Effective Date, except as specifically disclosed in the Public Disclosure Record or material change report filed prior to the date hereof: (A) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect with respect to either Buyer Party; (B) the Buyer Parties have not incurred any material liabilities (contingent or otherwise) other than (1) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (2) liabilities not required to be reflected in the RWB's financial statements pursuant to IFRS or disclosed in filings made in the Public Disclosure Record; (C) the Buyer Parties have not altered its method of accounting; (D) the Buyer Parties have not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock; (E) the Buyer Parties have not issued any equity securities to any officer, director or Affiliate, (F) the Buyer Parties have not sold, assigned, transferred, leased, licensed or encumbered any of their material tangible assets or Intellectual Property (other than granting non-exclusive licenses of Intellectual Property to customers in connection with the sale of products or provision of services)or suffered any material damage, destruction or other casualty loss with respect to property owned by the Buyer Parties or waived any rights of material value; (H) the Buyer parties have not (i) made or changed any Tax election or changed any method of tax accounting, (ii) settled or compromised any federal, state, local or foreign Tax liability or assessment, (iii) agreed to an extension or waiver of a statute of limitations period applicable to any Tax claim or assessment, (iv) surrendered any right to claim a Tax refund, (v) incurred any Liability for Taxes outside the Ordinary Course of Business, (vi) failed to pay any Tax that has become due and payable (including any estimated tax payments), (vii) prepared or filed any Tax Return in a manner inconsistent with past practice, or (viii) taken any other similar action relating to the filing of any Tax Return or the payment of any Tax; and (I) Buyer Parties have not agreed, whether orally or in writing, to do any of the actions described in the foregoing. Except for the issuance of the Notes and RWB Shares contemplated by this Agreement, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to a Buyer Party or its Subsidiaries or their respective businesses, properties, operations, assets or financial condition, that would be required to be disclosed by RWB under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least three (3) trading days prior to the date that this representation is made.

(x) *Litigation*. Except as set forth on Schedule 3(b)(x), there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Buyer Parties, threatened against or affecting a Buyer Party, any of their Subsidiaries or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "*Action*") which (A) adversely affects or challenges the legality, validity or enforceability of this Agreement or any Transaction Document or the Securities or (B) would, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect, and neither a Buyer Party nor any of their Subsidiaries, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Buyer Parties, there is not pending or threatened in writing, any investigation by the SEC or similar state or Canadian federal or provincial authority ("*Securities Authority*") involving a Buyer Party or any current or former director or officer of a Buyer Party that would reasonably be expected to lead to action that can reasonably be expected to result in a Material Adverse Effect. There has not been, and to the knowledge of the Buyer Parties, there is not pending or threatened in writing, any investigation by a Securities Authority involving the Buyer Parties or any current or former director or officer of the Buyer Parties. The Securities Authority has not issued any stop order or other order suspending the effectiveness of any registration statement filed by either Buyer Party or any of their Subsidiaries under the Exchange Act or the Securities Act.

(xi) *Labor Disputes*. No labor dispute exists or, to the knowledge of the Buyer, is imminent with respect to any of the employees of the Buyer, which would reasonably be expected to result in a Material Adverse Effect. The Buyer and its Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. To the knowledge of the Buyer Parties, no executive officer of the Buyer Parties or any Subsidiary thereof, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Buyer Parties or any of their Subsidiaries to any liability with respect to any of the foregoing matters.

(xii) *Compliance.* None of the Buyer Parties or any of their Subsidiaries: (A) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would reasonably be expected to result in a default by the Buyer or any Subsidiary under), nor has the Buyer or any Subsidiary received written notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (B) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (C) is or has been in violation of any statute, rule, ordinance or regulation of any Governmental Authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case for clauses (A)-(C) above as would not have or reasonably be expected to result in a Material Adverse Effect.

(xiii) *Regulatory Permits*. The Buyer Parties and its Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such permits would not reasonably be expected to result in a Material Adverse Effect ("*Material Permits*"), and neither the Buyer nor any Subsidiary has received any written notice of proceedings relating to the revocation of any Material Permit.

(xiv) *Title to Assets*. The Buyer Parties and its Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Buyer and the Subsidiaries, in each case free and clear of all Liens, except for (A) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Buyer and the Subsidiaries, (B) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with IFRS and, the payment of which is neither delinquent nor subject to penalties, and (C) Liens on assets of the Buyer Parties that are in the Public Disclosure Record. Any real property and facilities held under lease by the Buyer Parties and their Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Buyer Parties and their Subsidiaries are in compliance in all material respects.

(xv) *Intellectual Property*. The Buyer Parties and its Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights as described in the SEC Reports as necessary or required for use in connection with their respective businesses as presently conducted and which the failure to so have would reasonably be expected to have a Material Adverse Effect. None of the Buyer Parties or its Subsidiaries have received, since the date of

the latest audited financial statements included within the SEC Reports, a written notice of a claim or otherwise has any knowledge that its Intellectual Property rights violate or infringe upon the rights of any Person, except as would not have or reasonably be expected to not have a Material Adverse Effect.

(xvi) *Certain Fees*. No brokerage or finder's fees or commissions are or will be payable by the Buyer Parties or any of their Subsidiaries to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the Purchase. The Sellers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the Purchase.

(xvii) *Listing and Maintenance Requirements*. The RWB Shares are listed and posted for trading on the CSE and no order ceasing or suspending trading in any securities of RWB or prohibiting the sale or issuance of the RWB Shares or the trading of any of RWB's issued securities has been issued and no (formal or informal) proceedings for such purpose have been threatened or, to the knowledge of RWB, are pending. RWB has not taken any action which would reasonably be expected to result in the delisting or suspension of the RWB Shares on or from the CSE. The RWB Shares are registered pursuant to Section 12(g) of the Exchange Act, and RWB has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the RWB Shares under the Exchange Act nor, to an officer of RWB's knowledge, has the RWB received any notification that a Securities Authority is contemplating terminating such registration. To the knowledge of any officer of RWB, RWB has not, since the RTO Effective Date, received notice from any trading market or quotation system on which the RWB Shares are or have been listed or quoted to the effect that RWB is not in compliance with the listing or maintenance requirements of such trading market or quotation system. RWB is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements in all material respects.

(xviii) *Disclosure*. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Buyer Parties confirm that neither they nor any other Person acting on their behalf has provided the Sellers or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Buyer Parties understand and confirm that the Sellers will rely on the foregoing representation in effecting transactions in securities of RWB. All of the disclosures furnished by or on behalf of the Buyer Parties to the Sellers regarding the Buyer Parties and their Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, are true and correct and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(xix) *Foreign Corrupt Practices*. None of the Buyer Parties or any of their Subsidiaries, nor to the knowledge of such Persons, any agent or other person acting on behalf of such Persons, has: (A) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity; (B) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds; (C) failed to disclose fully any contribution made by a Buyer Party or any of their Subsidiaries (or made by any person acting on its behalf of which the Buyer Parties aware) which is in violation of Applicable Laws; or (D) violated in any material respect any provision of FCPA or Canadian counterpart.

(xx) *Regulation M Compliance*. The Buyer Parties have not, and to their knowledge no one acting on their behalf has, (A) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of RWB to facilitate the sale or

resale of any of the Securities, (B) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (C) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of RWB, other than, in the case of clauses (B) and (C), compensation paid to RWB's placement agent in connection with the placement of the Securities.

(xxi) *Office of Foreign Assets Control* . None of the Buyer Parties or any of their Subsidiaries nor, to the Buyer Parties' knowledge, any director, officer, agent, employee or affiliate of the Buyer Parties or any of their Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

(xxii) *Solvency*. Based on the consolidated financial condition of RWB and its Subsidiaries as of the applicable Closing Date, RWB is solvent.

(xxiii) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, RWB (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all Taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material Taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid Taxes in any material amount claimed to be due by the taxing authority of any jurisdiction.

(xxiv) *Shell Company Status*. RWB is not presently and has not been since the RTO Effective Date, or to RWB's knowledge ever been, an issuer identified as a "Shell Company" as defined in Rule 144(i) of the Securities Act.

(xxv) *Liabilities*. There are no Liens on the assets of Buyer Parties that would prevent Sellers from holding or perfecting a continuing first priority Lien on the assets and securities of the Companies pursuant to the Security Agreement.

(xxvi) The capitalization of RWB is as set forth in the Public Disclosure Record, as supplemented by Schedule 3(b)(xxvi) to account for changes since RWB's last filing. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as disclosed in the Public Disclosure Record or disclosed pursuant to this paragraph, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of RWB Shares, or contracts, commitments, understandings or arrangements by which RWB or any Subsidiary is or may become bound to issue additional shares of RWB Shares or common stock equivalents. The issuance and sale of the RWB Securities to Sellers will not obligate RWB to issue any RWB Shares or other securities to any Person (other than Sellers) and will not result in a right of any holder of RWB securities to adjust the exercise, conversion, exchange or reset price under any of such securities. All of the outstanding shares of capital stock of RWB are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the RWB Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to RWB capital stock to which RWB is a party or, to the knowledge of RWB, between or among any of RWB's stockholders.

(c) *Representations and Warranties Concerning the Companies.*

Platinum Vape and each Seller represents and warrants to Buyer Parties that the statements contained in this Section 3(c) are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date.

(i) *Organization, Qualification, and Corporate Power*. The Companies are duly organized, validly existing, and in good standing under the laws of the State their respective incorporation or organization. Each Company has full power and authority to execute and deliver this Agreement and each Transaction Document and to perform its obligations hereunder and thereunder. The Companies are duly authorized to conduct business and are in good standing under the laws of each jurisdiction where such qualification is required (excepting Vista Prime 2, Inc., which is in the process of becoming foreign filed with the state of Oklahoma). The Companies have full corporate power and authority and all licenses, permits, and authorizations necessary to carry on the business in which they are engaged and in which they presently propose to engage. The Companies are not in default under or in violation of any provision of their charter, bylaws, or other governing documents.

(ii) *Holdings*. All of the issued and outstanding securities of the Companies have been duly authorized, are validly issued, fully paid, and non-assessable, and are held of record by Sellers. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments of any nature whatsoever, or any applicable law that could require the Companies to issue, sell, or otherwise cause to become outstanding any of its capital securities. There are no outstanding or authorized security appreciation, phantom security, profit participation, or similar rights with respect to the Companies. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the capital securities of the Companies.

(iii) *Non-contravention*. Except as set forth on Section 3(c)(iii) of the Disclosure Schedule, neither the execution and the delivery of this Agreement nor any Transaction Document, nor the consummation of the transactions contemplated hereby or thereby, will (i) violate any Applicable Law, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Platinum Vape is subject or any provision of the charter, bylaws, or other governing documents of any of the Companies or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which a Company is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Lien upon any of its assets). Notwithstanding the foregoing, the Parties acknowledge and agree that: (i) VPM's cannabis permits and licenses are non-transferable; and (ii) in connection with the Purchase, (A) following Closing VPM must give notice to the applicable California Governmental Authorities of an "ownership change" (as that term is defined in and by MAUCRSA) of the Company, and (B) Buyer Parties will be required to submit to the applicable Governmental Authorities, along with any applicable fee, disclosures for Buyer Parties as if the Buyer Parties had been the securityholder of VPM as of the initial application. Except as explicitly set forth above or as set forth on Section 3(c)(iii) of the Disclosure Schedule, no consent from any third party is necessary to consummate the Purchase.

(iv) *Brokers' Fees*. The Company has no Liability to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(v) *Title to Assets*. The Company has good and marketable title to, or a valid leasehold interest in, the properties and assets used by it in connection with the Business, located on its

premises, or acquired after the date thereof, in each case free and clear of all Liens other than Permitted Liens, except for properties and assets disposed of in the Ordinary Course of Business and the purchase money liens on vehicles owned by the Companies, the lienholder and amount outstanding with respect to each being set forth on Schedule 3(c)(v).

(vi) *Material Changes; Undisclosed Events, Liabilities or Developments*. Since the date of the June 30, 2020 financial statements of the Company, there has been no event, occurrence or development that has had or that would reasonably be expected to result in a Material Adverse Effect with respect to any Company. Except as disclosed in Section 3(c)(vi) of the Disclosure Schedule, since the date of the June 30, 2020 financial statements of the Company: (A) none of the Companies has incurred any material liabilities (contingent or otherwise) other than (1) trade payables and accrued expenses incurred in the Ordinary Course of Business consistent with past practice and (2) liabilities that would not be required to be reflected in the Company's financial statements pursuant to U.S. general accepted accounting principals, consistently applied ("*GAAP*"), whether or not the Companies used GAAP; (B) the Company has not altered its method of accounting; (C) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock; (D) the Company has not issued any equity securities to any officer, director or Affiliate; (E) the Company has not sold, assigned, transferred, leased, licensed or encumbered any of its material tangible assets or Intellectual Property (other than granting non- exclusive licenses of Intellectual Property to customers in connection with the sale of products or provision of services); (F) suffered any material damage, destruction or other casualty loss with respect to property owned by the Company or waived any rights of material value; (G) the Company has not (i) made or changed any Tax election or changed any method of tax accounting, (ii) settled or compromised any federal, state, local or foreign Tax liability or assessment, (iii) agreed to an extension or waiver of a statute of limitations period applicable to any Tax claim or assessment, (iv) surrendered any right to claim a Tax refund, (v) incurred any Liability for Taxes outside the Ordinary Course of Business, (vi) failed to pay any Tax that has become due and payable (including any estimated tax payments), (vii) prepared or filed any Tax Return in a manner inconsistent with past practice, or (viii) taken any other similar action relating to the filing of any Tax Return or the payment of any Tax; or (H) the Company has not agreed, whether orally or in writing, to do any of the actions described in the foregoing. Except for any unpaid expenses and Liabilities identified on Section 3(c)(vi) of the Disclosure Schedule, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, properties, operations, assets or financial condition, that would be required to be included in the Company's financial statements under the Accounting Principles.

(vii) *Legal Compliance; Permits; Cannabis Matters*.

(A) Except as disclosed in Section 3(c)(vii) of the Disclosure Schedule, Platinum Vape has complied with all Applicable Laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and non- U.S. governments (and all agencies thereof), and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against any of them alleging any failure so to comply. The Company holds all Permits and local law authorization(s) required for the lawful conduct of its Business as presently conducted, or necessary for the lawful ownership and/or lease of its properties and assets or the operation of its Business as presently conducted or has entered contracts with local operators who hold such Permits and local authorizations. No notices have been received by the Company alleging the failure to hold any Permit from any Government Authority. No proceeding to modify, suspend, revoke, withdraw, terminate or otherwise limit any Permit held by VPM is pending or threatened and neither VPM nor Sellers know of any valid basis for such proceeding, including the transactions contemplated hereby. None of the Companies other than VPM has been issued or holds any Permits.

(B) Platinum Vape hereby makes the following representations and warranties relating specifically to cannabis matters:

(1) Each director and officer of a Company is at least twenty- one (21) years of age;

(2) Except as disclosed in Section 3(c)(vii) of the Disclosure Schedule, neither any Seller nor any director or officer of any Company has any convictions in the State of California or any other jurisdiction.

(3) Except as disclosed in Section 3(c)(vii) of the Disclosure Schedule, neither any Seller nor any director or officer of any Company has committed any Specified Legal Non-Compliance.

(4) Neither any Seller nor any director or officer of any Company is employed by any agency in the State of California or any of its political subdivisions in any position that involves the enforcement of laws related to cannabis, or that involves the enforcement of any of the penal provisions of law of the State of California prohibiting or regulating the sale, use, possession, transportation, distribution, testing, manufacturing, or cultivation of cannabis or cannabis products, including but not limited to, employment with the California Department of Justice as a peace officer, or employment in any district attorney's office, in any city attorney's office, in any sheriff's office, or in any local police department.

(5) Each Seller and each Company acknowledges and understands that cannabis products are subject to substantial and increasing legislation, regulation, judicial interpretations, and taxation in the United States, which could have an adverse effect on the results of operations, cash flows, and financial position of the Company. The changing nature of the regulation could result in a total loss of the Company's business and Seller's investment in the context of the Seller's ability to earn the Earn-out Payments.

(6) In the context of the Sellers' ability to earn the Earn-out Payments, each Seller represents and acknowledges that the changing nature of cannabis regulation could result in a total loss of the Company's business. Companies engaging in specific cannabis related activities, such as, without limitation, cultivation, processing, and distribution of products containing cannabis or certain cannabis extracts that generally require permitting, licensure, and other similar types of state and local regulatory approval ("license" or "licenses") before participating in their respective cannabis related activity ("licensed activities"). Many regulatory bodies, including state and local agencies (each, a "regulator"), are currently in the process of creating or modifying regulations relating to licensed activities. Some regulatory bodies have particular requirements, such as character or individual suitability based licensing requirements which limit the capacity for certain people or entities ("license holders") to obtain, maintain and continue to hold the licenses or permits required for such licensed activities. In addition, some jurisdictions review their licenses on a recurring or event driven basis for changes in status of suitability of license holders. License holder suitability factors, permitting issues, and evolving regulation surrounding them create additional uncertainty surrounding a business's or individual's ability to obtain or maintain a license. The Company and/or one of its Affiliates may seek licenses which may include, without limitation, dispensing, processing, distributing, or cultivating cannabis in the future through purchase from other license holders coupled with follow-up regulatory approval and /or direct application with the appropriate regulatory bodies. Each Seller acknowledges that no representation or warranty is made that Company will be able to obtain or maintain any particular license or licenses. Nothing in the foregoing paragraph shall limit the Buyer Parties' obligations to satisfy payment obligations hereunder as they become due and payable.

(viii) *Financial Statements*.

(A) Section 3(c)(vii)(B)(6) of the Disclosure Schedule contains true and complete copies of the following financial statements of the Company (the "*Financial Statements*"):

(B) the unaudited balance sheets of each Company as of December 31, 2018 and December 31, 2019, and the related statements of income for the years then ended; and

(C) the unaudited balance sheets of each Company as of June 30, 2020 (the "*Latest Balance Sheet*"), and the related statements of income for the 6-month period then ended (the "*Interim Financials*").

(D) Each of the Financial Statements is complete and correct in all material respects, is consistent with the books and records of the Company and accurately and completely, in all material respects, present the Company's financial condition, assets and Liabilities as of their respective dates, reported on a cash basis, in accordance with the Accounting Principles consistently applied throughout the periods covered thereby, and except that the Interim Financials are subject to normal year- end adjustments. The reserves reflected in the Financial Statements are reasonable and have been calculated in a consistent manner.

(E) The internal controls of the Company over financial reporting are effective in providing reasonable assurance regarding the reliability of financial reporting and preparation of financial statements in accordance with the Accounting Principles.

(F) The Company has no debts, Liabilities or obligations of any nature (whether accrued, absolute, contingent, direct, indirect, perfected, inchoate, unliquidated or otherwise and whether due or to become due), including, without limitation, Liabilities or obligations on account of Taxes or governmental charges or penalties, interest or fines thereon or in respect thereof, except (i) to the extent reflected and accrued for or reserved against in the Financial Statements or otherwise disclosed to Buyer Parties in Section 3(c)(viii) of the Disclosure Schedule, (ii) for Liabilities and obligations incurred in the ordinary and usual course of business consistent with past custom and practices since the date of the Latest Balance Sheet, which, individually or in the aggregate, are not reasonably expected to be material to the Business, (iii) Liabilities (which are current) relating to future performance under the agreements to which a Company is a party, but in no event any Liability arising out of any breach, nonperformance or defective performance by such Company of any such agreement and (iv) Liabilities under this Agreement and the Transaction Documents to which a Company is a party.

(G) Except as set forth on Section 3(c)(vii)(B)(6) of the Disclosure Schedule, the Company has no Indebtedness.

(H) All accounts receivable of the Company (i) are bona fide and valid receivables arising from sales actually made or services actually performed and were incurred in the ordinary course of business, (ii) are properly reflected on the Company's books and records in accordance with the Accounting Principles consistently applied and (iii) to the Company's Knowledge, unless disclosed on Section 3(c)(viii) of the Disclosure Schedule, are not subject to any setoffs, counterclaims, credits or other offsets, and are current and collectible and will be collected in accordance with their terms at their recorded amounts within ninety (90) days. No Person has any Lien on any accounts receivable or any part thereof, and no agreement for deduction, free goods or services, discount or other deferred price or quantity adjustment has been made by the Company with respect to any accounts receivable other than in the ordinary course of business.

(ix) *Intellectual Property.*

(A) All of the (i) issued patents, (ii) registered trademarks, (iii) registered service marks, (iv) registered copyrights (together with items (i) through (iii) the "*Registered Company Intellectual Property*"), (v) applications for any of the items listed in (i) through (iv), (vi) domain name registrations, (vii) Social Media Accounts, and (vii) any material unregistered Intellectual Property, in each case owned by any of the Companies, are set forth on Section 3(c)(ix)(A) of the Disclosure Schedules ("*Scheduled Company Intellectual Property*" and, together with all Intellectual Property otherwise owned by any of the Companies, the "*Company Intellectual Property*"). All Registered Company Intellectual Property is valid, subsisting and enforceable.

(B) The Companies (i) exclusively own and possess all right, title and interest in and to the applicable Company Intellectual Property, and (ii) exclusively own all right, title, and interest in and to, or has a valid, continuing and enforceable right to use all Intellectual Property (pursuant to a contract set forth in Section 3(c)(xi) of the Disclosure Schedule necessary for or used in connection with their respective businesses as presently conducted free and clear of all Liens. The Companies have taken all actions reasonably necessary to maintain and protect all of the Company Intellectual Property, including requiring all present and former employees and independent contractors since 2018 to agree in writing to protect the trade secrets and other confidential information of the applicable Company. Without limiting the foregoing, each Company has required all Persons who have contributed to, developed or conceived any Intellectual Property since 2018 in connection with such Persons' engagement with such applicable Company to execute a written agreement under which such Intellectual Property shall automatically vest with the applicable Company as work for hire or, where such vesting is not possible by virtue of the applicable Laws, the Person assigns all rights in such Intellectual Property or provides an exclusive, worldwide, fully-paid license for use to the applicable Company. Immediately prior to the Closing, each Company shall own and possess, and shall continue to own and possess immediately following the consummation of the transactions contemplated by this Agreement, documentation relevant to the trade secrets included in the Company Intellectual Property that is current, accurate and sufficient in detail and content to identify and explain it and allow its full and proper use by a Person of ordinary skill in the art in which such Intellectual Property pertains without reliance on the special knowledge or memory of others.

(C) (i) No Company has received any written notices from any third party with respect to the infringement, misappropriation, dilution or other violation of any third party's Intellectual Property by the Company and, to the Seller's knowledge, there is no reasonable basis for same; (ii) the operation of the business of each Company does not infringe, misappropriate, dilute or otherwise violate the Intellectual Property of any third party and in the past six years, has not infringed, misappropriated, diluted or otherwise violated the Intellectual Property of any third party, and (iii) there have been no actions, suits, proceedings, or claims settled in the past five years, pending, threatened in writing or to any of the Seller's Knowledge, otherwise threatened relating to any of the foregoing whether based on copyright, unfair competition law or otherwise, unless disclosed in Section 3(c)(ix) of the Disclosure Schedule. To Sellers' Knowledge, (i) there has been no infringement, misappropriation, dilution, or other violation of any Company Intellectual Property, and (ii) no third party is currently infringing, misappropriating, diluting or otherwise violating any Company Intellectual Property. None of the Companies nor any of their respective Subsidiaries has sent or received any written notice regarding any of the foregoing (including any unsolicited demand or request from a third party to license any Intellectual Property).

(D) Except as disclosed in Section 3(c)(ix) of the Disclosure Schedule, there are no, nor in the past five (5) years have there been, any defects or technical concerns in any of the Products that would prevent the same from performing substantially in accordance with their user

specifications or functionality descriptions. There is no proprietary Software owned by any of the Companies or any of their Subsidiaries and used in connection with their respective businesses. The Software included in the Company Intellectual Property does not contain any computer code or any other mechanism which: (i) contains any "back door," virus, malware, Trojan horse or similar devices; (ii) may disrupt, disable, erase or harm the operation of any Software, or cause any Software to damage or corrupt any data, hardware, storage media, programs, equipment or communications; or (iii) permit any Person to access any Software, data, hardware, storage media, programs, equipment or communications without authorization.

(E) To Seller's Knowledge, the conduct of each Company's respective business is in compliance with, and has been for the past five (5) years in compliance with, all Data Security Requirements, and there have not been any incidents of data security breaches, unauthorized access or use of any of the Systems, or unauthorized acquisition, destruction, damage, disclosure, loss, corruption, alteration, or use of any Company's business information, personally-identifying information, or data (whether of employees, contractors, consultants, customers, consumers, or other Persons and whether in electronic or any other form or medium) that is accessed, collected, used, processed, stored, shared, distributed, displayed, transferred, disclosed, destroyed, or disposed of by any of the Systems, and no Company has been subject to any claims or received written notices or complaints related to the foregoing. The consummation of the Transactions will not result in any liabilities of any Company in connection with any Data Security Requirements and the Systems owned by the Companies prior to Closing will be owned and available for use (as applicable) by the Companies following Closing, and any Contract related to the Systems, including license, hosting, maintenance, service and support agreements, will continue to benefit the applicable Companies on identical terms and conditions immediately after the Closing.

(F) The consummation of the transactions contemplated by this Agreement will not impair or result in the loss of any rights in any Company Intellectual Property or any Company being obligated to pay any royalties or other amounts to any Person in excess of those payable to them in the absence of this Agreement or the Transactions contemplated hereby. No (i) current or former partner, director, stockholder, member, officer, employee of any Company, (ii) Seller, or (iii) Affiliate of Seller, owns any Intellectual Property used in connection with the business of any Company, is a licensee of any Company Intellectual Property, or will, after giving effect to the transactions contemplated hereby, own or retain any rights to Company Intellectual Property.

(x) *Tangible Assets; Condition*. The Company owns or leases the machinery, equipment, and other tangible assets set forth in Section 3(c)(x) of the Disclosure Schedule. Each such tangible asset is free from defects (patent and latent), has been used and maintained in accordance with normal industry practice and in compliance with Applicable Laws in all material respects, is in good operating condition and repair (subject to normal wear and tear), and is suitable for the purposes for which it presently is used and presently is proposed to be used.

(xi) *Contracts*. Section 3(c)(xi) of the Disclosure Schedule lists all of the contracts and other agreements to which the Company is a party that: (A) involves performance of services or delivery of goods or materials either to or from the Company of an amount or value in excess of $25,000 individually during any 12-month period; (B) was not entered into in the Ordinary Course of Business; (C) cannot be terminated by the Company upon less than sixty (60) days' notice without penalty; (D) requires the Company to purchase its total requirements of a good or service from another Person or that includes a "take or pay" or similar provision; (E) is a collective bargaining agreement or otherwise involves a labor union or other representative of a group of employees relating to wages, hours or conditions of employment; (F) restricts the Company's business activities or limits the right or ability of the Company to engage in any line of business or to compete with another Person; (G) relates to a joint venture, partnership, strategic

alliance or similar arrangement or that involves a sharing of profits, losses, costs or Liabilities with another Person; (H) is an employment or consulting agreement or involves the engagement of an independent contractor; (I) provides for payment to or by a Person based on sales, purchases, profits or other metrics other than direct payment for goods or services; (J) is a franchise agreement or a sales promotion, market research, marketing, advertising or similar Contract; (K) is a loan, credit or similar contract or that otherwise relates to Indebtedness; (L) grants a Lien on any of the assets of the Company; (M) is with a Governmental Authority; (N) involves or relates to the acquisition or divestiture of a business or a material amount of assets, properties or securities of another Person (whether by merger, sale of stock, sale of assets, lease, license or otherwise); (O) provides for the indemnification by the Company of another Person or the assumption or guaranty by the Company of a Liability or obligation of another Person; (P) grants another Person "most favored nation status" or any similar type of contract; (Q) relates to the maintenance, operation or administration of the Business but the Company is not a direct party to such contract; or (R) relates to the licensing of any Intellectual Property by the Company to a third party or by a third party to the Company and any other agreements affecting the Company's ability to use or enforce any Intellectual Property (including concurrent use agreements, settlement agreements and consent to use agreements). Platinum Vape has delivered to Buyer a correct and complete copy of each such written agreement (as amended to date, if applicable) and a written summary setting forth the terms and conditions of each oral agreement referred to in Section 3(c)(xi) of the Disclosure Schedule. With respect to each such agreement, unless otherwise disclosed in Section 3(c)(xi) of the Disclosure Schedule: (1) the agreement is legal, valid, binding, enforceable, and in full force and effect; (2) the agreement will continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby; (3) no party is in breach or default, and no event has occurred that with notice or lapse of time would constitute a breach or default, or permit termination, modification, or acceleration, under the agreement; and (4) the agreement is not under negotiation (nor has written demand for any negotiation been made) and no party has repudiated any provision of the agreement.

(xii) *Notes and Accounts Receivable*. All notes and accounts receivable of the Companies are reflected properly on their books and records, are valid receivables subject to no setoffs or counterclaims, are current and collectible, and will be collected in accordance with their terms at their recorded amounts, as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of the Company. Each note receivable of each Company is set forth on Section 3(c)(xii) of the Disclosure Schedule.

(xiii) *Powers of Attorney*. Except as set forth of Section 3(c)(xiii) of the Disclosure Schedule, there are no outstanding powers of attorney executed on behalf of the Company.

(xiv) *Litigation*. Section 3(c)(xiv) of the Disclosure Schedule describes in reasonable detail each instance in which the Company or Purchase Securities is or, at any time during the three (3) years prior to the date of this Agreement, was (i) subject to any outstanding injunction, judgment, order, decree, ruling, or charge or (ii) a party, threatened to be made a party or the subject of to any action, suit, proceeding, audit, hearing, or investigation of, in, or before (or that could come before) any court or quasi-judicial or administrative agency of any federal, state, local, or non-U.S. jurisdiction or before (or that could come before) any arbitrator (each is a "*Proceeding*"). None of the actions, suits, proceedings, audits, hearings, and investigations set forth in Section 3(c)(xiv) of the Disclosure Schedule could result in any Material Adverse Change. Neither Seller nor any of the directors, managers or officers (and employees with responsibility for litigation matters) of the Company has any reason to believe that any such action, suit, proceeding, audit, hearing, or investigation may be brought or threatened against the Company or that there is any Basis for the foregoing. Sellers have delivered to Buyer accurate and complete copies of all pleadings, correspondence, audit response letters and other documents relating to such suit, proceeding, audit, hearing, investigation, or charge. The Company is not currently engaged in any Proceeding to recover monies due it or for damages sustained by it.

(xv) *Tax Status*. Except as disclosed on Section 3(c)(xv). each of Platinum Vape and its members (i) has timely filed, or have had timely filed on their behalf, all Tax Returns, reports and declarations required by any jurisdiction to which it is subject (taking into account timely extensions), and all such Tax Returns were correct and complete in all material respects (taking into account all applicable amendments thereto that have been filed), (ii) has fully paid all taxes and other governmental assessments and charges shown or determined to be due on such Tax Returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all Taxes for periods subsequent to the periods to which such Tax Returns, reports or declarations apply. Except as set forth on Section 3(c)(xv) of the Disclosure Schedule, there are no unpaid Taxes in any amount claimed to be due by the Taxing authority of any jurisdiction, and the officers of Platinum Vape know of no Basis for any such claim. There are no ongoing or pending Tax audits by any Governmental Authority of any Taxes or Tax Returns of the Company. Section 3(c)(xv) of the Disclosure Schedules lists all the states with respect to which the Company has filed any Tax Returns since January 1, 2016. No claim as ever been made by any Tax authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction, and the Company does not have and has not had a permanent establishment (within the meaning of any applicable Tax treaty) or an office or fixed place of business in a country outside of its country of formation. The Company has not waived any statute of limitations with respect to any Taxes or consented to the extend the time in which any Taxes may be assessed or collected by any Tax authority, which waiver or extension is still in effect. Except as disclosed on Section 3(c)(xv) of the Disclosure Schedule, the Company has deducted, withheld and timely paid to the appropriate Governmental Authority all Taxes required to be deducted, withheld or paid in connection with amounts paid or owing to any employee, independent contractor, creditor, owner or other third party, and the Company has timely and accurately complied in all respects with all reporting and record keeping requirements related thereto, including filing of Forms W–2 and 1099s (or other applicable forms). There are no Liens with respect to Taxes upon any of the Purchase Securities or assets of the Company. No Governmental Authority has threatened in writing that it is in the process of imposing any Lien for Taxes on the Purchase Securities or assets of the Company. Section 3(c)(xv) of the Disclosure Schedule lists the current federal and state Tax classification of each Company and any previous federal or state tax classification of each Company. Section 3(c)(xv) of the Disclosure Schedule lists each Company that has filed Tax Returns reporting deductions that are limited under Section 280E of the Code. None of the Companies has applied Section 263A or Section 471(c) of the Code in its calculation of cost of goods sold for inventory items.

(xvi) *Foreign Corrupt Practices*. Platinum Vape has not: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity; (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds; (iii) failed to disclose fully any contribution made by Platinum Vape (or made by any person acting on its behalf of which the Platinum Vape is aware) which is in violation of law; or (iv) violated in any material respect any provision of FCPA.

(xvii) *Office of Foreign Assets Control*. Neither Platinum Vape nor to Platinum Vape's knowledge, any director, officer, agent, employee or affiliate of Platinum Vape is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

(xviii) *Solvency*. Each Company is solvent. Platinum Vape is not in default with respect to any Indebtedness.

(xix) *Real Estate.* None of the Companies owns any real property. Section 3(c)(xix) of the Disclosure Schedule contains a complete list of all real property leased or subleased by the

Company (individually "*Leased Real Property*" and collectively, the "*Leased Realty*"). The Company has a valid leasehold interest in each Leased Real Property. The Company has previously delivered to Buyer correct and complete copies of (or, in the case of non-written arrangements, accurately and completely described) each of the leases (including all amendments, extensions, renewals, guaranties and other agreements with respect thereto) for the Leased Realty (the "*Realty Leases*"). With respect to each Realty Lease: (A) the Realty Lease is legal, valid, binding, enforceable and in full force and effect (subject to the Bankruptcy and Equity Exception); (B) the Company nor, to the Company's Knowledge, any other party to the Realty Lease is in material breach or default, and to the Company's Knowledge no event has occurred which, with notice or lapse of time or both, would constitute such a breach or default or permit termination, modification or acceleration under the Realty Lease; (C) the Realty Lease has not been modified, except to the extent that such modifications are disclosed by the documents delivered to Buyer; (D) the Company is exclusively entitled to all rights and benefits as lessee under the Realty Lease and has not assigned, transferred, conveyed, mortgaged, deeded in trust or encumbered any interest in the Realty Lease; and (E) the terms and conditions of the Realty Lease will not be affected by, nor will the Realty Lease be in default as a result of, the completion of the transactions contemplated by this Agreement; provided, however, that the Parties acknowledge and agree that the landlord for the Convoy Property must approve the transfer of the Purchased Securities to Buyer prior to Closing. Neither the Company, nor any Seller has received any notice and or has any knowledge of (F) any special assessments affecting the Leased Real Property or improvements thereon; (G) any tax deficiency, lien or assessment against the Leased Real Property or improvements thereon, in each case, which has not been paid or the payment for which adequate provision has not been made; (H) any violations of Applicable Laws with respect to the Leased Real Property or improvements thereon; (I) any condemnations or imminent domain proceedings; (J) any pending zoning or subdivision changes that would affect the Leased Real Property or improvements thereon. No work has taken place on the Leased Realty in the last one hundred twenty (120) days that would create in any party a right to a lien against any of such properties, except for such work that has been fully paid for by the Company or Sellers and for which the Company or Sellers will obtain lien waivers and affidavits if requested by the Buyer.

(xx) *Insurance Policies*. Section 3(c)(xx) of the Disclosure Schedule contains a correct and complete list and description, including policy number, coverage and deductible, of all insurance policies owned by the Company (the "*Insurance Policies*"), correct and complete copies of which policies have previously been delivered to Buyer. The Company has not received any written (or, to the Company's Knowledge, oral) notice of cancellation or intent to cancel or increase or intent to increase premiums in any material respect with respect to such Insurance Policies. Section 3(c)(xx) of the Disclosure Schedule also contains a list of all pending claims and any claims in excess of $5,000 individually or for a series of related claims in the past three (3) years with any insurance company by the Company (including predecessors) and, to the Company's Knowledge, any instances within the previous three (3) years of a denial of coverage relating to the Business or the Company (including predecessors) by any insurance company. Each Insurance Policy is in full force and effect and the Company is not in default with respect to its obligations under any of such Insurance Policies. The Company is current in all premiums or other payments due under the Insurance Policies and has otherwise complied in all material respects with all of its obligations under each Insurance Policy. The Company has given timely notice to the insurer of all material claims that may be insured thereby, and insurance coverage of such claims has not been denied or disputed by any insurer. To the Company's Knowledge, no Insurance Policy provides for any retrospective premium adjustment or other experience based Liability on the part of the Company.

(xxi) *Welfare and Benefit Plans*.

(A) Section 3(c)(xxi) of the Disclosure Schedule is a true and complete list of all employment, change in control or similar agreements, equity or equity based plans or agreements, severance pay, vacation, sick leave, fringe benefit, medical, dental, life insurance, disability or

other welfare plans, programs or agreements, savings, profit sharing, pension or other retirement plans, programs or agreements and all bonus or other incentive plans, contracts, agreements, arrangements, policies, programs, practices or other employee benefits or remuneration of any kind, whether formal or informal, funded or unfunded, including each "employee benefit plan," within the meaning of Section 3(3) of ERISA (collectively, the "*Employee Benefit Plans*") sponsored, maintained or contributed to by the Company and in which any one or more of the current or former employees or directors of the Company participates or is eligible to participate or has previously participated in and for which the Company has any current or future Liability. Sellers have furnished or otherwise made available to Buyer true and complete copies of all Employee Benefit Plans that have been reduced to writing; written summaries of the material terms of all unwritten Employee Benefit Plans; and related trust agreements, annuity contracts, IRS determination letters and rulings, the most recent determination letter request, copies of all material applications and material correspondence to or from the IRS or Department of Labor, summary plan descriptions, all material communications to employees regarding any Employee Benefit Plan; and annual reports on Form 5500, Form 990, actuarial reports, and PBGC Forms 1 for the most recent three (3) Plan years.

(B) No Liability under Title IV or Section 302 of ERISA has been incurred by the Company or by any Person or any trade or business, whether or not incorporated, that together with the Company would be deemed a "single employer" within the meaning of Section 4001(b) of ERISA (an "*ERISA Affiliate*") that has not been satisfied in full, and, to the Company's Knowledge, no condition exists that is reasonably likely to create such a Liability to the Company or any ERISA Affiliate.

(C) Except as set forth on Section 3(c)(xxi) of the Disclosure Schedule, the consummation of the transactions contemplated by this Agreement will not, either alone or in combination with another event, (i) entitle any current or former employee or officer of the Company to severance pay, unemployment compensation or any other payment, except as expressly provided in this Agreement, or (ii) result in forfeiture, accelerate the time of payment or vesting, or increase the amount of compensation due any such employee or officer, (iii) limit or restrict the right of the Company to merge, amend, or terminate any Employee Benefit Plan or (iv) increase the amount payable or result in any other material obligation pursuant to any Employee Benefit Plan.

(D) Each Employee Benefit Plan has been maintained, in form and operation, in compliance in all material respects with its terms and all applicable Laws, including, without limitation, ERISA and the Code. There has been no material failure of an Employee Benefit Plan that is a group health plan (as defined in Section 5000(b)(1) of the Code) to meet the requirements of Section 4980B(f) of the Code with respect to a qualified beneficiary (as defined in Section 4980B(g) of the Code). The Company has not contributed to a nonconforming group health plan (as defined in Section 5000(c) of the Code).

(E) There are no pending, or to the Company's Knowledge, threatened or reasonably anticipated claims by or on behalf of any Employee Benefit Plan, by any employee or beneficiary covered under any such Employee Benefit Plan, or otherwise involving any such Employee Benefit Plan (other than routine claims for benefits). All Employee Benefit Plans providing welfare benefits are fully insured.

(F) The Company does not have any obligation to provide post-employment welfare benefits other than as required under Section 4980B of the Code or any similar provision of state law.

(xxii) *Health, Safety and Environment*. Except as set forth on Section 3(c)(xxii) of the Disclosure Schedule: (A) the Company has complied and is in compliance with all Environmental

Laws; (B) the Company has not received any written notice, report, order, directive or other information regarding any actual or alleged violation of Environmental Laws, or any Liabilities, including any investigatory, remedial or corrective obligations, relating to any of them, their businesses, or their past or current facilities arising under Environmental Laws; (C) to the Company's Knowledge, none of the following exists at any Leased Real Property: (1) underground storage tanks, (2) asbestos containing material in any form or condition, (3) materials or equipment containing polychlorinated biphenyls, (4) landfills, surface impoundments, or disposal areas, or (5) groundwater monitoring wells, potable drinkable water wells, petroleum wells or production water wells; (D) neither the Company nor, to the Company's Knowledge, any of its predecessors or Affiliates has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, manufactured, distributed, released or exposed any Person to any substance, including any hazardous substance, or owned or operated any property or facility which is or has been contaminated by any such substance, in a manner that has given or could give rise to any current or future Liabilities (including any Liability for response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney fees, or any investigatory, corrective or remedial obligations) pursuant to any Environmental Laws; (E) no third party has used any Leased Real Property in violation of any Environmental Law for the purpose of treating, generating, manufacturing, producing, storing, handling, treating, transferring, releasing, processing or transporting any petroleum, hazardous waste or hazardous substance and/or toxic waste or toxic substance, as such terms are defined in RCRA, CERCLA, the Superfund Amendments and Reauthorization Act, Public Law 99 499 as amended, or any other federal, state or local environmental law, regulation, code or ordinance; (F) neither the Company nor Sellers has received any written notice, claim, report, order, directive, or other information regarding any actual or alleged violation of Environmental Laws, or any Liability, including any investigatory, remedial or corrective obligation, arising under Environmental Laws and relating to the Leased Real Property; (G) neither this Agreement nor the consummation of the transactions contemplated hereby will result in any obligations for site investigation or cleanup, or notification to or consent of Governmental Authorities or third parties, pursuant to any of the so called "transaction triggered" or "responsible property transfer" Environmental Laws; (H) neither the Company nor the Sellers have, either expressly or by operation of law, assumed, undertaken, or provided an indemnity with respect to any Liability (including any investigative, corrective or remedial obligation) of any other Person relating to Environmental Laws; and (I) the Company and Sellers have furnished to Buyer all environmental audits, reports and other environmental documents materially bearing on environmental, health or safety matters relating to the current and former operations and facilities of the Company, or their respective predecessors or Affiliates, which are in their possession, custody or control.

(xxiii) *Employees; Labor Disputes*. Except as set forth on Section 3(c)(xxiii) of the Disclosure Schedule, (A) the Company is not a party to or obligated with respect to any outstanding contracts or arrangements with current or former employees, agents, consultants, advisers, sales representatives or independent contractors that are not terminable by the Company without penalty on less than sixty (60) days' notice; (B) the Company is not a party to any collective bargaining agreement or other contract or relationship with any labor organization; (C) the Company has not engaged in any unfair labor practices within the meaning of the National Labor Relations Act; (D) the Company has complied in all material respects with all Applicable Laws relating to the employment of labor, including (without limitation) provisions thereof relating to employee classification, wages, hours, vacation, affirmative action, human rights, immigration, employment standards, workplace safety, equal opportunity, collective bargaining, the payment of all required Taxes and other withholdings; (E) there are no Proceedings pending or, to the Company's Knowledge, threatened against the Company concerning any matters relating to the employment of labor; (F) no union organizing or decertification activities are underway or, to the Company's Knowledge, threatened, and no such activities have occurred in the past three (3) years; and (G) there is no strike, slowdown, work stoppage, lockout or other material labor dispute pending or, to the Company's Knowledge, threatened, and no such dispute has occurred in the past three (3) years. Within the past three (3) years, the Company has not implemented any layoffs that are reasonably likely to implicate

the Worker Adjustment and Retraining Notification Act of 1988, as amended, and any similar or related Law. As of Closing, all employees of the Business are employed by a Company. To the Company's Knowledge, there are no consensual or non-consensual sexual relationships between any legal or beneficial owner, officer or supervisor-level employee of the Company, on the one hand, and any direct report or other subordinate of any of the foregoing individuals, on the other hand. To the Company's Knowledge, no executive officer or senior manager of any Company is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non- competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such individual does not subject any Company to any liability with respect to any of the foregoing matters.

(xxiv) *Affiliate Transactions*. Except as set forth in Section 3(c)(xxiv) of the Disclosure Schedule, no present Affiliate of the Company: (i) owns any property or right, whether tangible or intangible, which is used in connection with the Business as currently conducted or proposed to be conducted; (ii) has any claim or cause of action against the Company; (iii) owes any money to the Company or is owed money from the Company; (iv) is a party to any contract or other arrangement, written or oral, with the Company; or (v) provides services or resources to the Company or is dependent on services or resources provided by the Company. Section 3(c)(xxiv) of the Disclosure Schedule sets forth every business relationship (other than normal employment relationships) between the Company, on the one hand, and such member of the Company's present or former equityholders, partners, officers, managers, directors, employees or, to the Company's Knowledge, members of their families (or any entity in which any of them has a material financial interest, directly or indirectly), on the other hand.

(xxv) *Books and Records*. The books and records of the Company, all of which have been made available to Buyer, are complete and correct and have been maintained in accordance with sound business practices. Prior to the Closing the Companies have not maintained any minute books containing records of meetings or actions taken by the owners, directors or managers of the Companies. At the Closing, all books and records of the Companies will be in the possession of the Companies.

(xxvi) *Disclosure*. All of the disclosures furnished by or on behalf of the Company to the Buyer Parties regarding the Companies, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, are true and correct and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Section 4. ***Pre-Closing Covenants***.

The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing:

(a) *General*. Each of the Parties will use his, her, or its reasonable best efforts to take all actions and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction of the Closing conditions set forth in Section 5 below).

(b)*Permits, Notices and Consents*. Following the execution of this Agreement, the Company will give any notices to, make any filings with, and use its reasonable best efforts to obtain any authorizations, consents, and approvals of the Purchase from Governmental Authorities if and to the extent necessary to consummate the Purchase. The Company, Sellers and Buyer Parties shall cooperate in good faith with each other and with all Governmental Authorities in connection with obtaining any new Permits required for

the continued operation of the Business in compliance with Applicable Laws after Closing, and shall undertake promptly any and all action required to maintain all Permits. The Parties acknowledge and agree that the state of California and city of San Diego do not need to be notified of the Closing until after Closing and that such approval shall not be a condition to Closing, and that the states of Oklahoma and Michigan do not need to approve the Purchase since Platinum Vape is not directly licensed through such states but rather operate pursuant to contractual relationships with licensed entities in those states. Should any Buyer Party or director, officer or shareholder thereof fail to timely provide any information or signatures required by a Governmental Authority after Closing, it shall constitute a material default by Buyer Parties under this Agreement and Buyer Parties acknowledge and agree that such failure could result in revocation of the Company's Permits or sanction against the Companies and its Permits, for which Sellers shall have no liability. In addition, Buyer Parties acknowledge and agree that should any Buyer Party or director, officer or shareholder thereof fail any background check required by any Governmental Authority, such failure could result in revocation or failure to renew any Company permit if such party is not removed as an officer, director or shareholder of Buyer Parties, for which Sellers shall have no liability. Notwithstanding the foregoing, during the Earn-Out Period, Buyer Parties agree to take such actions as required to remove any officer, director or shareholder thereof that is not approved as an "owner" of VPM by applicable state of California cannabis regulators or the city of San Diego. The provisions of this paragraph shall survive Closing.

(c) *Operation of Business*.

(i) Sellers shall continue to act as owners of the Company and shall operate the Company in compliance with the Cannabis Laws pursuant to the Company's Permits and contractual arrangements, and Sellers shall be responsible for all compliance obligations thereunder through Closing. Sellers will not cause or permit the Company to engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business. Without limiting the generality of the foregoing, except as otherwise agreed between Buyer and Sellers in writing, Sellers (A) will maintain each Company's corporate existence in accordance with all Applicable Laws; (B) will cause each Company to preserve and maintain all of its Permits; (C) will not appoint or elect any additional directors, officers or managers of any Company, except as provided in this Agreement, or otherwise amend or violate any of a Company's organizational documents (including by any board action to effect the same); (D) will not cause any Company to incur any Liability or Lien on the assets of the Company; (E) will cooperate in good faith with Buyer Parties with respect to the closing of the Purchase; and (F) Sellers shall (and shall cause the Company to) use commercially reasonable efforts to preserve the goodwill and organization of its businesses and the relationships with its customers, suppliers, employees and other business relations. Sellers shall not (and shall cause the Company not to), without Buyer's consent (which consent shall not be unreasonably withheld, conditioned or delayed), take or omit to take any action that would have required disclosure pursuant to Section 3(c)(vi) if such action had been taken after January 1, 2020 and prior to the date hereof or would otherwise result in a breach of the representations and warranties in Section 3(c)(xxiv) with respect to the Company in this Agreement.

(ii) Buyer Parties shall operate in compliance with the Cannabis Laws. Buyer will not cause or permit Buyer to engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business, except as expressly contemplated by this Agreement, as required by Applicable Law, or with Sellers' prior written consent (which consent shall not be unreasonably withheld, conditioned, or delayed). Without limiting the generality of the foregoing, except as otherwise agreed between Buyer Parties and Sellers in writing, Buyer Parties (A) will maintain the Buyer Parties' corporate existence in accordance with all Applicable Laws; (B) will cause Buyer Parties to preserve and maintain all of its Permits; (C) will not violate any of the Buyer Parties' organizational documents

(including by any board action to effect the same), and (D) will not permit the incurrence of any Lien on the assets of Buyer.

(d) *Full Access*. Sellers will permit, and Sellers will cause the Company to permit, representatives of Buyer Parties (including legal counsel and accountants) to have full access at all reasonable times during normal business hours, and in a manner so as not to interfere with the normal business operations of the Company, to all premises, properties, personnel, books, records (including Tax records and financial statements), contracts, and documents of or pertaining to the Company. Sellers shall cooperate with Buyer Parties to facilitate the orderly transition of the Company and its business to Buyer (including, without limitation, by providing reasonable access to the employees of the Company and discussing the affairs, finances and business of the Company). Buyer Parties shall provide Sellers with such documents and information as reasonably requested by Sellers in order to conduct their due diligence investigations of Buyer Parties.

(e) Schedule Updates. If any event, condition, fact or circumstance that is required to be disclosed pursuant to Section 4(f) requires any change in any Disclosure Schedule, or if any such event, condition, fact or circumstance would require such a change assuming the Disclosure Schedule were dated as of the date of the occurrence, existence or discovery of such event, condition, fact or circumstance, then Sellers or Buyer Parties, as applicable, shall promptly deliver to the other party an update to the Schedules specifying such change, which update shall be deemed to have been provided for informational purposes only and shall not be deemed to supplement or amend the Schedules for purposes of determining the accuracy of any of the representations and warranties contained in this Agreement or determining whether any of the conditions of Section 5 has been satisfied, unless Sellers or Buyer, as applicable, has consented in writing to such supplement or amendment, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, no party hereto shall be entitled to damages or indemnification for a breach of representation or warranty by another party for any matter disclosed in a supplement to a Disclosure Schedule prior to Closing.

(f) Notice of Developments. Each Party will give prompt written notice to the other Parties of (a) any material development or variances causing a breach of any of his, her or its representations or warranties in Section 3 above, (b) any material breach of any covenant or agreement hereunder by such party and (c) any other material development affecting the ability of such party to consummate the transactions contemplated by this Agreement. Delivery of any such notice by any party hereto shall have no effect on the rights and obligations of the parties hereunder.

(g)*Exclusivity*. Neither the Sellers nor the Company shall (and the Sellers and the Company shall cause their respective Affiliates, officers, directors, managers, employees, agents, consultants, financial advisors, accountants, legal counsel and other representatives not to), directly or indirectly, (i) submit, solicit, initiate, encourage or discuss any proposal or offer from any Person (other than Buyer Parties and their Affiliates in connection with the transactions contemplated hereby) or enter into any agreement or accept any offer relating to or consummate any (A) reorganization, liquidation, dissolution or recapitalization of the Company, (B) merger or consolidation involving the Company, (C) purchase or sale of any assets (except in the Ordinary Course of Business) or equity securities (or any rights to acquire, or securities convertible into or exchangeable for, any such equity securities) of any Company, or (D) similar transaction or business combination involving the Company or its business or assets (each of the foregoing transactions described in clauses (A) through (D), a "*Company*

Transaction") or (ii) furnish any information with respect to, assist or participate in or facilitate in any other manner any effort or attempt by any Person (other than Buyer Party and their Affiliates) to do or seek to do any of the foregoing. The Sellers and the Company agree to notify RWB immediately if any Person after the date hereof makes any proposal, offer, inquiry or contact with respect to a Company Transaction.

(h)*Taxes*.

(i) Without the prior written consent of RWB, none of the Companies shall make or change any Tax election, change a Tax accounting method or period, file any amended Tax Return, fail to pay any Tax when it becomes due and payable, enter into any closing agreement, settle any Tax claim or assessment relating to the Company (except the settlement in process as set forth in the disclosure schedules), surrender any right to claim a refund of Taxes, or consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to the Company.

(ii) In the event of an audit by the Internal Revenue Service of any income Tax Return of any Company classified as a partnership for United Stated federal income tax purposes relating to any Pre-Closing Tax Period, the Sellers shall cause the applicable Company to make an election under Section 6226 of the Code with respect to such Company for such Pre-Closing Tax Period, notwithstanding any provision of any organizational, operating, or any other agreement with respect to such Company to the contrary. Each former member of such Company for any such Pre-Closing Tax Period under audit shall take its share of the adjusted items as determined in the notice of final partnership adjustment into account as required under Section 6226(b) of the Code, and shall be liable for any related interest, penalty, addition to tax, or additional amounts.

Section 5. ***Conditions to Obligation to Close***.

(a) *Conditions to Buyer's Obligation*. Buyer's obligation to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in Section 3(a) and Section 3(c) above shall be true and correct in all material respects at and as of the Closing Date, except to the extent that such representations and warranties are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case such representations and warranties (as so written, including the term "material" or "Material") shall be true and correct in all respects at and as of the Closing Date, in each case, without taking into account any disclosures to Buyer Parties pursuant to Section 4(f);

(ii) Sellers shall have performed and complied with all of their respective covenants hereunder in all material respects through the Closing, except to the extent that such covenants are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case Sellers shall have performed and complied with all of such covenants (as so written, including the term "material" or "Material") in all respects through the Closing;

(iii) Buyer, Sellers and the Company shall have obtained all regulatory approvals necessary to consummate the Purchase while maintaining the Company's Permits in full force and effect, including any necessary approvals from the applicable Governmental Authorities regarding the proposed change in ownership of the Company. Notwithstanding the foregoing approval from or notification to the states of California, Michigan and Oklahoma cannabis licensing authorities and city of San Diego shall not be a condition to Closing;

(iv) The Company shall possess all Permits or contractual rights necessary for it to conduct its Business operations as currently conducted;

(v) No action, suit, or proceeding involving either Seller shall be pending or threatened before (or that could come before) any Governmental Authority or before (or that could come before) any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge could reasonably be expected to (A) prevent consummation of any of the transactions contemplated by this Agreement or the Transaction Documents or declare unlawful any of the transactions contemplated hereby, (B) cause any of the transactions contemplated by this Agreement or the Transaction Documents to be rescinded following consummation, (C) adversely affect the right of Buyer to own the Purchase Securities or to control the Company, (D) adversely affect the right of the Company to own its assets and to operate its business (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect), or (E) result in any material Liabilities being assessed against the Company;

(vi) To the extent transferable, Sellers shall have transferred or caused to be transferred to the Companies all assets and property used in connection with the Business or required for the operations of the Business;

(vii) Prior to Closing, Sellers shall have prepared and delivered to Buyer Parties a statement setting forth its good faith estimate of Closing Working Capital, which statement shall contain an estimated balance sheet of the Company as of the Closing Date (without giving effect to the transactions contemplated herein);

(viii) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor shall any event(s) or circumstance(s) have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect;

(ix) Sellers shall have delivered to Buyer a certificate to the effect that each of the conditions specified above in Section 5(a) is satisfied in all respects;

(x) Buyer shall have completed its due diligence investigations with respect to the Company prior to the Due Diligence Date;

(xi) The Parties shall have (i) agreed upon a form of lease agreement for the property located at 3517 Main St., Suites C301&C302, Chula Vista, CA (the "*Chula Vista Property*") proposed to be entered into prior to the Closing Date between VPM and Sellers or their Affiliate C.S. Designs, Inc., a California corporation ("*CSD*"), and (ii) agreed on procedures for the transfer of the cannabis Permit relating to the Chula Vista Property from an affiliate of Sellers to VPM.

(xii) Sellers shall have delivered to Buyer Parties the Financial Statements;
(xiii) Sellers shall provide a tax clearance certificate, or evidence satisfactory to the Buyer that the Company has applied for a tax clearance certificate, from each jurisdiction in which the Company conducts its business; and

(xiv) All actions to be taken by Sellers in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby shall be satisfactory in form and substance to Buyer.

Buyer may waive any condition specified in this Section 5(a) if Buyer executes a writing so stating at or prior to the Closing.

(b)*Conditions to Seller's Obligation*. The obligation of each Seller to consummate the transactions to be performed by him in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in Section 3(b) above shall be true and correct in all material respects at and as of the Closing Date, except to the extent that such representations and warranties are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case such representations and warranties (as so written, including the term "material" or "Material") shall be true and correct in all respects at and as of the Closing Date;

(ii) Buyer Parties shall have performed and complied with all of its covenants hereunder in all material respects through the Closing, except to the extent that such covenants are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case Buyer shall have performed and complied with all of such covenants (as so written, including the term "material" or "Material") in all respects through the Closing;

(iii) no action, suit, or proceeding against Buyer Parties shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or non-U.S. jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement or any Transaction Document, (B) cause any of the transactions contemplated by this Agreement or Transaction Document to be rescinded following consummation (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

(iv) Buyer Parties shall have each delivered to Seller a certificate to the effect that each of the conditions specified above in Section 5(b) is satisfied in all respects;

(v) Sellers shall have completed their due diligence investigations with respect to Buyer Parties prior to the Due Diligence Date;

(vi) VPM shall have transferred all assets and rights relating to its Lake Elsinore, CA application, assets, liabilities, business and operations to Sellers or their assign, including but not limited to leases, equipment, entitlements, contracts, licenses and permits (collectively, the "*Lake Elsinore Business*"), and all such transfers shall be documented in agreements or other documents in form and substance reasonably acceptable to Buyer Parties and otherwise in compliance with Applicable Laws, or entered into agreements for such transfer post-Closing; provided that, Sellers agree to pay all expenses incurred by any Company or Buyer Party relating to the Lake Elsinore Business and its transfer post- Closing, and such agreements regarding transfer shall include agreements that the Lake Elsinore Business shall be held in trust by Buyer and VPM for Sellers' benefit, and the Lake Elsinore Business shall in no way be a part of Buyer's or VPM's assets, liabilities, business or operations;

(vii) The Parties shall have (i) entered into a lease agreement for the Chula Vista Property prior to the Closing between VPM and Sellers or their Affiliate CSD, and (ii) agreed on procedures for the transfer of the cannabis Permit relating to the Chula Vista Property from an affiliate of Sellers to VPM;

(viii) The landlord for the Convoy Court property leased by VPM shall have approved the Purchase and the novation of the lease guaranty by George Sadler with a lease guaranty of Buyer or RWB, or the written agreement of Buyer to indemnify George Sadler for liabilities relating to lease if landlord does not consent to such novation;

(ix) Parent shall have delivered to Sellers its interim financial statements for the 3- and 6-month periods ended June 30, 2020; and

(x) all actions to be taken by Buyer Parties in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to Seller.

Sellers may waive any condition specified in this Section 5(b) if Sellers execute a writing so stating at or prior to the Closing.

Section 6. ***Survival; Indemnification.***

(a) *Survival of Representations and Warranties* . The Parties agree that (i) all of the representations and warranties of the Parties contained in this Agreement other than Fundamental Representations shall survive the Closing for a period ending eighteen (18) months after the Closing Date; and (ii) the Fundamental Representations, the indemnification provisions of Section 6, the tax provisions of Section 7, Buyer's obligations to make the Second Payment and Earn-Out Payments, the escrow provisions in Section 2(d), the other agreements in Section 9 and any other provision that specifically states that it shall survive Closing shall survive the Closing to the maximum extent permitted by law. The right to indemnification, payment of damages or other remedy based on any representations, warranties, covenants and obligations contained in this Agreement shall not be affected by and will survive any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the Closing Date, with respect to the accuracy or inaccuracy or compliance with, any such representation, warranty, covenant or obligation. For all purposes of this Section 6 only (including determination as to whether there has been a breach with respect to a representation or warranty and the determination of the amount of Adverse Consequences resulting therefrom), all representations and warranties shall be construed as if all limitations and qualifications as to "materiality", "Material Adverse Change" and "Material Adverse Effect" had been omitted.

(b)*Indemnification Provisions for Buyer's Benefit*.

(i) In the event either Seller or any Company breaches (or in the event any third party alleges facts that, if true, would mean either Seller has breached) any of his or its representations, warranties, and covenants contained herein, each Seller shall be jointly and severally obligated to indemnify, defend and hold harmless each Buyer Party and its past and present agents, employees, representatives, officers, directors, members, managers, shareholders, attorneys, accountants, insurers, receivers, advisors, consultants, partners, partnerships, parents, divisions, subsidiaries, affiliates, assigns, successors, heirs, predecessors in interest, joint ventures, and commonly-controlled corporations (each, a "*Buyer Indemnified Party*") from and against the entirety of any Adverse Consequences any Buyer Indemnified Party may suffer (including any Adverse Consequences any Buyer Indemnified Party may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach (or the alleged breach).

(ii) In the event any Buyer Indemnified Party suffers any Adverse Consequences resulting from, relating to or arising out of the ownership, management, or operation of the Company or its business, operations or assets prior to the Closing, or otherwise based upon or arising from events or circumstances relating to the Company prior to the Closing, Sellers shall indemnify, defend and hold harmless such Buyer Indemnified Party from and against the entirety of any such Adverse Consequences such Buyer Indemnified Party may suffer, regardless of whether such Adverse Consequences are actually discovered prior to the Closing.

(iii) In the event that any Liabilities exist as of the Closing Date that are not set forth in the Disclosure Schedule or financial documents provided to Buyer, Sellers shall indemnify, defend and hold harmless each Buyer Indemnified Party from and against the entirety of any Adverse Consequences such Buyer Indemnified Party may suffer in connection with such Liabilities.

(iv) The Sellers shall indemnify, defend and hold harmless each Buyer Indemnified Party from and against the entirety of any Adverse Consequences such Buyer Indemnified Party may suffer, regardless of any disclosure of any matter set forth in the Disclosure Schedule, on account of: (A) Taxes of any Company for all Pre-Closing Tax Periods and the portion of any Straddle Period ending on the Closing Date; (B) Taxes of another person (including the Sellers or any other entity owned in whole or in part by the Sellers as of or before the Closing Date) imposed on any Company or for which any Company is liable (1) under Treasury Regulation Section 1.1502-6 (or any similar provision of any Tax Law) by reason of any Company having been a member of any group on or prior to the Closing Date, (2) by reason of any contract entered into prior to the Closing, (3) by reason of assumption, transferee or successor liability, operation of any legal requirement or otherwise with respect to an event or transaction occurring on or before the Closing Date, or (4) for any other reason; (C) the Taxes borne by the Sellers under Section 7(f); (D) Liabilities of any Company, by reason of any event, action, omission or transaction occurring on or before the Closing Date, (1) arising under or in connection with Laws concerning the payment of wages or the provision of paid or unpaid leave, including without limitation Liabilities arising under or in connection with the California Labor Code, the California Unfair Competition Law, the California Private Attorneys General Act, the California Healthy Workplaces, Healthy Families Act, or the San Diego Earned Sick Leave and Minimum Wage Ordinance, or (2) arising under or in connection with any Company's promulgation, maintenance, execution, or enforcement of any contract with one or more employees in violation of, or that is void or voidable pursuant to, California Bus. & Prof. Code § 16600, including without limitation Liabilities arising under or in connection with the California Unfair Competition Law. The foregoing indemnities shall not apply to any Liabilities or Adverse Consequences incurred to the extent arising out of or as a result of the gross negligence, fraud or intentional misconduct of any Buyer Indemnified Party.

(c) *Indemnification Provisions for Sellers' Benefit*.

(i) In the event a Buyer Party breaches (or in the event any third party alleges facts that, if true, would mean Buyer has breached) any of its representations, warranties, and covenants contained herein, the Buyer Party shall indemnify, defend and hold harmless Sellers and their respective past and present agents, employees, representatives, officers, directors, members, managers, shareholders, attorneys, accountants, insurers, receivers, advisors, consultants, partners, partnerships, parents, divisions, subsidiaries, Affiliates, assigns, successors, heirs, predecessors in interest, joint ventures, and commonly- controlled corporations (each, a "*Seller Indemnified Party*") from and against the entirety of any Adverse Consequences any Seller Indemnified Party may suffer (including any Adverse Consequences any Seller Indemnified Party may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach (or the alleged breach).

(ii) The foregoing indemnities shall not apply to any Liabilities or Adverse Consequences incurred to the extent arising out of or as a result of the gross negligence, fraud or intentional misconduct of any Seller Indemnified Party.

(d)*Matters Involving Third Parties*. If any third party notifies any Party (the "*Indemnified Party*") with respect to any matter (a " *Third-Party Claim*") that may give rise to a claim for indemnification against any other Party (the "*Indemnifying Party*") under this Section 6, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; *provided, however*, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced. The Indemnifying Party shall not have the right to conduct the defense or compromise and settle any such Third-Party Claim; however, any Indemnifying Party shall be entitled to participate in the defense of such Third-Party Claim at such Indemnifying Party's expense, and at its option (subject to the limitations set forth below) shall be entitled to assume the defense thereof by appointing reputable counsel reasonably acceptable to the Indemnified Party to be the lead counsel in connection with such defense; provided that, prior to the Indemnifying Party assuming control of such defense it shall first verify to the Indemnified Party in writing that such Indemnifying Party shall be fully responsible (with no reservation of any rights) for all Liabilities relating to such claim for indemnification and that such Indemnifying Party shall provide full indemnification to the Indemnified Party with respect to such action, lawsuit, proceeding, investigation or other claim giving rise to such claim for indemnification hereunder; and provided further, that:

(i) the Indemnified Party shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose; provided that the fees and expenses of such separate counsel shall be borne by the Indemnified Party (other than any fees and expenses of such separate counsel that are incurred prior to the date the Indemnifying Party effectively assumes control of such defense which, notwithstanding the foregoing, shall be borne by the Indemnifying Party, and except that the Indemnifying Party shall pay all of the fees and expenses of such separate counsel if the Indemnified Party has been advised by counsel that a reasonable likelihood exists of a conflict of interest between the Indemnifying Party and the Indemnified Party);

(ii) the Indemnifying Party shall not be entitled to assume control of such defense (unless otherwise agreed to in writing by the Indemnified Party) and shall pay the fees and expenses of counsel retained by the Indemnified Party if (i) the claim for indemnification relates to or arises in connection with any criminal or quasi criminal proceeding, action, indictment, allegation or investigation; (ii) the Indemnified Party reasonably believes an adverse determination with respect to the action, lawsuit, investigation, proceeding or other claim giving rise to such claim for indemnification could be detrimental to or injure the Indemnified Party's reputation or future business prospects; (iii) the claim seeks an injunction or equitable relief against the Indemnified Party; (iv) the Indemnified Party has been advised by counsel that a reasonable likelihood exists of a conflict of interest between the Indemnifying Party and the Indemnified Party; (v) upon petition by the Indemnified Party an appropriate court rules that the Indemnifying Party failed or is failing to vigorously prosecute or defend such claim; (vi) the claim is with respect to Taxes (and is not otherwise covered by Section 9.1(j) with respect to which party controls), (vii) the Indemnified Party reasonably believes that the Indemnifying Party lacks the financial resources to satisfy any Losses relating to the claim; or (viii) the Indemnified Party reasonably believes that the Loss relating to the claim could exceed the maximum amount that such Indemnified Party could then be entitled to recover under the applicable provisions of this Section 6;

(iii) if the Indemnifying Party shall control the defense of any such claim, the Indemnifying Party shall obtain the prior written consent of the Indemnified Party before entering into any settlement of a claim or ceasing to defend such claim if, pursuant to or as a result of such settlement or cessation, the Indemnified Party will be obligated to pay any monetary damages, injunctive or other equitable relief will be imposed against the Indemnified Party or such settlement does not expressly and unconditionally release the Indemnified Party from all Liabilities with respect to such claim, without prejudice; and

(iv) if the Indemnifying Party is not entitled to, or does not, assume control of such defense pursuant to the preceding provisions of this Section, the Indemnified Party shall control such defense without waiving any right that the Indemnified Party may have against the Indemnifying Party for indemnification pursuant to this Section.

(e) *Other Indemnification Provisions*. Sellers shall not be liable to the Buyer Indemnified Parties for indemnification under Section 6(b) until the aggregate amount of all Adverse Consequences in respect of indemnification under Section 6(b) exceeds $150,000, in which event Sellers shall be required to pay or be liable for all such Adverse Consequences from the first dollar. The indemnification provisions in this Section 6 are in addition to, and not in derogation of, any statutory, equitable, or common law remedy any Party may have with respect to the Company or the transactions contemplated by this Agreement. Any undisputed amount payable to a Buyer Indemnified Party pursuant to this Section 6 may be satisfied (i) by offsetting such amount against any amounts due to the Sellers pursuant to any Transaction Document (including, without limitation, the Second Payment, the Earn-out Payment and payments under the Notes), and/or (ii) by wire transfer of immediately available funds from the Sellers to Buyer to the account or accounts designated by Buyer. Sellers may opt to satisfy such amount under the foregoing clause (i) or (ii) by providing written notice to the applicable Buyer Indemnified Parties, promptly (but no later than two (2) business days) after such undisputed amount is determined, agreed upon or becomes undisputed by the Parties. Payments by an Indemnifying Party pursuant to this Section 6 in respect of any Adverse Consequence shall be (x) reduced by the amount of any net Tax benefit actually realized by the Indemnified Parties in connection with the Adverse Consequence and (y) increased by the amount of any Tax imposed on receipt of such indemnity payment (which for purposes of clarity takes into account any Tax detriment to such Indemnified Party). For the avoidance of doubt, no indemnification by Sellers may be duplicative of any payment received by a Buyer Party for payment with respect to any Current Assets, and no indemnification by a Buyer Party for payment may be duplicative of any payment or benefit deemed received by a Seller with respect to any Current Liabilities, to the extent such amount is included in the calculation of Net Working Capital.

Section 7. ***Tax Matters***.

(a) *Tax Treatment*. The Parties acknowledge and agree that the Buyer's acquisition of all of the Purchase Securities (other than Vista Prime 2, Inc. and Vista Prime 3, Inc.) from Sellers pursuant to this Agreement will be treated for federal (and applicable state and local) income or similar Tax purposes in accordance with Revenue Ruling 99-6, 1999-1
C.B. 432 (Situation 2). The Parties agree for all Tax reporting purposes to report the transactions contemplated hereby consistent with this Section 7(a), and to not take any position during the course of any Tax audit or other proceeding inconsistent with such treatment unless required by a determination (as such term is defined under Section 1313 of the Code).

(b)*Tax Returns*. Buyer shall control the preparation and filing of all Tax Returns for the Company that are filed after the Closing Date.

(c) *Pre-Closing Taxes*. Sellers shall reimburse Buyer upon demand for any Taxes attributable to a Pre-Closing Tax Period shown as due on any Tax Return of the Company filed after the Closing Date.

(d)*Straddle Periods*. In the case of any Straddle Period, the amount of any Taxes based on or measured by income, receipts, or payroll of the Company for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date (and for such purpose, the taxable period of any partnership or other pass-through entity in which the Company holds a beneficial interest shall be deemed to terminate at such time) and the amount of other Taxes of the Company for a Straddle Period that relates to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction, the numerator of which is the number of days in the taxable period ending on the Closing Date and the denominator of which is the number of days in such Straddle Period.

(e) *Cooperation on Tax Matters*.

(i) Buyer, the Company and Sellers shall cooperate fully, as and to the extent reasonably requested by any Party, in connection with the filing of Tax Returns pursuant to this Section and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon any Party's request) the provision of records and information that are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient Basis to provide additional information and explanation of any material provided hereunder. Buyer and Sellers agree that any settlement or other negotiated payment, or any portion thereof, to be made to a Taxing authority arising out of the Pre-Closing Tax Period shall not be agreed upon unless agreed to by Sellers.

(ii) Buyer and Sellers further agree, upon request, to use their reasonable best efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

(f) *Certain Taxes and Fees*. All transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with consummation of the transactions contemplated by this Agreement shall be paid 50% by Buyer and 50% by Sellers when due, and Buyers will, at their own expense, file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges, and, if required by Applicable Law, Seller will, and will cause its Affiliates to, join in the execution of any such Tax Returns and other documentation.

(g)*Tax Refunds*. Any income Tax refunds that are received by the Company, where such refund relates to a Pre-Closing Tax Period, shall be for the account of Sellers and Buyer shall pay over to Sellers any such refund received within fifteen (15) days after receipt thereof; *provided, however*, that any Tax attributes of the Company (e.g., net operating losses and credit carryforwards) that are available as of the Closing Date are for the Company's sole benefit, and Sellers shall not be entitled to any compensation for use thereof.

(h)*Allocation*. The Purchase Price will be allocated among the Companies as agreed between Buyer and Sellers prior to Closing, and the Buyer Parties and the Sellers will be bound by that allocation in reporting the transactions contemplated by this Agreement to any Governmental Authority (including without limitation the Internal Revenue Service).

Section 8. ***Termination***.

(a) *Termination of Agreement* . Certain of the Parties may terminate this Agreement by delivering a notice of termination to each other Party (a "*Notice of Termination*") as provided below.

(i) Sellers may terminate this Agreement and terminate/unwind the Purchase if Buyer fails to pay the Second Payment on or before the date one hundred twenty (120) days from the Closing Date (or such earlier date as the Parties agree upon in writing); provided, however, that, for the avoidance of doubt, Buyer shall be deemed to have paid the full Second Payment hereunder if it is paid net of any amount offset against the Second Payment under Section 6(e). In such event, Sellers shall be entitled to keep the Initial Payment previously paid by RWB as liquidated damages, but the Notes will be automatically cancelled and the Earn-out Payment shall no longer be payable in any manner, in each case without further action by any Party. Buyer Parties and Sellers acknowledge and agree that the Initial Payment paid shall constitute liquidated damages and not penalties and is in addition to all other rights of Sellers. The Parties agree that the Initial Payment bears a reasonable relationship to, and is not plainly or grossly disproportionate to, the probable loss likely to be incurred in connection with any failure by Buyer Parties to timely pay the Second Payment when due and that one of the reasons for the Parties reaching an agreement as to such amounts was the uncertainty and cost of litigation regarding the question of actual damages. The Parties further acknowledge that (i) the amount of loss or damages likely to be incurred is incapable or is difficult to precisely estimate, (ii) the amounts specified in such subsections bear a reasonable relationship to, and are not plainly or grossly disproportionate to, the probable loss likely to be incurred in connection with any failure by Buyer Parties to timely pay the Second Payment when due, (iii) one of the reasons for the Parties reaching an agreement as to such amounts was the uncertainty and cost of litigation regarding the question of actual damages, and (iv) the Parties are sophisticated business parties and have been represented by sophisticated and able legal counsel and negotiated this Agreement at arm's length. Upon such termination, Sellers shall provide Escrow Agent and Buyer with notice of the termination and Escrow Agent shall, without need of approval from Buyer, release the Assignments of the ownership interests in the Companies from Buyer to Sellers such that Sellers are the sole owners of Platinum Vape.

(ii) Buyer and Sellers may terminate this Agreement by mutual written consent at any time prior to the Closing.

(iii) Any Party may terminate this Agreement and all transactions contemplated by this Agreement on or prior to the Due Diligence Date by delivering a Notice of Termination to the other Parties indicating that such Party is not satisfied in its due diligence investigation of the other Parties and their respective assets, activities and liabilities.

(iv) Buyer may terminate this Agreement by giving a Notice of Termination to Sellers at any time prior to Closing (A) in the event Sellers or the Company have breached any material representation, warranty, or covenant contained in this Agreement in any material respect, Buyer has notified Sellers of the breach, and the breach has continued without cure for a period of ten (10) days after the notice of breach; (B) upon notice of the bankruptcy, insolvency, winding up, dissolution or liquidation of any Company or (C) if Closing has not occurred by September 15, 2020.

(v) Sellers may terminate this Agreement by giving a Notice of Termination to Buyer at any time prior to Closing (A) in the event Buyer has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, Sellers has notified Buyer of the breach, and the breach has continued without cure for a period of ten (10) days after the notice of breach; (B) upon notice of the bankruptcy, insolvency, winding up, dissolution or liquidation of Buyer; or (C) if Closing hasn't occurred by September 15, 2020.

(b)*Effect of Termination*. If any Party terminates this Agreement pursuant to Section 8(a) above, all rights and obligations of the Parties hereunder shall terminate without any Liability of any Party to any other Party (except for any Liability of any Party then in breach), except for any provision that specifically states it shall survive termination. If Sellers terminate this Agreement pursuant to Section 8(a)(v)(C), RWB shall pay to Sellers an aggregate amount equal to $75,000 to cover Sellers' out-of-pocket legal fees and disbursements.

Section 9. ***Other Agreements***

(a) *Competition*. Following Closing, RWB agrees that all manufacturing and wholesale and retail distribution of vape products containing or to be used with THC or CBD will be part of its Platinum Vape division until the expiration of the Earn-Out Period.

(b)*Employees and Appointments*.

(i) Unless otherwise mutually agreed between the Parties in writing, the Parties agree that Platinum Vape will keep its current employees at their current rate of pay from the Closing to the end of the Earn-Out Period.

(ii) On or before Closing, Buyer shall enter into an employment agreement with each of the Sellers substantially in the form attached hereto as Exhibit D (each, an "*Employment Agreement*"). Pursuant to each Employment Agreement, Sellers will each be entitled to receive a minimum of Five Hundred Thousand Dollars ($500,000.00) per year salary, as well as stock bonuses, incentives and vacation pay in accordance with RWB's policies relating to such for its officers, and each Seller shall be entitled to severance pay in the event such Seller is terminated without "Cause" (as defined in the Employment Agreement) or are subject to constructive dismissal with such severance equal to the remaining salary and stock due Sellers under their respective contract during the remaining term prior to termination. Each Employment Agreement will have a minimum term of four (4) years. In addition, Sellers shall be given full control over the Company's operations (subject to control Buyer Parties maintain with respect to directors and managers under Section 9(b)(iii); provided that, Buyer Parties agree that no manager or director appointed by it shall take any action that could reasonably be expected to diminish the Companies' Revenues or intentionally cause Sellers to not meet the milestones established for their Earn- Out Payments, which shall be a material breach of this Agreement) during the Earn-Out Period, including but not limited to marketing, material contracts, product production and allocation, compliance, revenue allocation, and day-to-day operations.

(iii) Until the Notes are paid in full or the end of the Earn-Out Period, whichever occurs later, Sellers shall be entitled to appoint all officers and at least one (1) director (or, in the case of a limited liability company, a manager) of each Company. Buyer Parties shall be entitled to appoint two (2) directors (or, in the case of a limited liability company, managers) of each Company. Each Company will have no more than three (3) directors or managers. Notwithstanding the foregoing, RWB will have the authority to remove any officer or director if such officer or director would cause the Company to lose or be ineligible to be issued any cannabis business license held by or being applied for by the

Company, as reasonably determined by RWB and with prior written notice to Sellers. In such instance, if such director or officer was initially appointed by Sellers, Sellers will have the authority to appoint a replacement officer or director.

(iv) Sellers will devote such professional time, attention, best efforts, energy and skill to the business of Platinum Vape during the term of their respective employment necessary to effectively and efficiently execute all job responsibilities set forth in their Employment Agreements. Sellers may devote time and attention to other activities that do not compete with Platinum Vape in the jurisdictions in which it operates or interfere with their obligations, duties and responsibilities to Platinum Vape (e.g. Sellers may (A) own and rent real estate used for any purpose; (B) own or operate cannabis businesses that do not manufacture or distribute cannabis vape products, license technology, brands, processes or any other intellectual property involving cannabis vape products or provide services to any person or entity involving cannabis vape products in states where Platinum Vape has operations; or (C) own or operate any non- cannabis business in any jurisdiction). Notwithstanding the foregoing, Buyer parties agree that Sellers may directly or through their Affiliates (i) own the Chula Vista Property, lease or sell the Chula Vista Property to a business that competes with Platinum Vape and RWB; provided that Sellers are unaffiliated with the lessee/buyer, and license or sell the cannabis license/entitlements being applied for by CSD for the Chula Vista Property, each subject to Buyer's election to have Platinum Vape occupy the Chula Vista Property in accordance with this Agreement, and (ii) own the real property located at 31875 Corydon Rd, Suite 140, Lake Elsinore, CA (the "*Lake Elsinore Property*"), lease, license or sell the Lake Elsinore Property to a business that competes with Platinum Vape and Buyer Parties; provided that Sellers are unaffiliated with the lessee/buyer, license or sell the cannabis license/CUP/entitlements being applied for by Vista Prime Management, LLC for the Lake Elsinore Property that are to be transferred to an Affiliate of Sellers, and operate a cannabis micro business at the Lake Elsinore Property; provided such business does not include the manufacture or distribution of cannabis vape products (retail sales of cannabis vape products are permitted). *Non-Competition and Non-Solicitation*. Subject to Subsection (b)(iv) above, Sellers agree to, and will cause each of the officers of Platinum Vape to, enter into non-competition and non-solicitation agreements extending two (2) years from the date they are no longer employed by RWB or Platinum Vape substantially in the form included as an Exhibit to the Employment Agreements.

(c) *Oil Concentrate*. Following Closing until expiration of the Earn-Out Period, RWB will supply or cause to be supplied Platinum Vape at cost with at least three hundred (300) liters of cannabis oil concentrate with a minimum of eighty percent (80%) THC and such other criteria as agreed between Buyer and Sellers during each calendar month within the state of Michigan, but not necessarily in one batch per month (the "*Minimum Oil Concentrate Requirement*"). RWB shall use commercially reasonable efforts to deliver the first batch of the Minimum Oil Concentrate Requirement to Platinum Vape within five (5) days after Closing, which shall be pro rated based on the amount of the calendar month remaining at Closing. In the event that RWB does not provide Platinum Vape with any portion of the Minimum Oil Concentrate Requirement in any given month (such shortage being a "*Shortage*" and such period being a "*Shortage Month*"), "Revenue" and "EBIT" for the Shortage Month for the purposes of calculating any Earn-out Payment will be determined by adding (i) the actual Revenue earned by Platinum Vape during the Shortage Month to (ii) the Revenue that would have been received had there not had been a Shortage, with the foregoing clause (ii) being determined by calculating Revenues from the sale of three hundred (300) liters of cannabis oil concentrate at their highest sales price per unit as sold by Platinum Vape in the preceding calendar month, and dividing that number by three hundred (300), and multiplying that number by the Shortage. A corresponding resulting change to the calculation of EBIT will be made. Notwithstanding the foregoing, in no event shall any Buyer Party be required to transport any oil concentrate or other raw material or product containing in excess

of 0.3% THC across state lines or in violation of any Cannabis Law; provided that, the foregoing clause shall not act to waive or excuse any Shortage.

(d)*General*. In case at any time after the Closing any further actions are necessary or desirable to carry out the purposes of this Agreement, each of the Parties will take such further actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under Section below).

(e) *Transition*. Sellers will not take any action that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier, or other business associate of the Company from maintaining the same business relationships with the Company after the Closing as it maintained with the Company prior to the Closing. To the extent any assets or property used in connection with the Business or required for the operations of the Business prior to Closing are not transferable (for example, bank accounts held by any Person other than the Companies), Sellers and the Companies shall take all actions required to ensure that the operations of the Business are the same promptly after Closing as prior to Closing (for example, opening new bank accounts on an expedited basis).

(f) *Confidentiality*. Commencing on the Effective Date and continuing for a period of two (2) years from the Effective Date, each Party will treat and hold all of the Confidential Information of each other Party as confidential, refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to the disclosing Party or destroy, at the request and option of the disclosing Party, all tangible embodiments (and all copies) of the Confidential Information that are in his, her, or its possession or under his, her, or its control. In the event that any Party is requested or required pursuant to written or oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process to disclose any Confidential Information, such Party will notify the Party that disclosed such information promptly in writing of the request or requirement, and not otherwise disclose the Confidential Information, so that the disclosing Party may seek an appropriate protective order or waive compliance with the provisions of this Section 9(g). If, in the absence of a protective order or the receipt of a waiver hereunder, a Party is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, such Party may disclose the Confidential Information to the tribunal, only to the extent such Confidential Information is required to be disclosed; provided, however, that such Party shall use his, her, or its best efforts to obtain an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the disclosing Party shall designate. The foregoing provisions shall not apply to any Confidential Information that is generally available to the public immediately prior to the time of disclosure unless such Confidential Information is so available due to the actions of the Party that received such Confidential Information. Notwithstanding anything to the contrary in any Transaction Document, RWB may disclose all information and documents that it is required to disclose pursuant to applicable securities laws, except that it shall not file or make public any Transaction Document that qualifies for confidential treatment under applicable securities laws. This Section will survive termination of this Agreement.

(g)*Platinum Vape Operations*. From the Closing Date until the Notes are paid in full or the end of the Earn-Out Period, whichever occurs later, Buyer Parties will not (i) incur any Indebtedness or Liability not in the Ordinary Course of Business in the name of

Platinum Vape or secure any Indebtedness with Platinum Vape assets or cause any Lien to be placed on Platinum Vape assets or otherwise encumber the Platinum Vape assets, (ii) transfer any of the assets of Platinum Vape from Platinum Vape, (iii) take any action that negatively impacts Platinum Vape's goodwill or reputation, (iv) transfer or encumber the Purchase Securities, (v) fail to insure Platinum Vape's Business, including product liability insurance, consistent with Platinum Vape's past practices, (vi) divert any sales, vendors or customers from Platinum Vape, (vii) cause any Company to fail to comply with any Applicable Law in any material respect, or (viii) appoint or elect any additional directors, officers or managers of any Company, except as provided in this Agreement, or otherwise amend or violate any of a Company's organizational documents in any material respect as in effect immediately following the Closing (including by any board action to effect the same), provided, however that the amended and restated operating agreement of VPM entered into immediately after the Closing shall in no way limit the Sellers' ability to operate the Companies in accordance with this Agreement or conflict or be inconsistent with any provision herein relating to the Earn- out Payment. Until the end of the Earn-Out Period, Buyer Parties will not remove any profits or make any dividends from Platinum Vape without Sellers' consent. In addition, except as otherwise agreed between Buyer and Sellers in writing, after Closing, the Parties will (A) maintain each Company's corporate existence in accordance with all Applicable Laws; and (B) cause each Company to preserve and maintain all of its Permits. Further, Buyer Parties shall fund or cause to be funded an equity contribution of at least $1,000,000 to the Companies promptly after Closing to fund the Companies' working capital needs.

(h)*Net Working Capital Adjustment*. Within fourteen (14) days after the Closing Date (the "*Net Working Capital Review Period*"), the Parties shall work in good faith to jointly prepare a statement setting forth their calculation of Net Working Capital, which statement shall contain a balance sheet of the Company estimated in good faith as of the Closing Date (without giving effect to the transactions contemplated herein), and a good faith calculation of Closing Working Capital (the "*Net Working Capital Statement*"). If Net Working Capital is positive, on or prior to the end of the Net Working Capital Review Period, Buyer shall pay Sellers an amount equal to the Net Working Capital relating to (x) prepaid expenses and (y) accounts receivable and inventory which have been paid or sold, respectively, after Closing but prior to the end of the Net Working Capital Review Period. On a monthly basis thereafter, to the extent Net Working Capital was not paid in full in accordance with the preceding sentence, Sellers may submit to Buyer a statement calculating the amount of accounts receivable and inventory that have been paid or sold, respectively, after the Net Working Capital Review Period. No later than ten (10) business days after receipt of each such statement, Buyer shall pay Sellers an amount equal to the portion of Net Working Capital which relates to accounts receivable and inventory that has been paid or sold, respectively, after the Net Working Capital Review Period, which has not yet been paid; provided that, Buyer's payments hereunder shall in no event exceed the Net Working Capital as determined in the Net Working Capital Statement. For the avoidance of doubt, the amounts payable hereunder are in addition to the amounts payable with respect to the Purchase Price and Earn- Out Payment.

(i) *Regulatory Matters*. The following provisions of this subsection (j) are subject in all respects to the rest of this Section 9.

(i) Following Closing, Sellers shall give timely notice to the applicable California Governmental Authorities (i.e., the Bureau of Cannabis Control ("*BCC*"), California Department of Public Health ("*CDPH*") and City of San Diego) of an "ownership change" (as that term is defined in and by MAUCRSA and the BCC and CDPH regulations promulgated thereunder) of the Company, and to

the City of San Diego of a change in "Responsible Persons" as that term is defined in SDMC §42.1502 and timely submit to such State and local regulatory agencies, along with any applicable fee, disclosures and documentation provided by Buyer Parties to obtain all necessary approvals from such Governmental Authorities to the change in Owners, Financial Interest Holders and Responsible Persons, and Buyer Parties shall cooperate in good faith with Sellers to timely provide them with any information pertaining to Sellers required to make such disclosures and complete such documentation, including information concerning the Buyer Parties and individual equity holders and designated Responsible Person required to be disclosed, respectively, to the BCC pursuant to 16 CCR §§ 5003, 5004 and 5023, to the CDPH pursuant to 17 CCR §§ 40102 and 40178 and to the City of San Diego pursuant to SDMC §42.1501 through 42.1508.

(ii) Following submission of all necessary documentation to these State and local California regulatory authorities by Sellers, Sellers and Buyer Parties through their respective attorneys and representatives shall cooperate in good faith to effectuate timely receipt of approvals from each of the BCC, CDPH and City of San Diego of the changes to the "owners", "financial Interest holders" and "responsible persons", including working together to respond to any requests for additional information. Until Buyer has made the Second Payment, Sellers shall ensure that any correspondence or communications between the Company and any such regulatory agency is shared on a timely basis with Buyer Parties' attorneys or other designated compliance personnel and prior to any response is provided to such regulatory agency. As soon as practicable after payment by Buyer of the Second Payment, Sellers shall take all steps necessary to transition control over the accounts used to manage the licenses and permits with the BCC, CDPH and City of San Diego (including the BCC, CDPH, California Cannabis Portals and Track-and-Trace), as well as for any state or local taxation authorities, and change the responsible persons and primary contact persons for such accounts as may directed by Buyer Parties or their representative.

(iii) During the time period following Closing prior to control of such regulatory and tax authority accounts being transitioned from Sellers to Buyer, Sellers will collaborate with and share with Buyer or its designated compliance personnel concerning any submissions required to be made to such authority; however, access to all accounts shall remain solely with Sellers and their designees. Once the Second Payment has been made to Sellers, Sellers shall permit Buyer to elect, and Buyer may elect to designate different control and responsible persons for purposes of compliance and communication with the respective State and local taxing and regulatory authorities. For purposes of ensuring compliance with such regulatory and taxing authorities during the interim period, prior to the time control of any taxing authority or regulatory account is provided to Buyer, Buyer and Sellers shall agree whether to make any changes with regard to how compliance with the regulatory and taxing authorities is managed and maintained.

(iv) The Parties shall cooperate with each other and used their respective reasonable best efforts to take, or cause to be taken, all reasonably appropriate action, and to do, or cause to be done, all things reasonably necessary, proper or advisable under Applicable Laws to consummate and make effective the transfer in accordance with the requirements of the BCC, CDPH and City of San Diego (the "*Regulators*"), including contractual licensing arrangements, hold separate arrangements, formation of additional entities or similar matters with respect to the California operations of Platinum Vape (the "*California Operations*"), in order to obtain all approvals of the Regulators required under Applicable Laws in connection with the consummation of the Purchase (the "*Regulatory Approvals*"); provided, however, neither Buyer Party nor any Affiliate of a Buyer Party shall be required to agree to or otherwise take any action that would (A) reasonably be expected to have a material adverse effect on the other operations of a Buyer Party or any of its Affiliates or (B) require a Buyer Party or any of its Affiliates, in any material respect, to restrict, operate, invest, or otherwise change the assets, business, or portion of, or impose any restriction, requirement, or limitation on the operation of, the Buyer Parties' business or portion of such business. In the event that any Regulator has not granted the Regulatory Approvals within its purview prior to the first anniversary of the Closing, the Parties agree to take all actions necessary to request and cause

the full rescission of the sale and transfer of the equity interests of VPM and the transactions relating specifically to the California Operations, and the Parties will adjust the Purchase Price and other consideration accordingly, including that Sellers shall return such allocated portion of the Purchase Price and other consideration already received as a condition to the rescission occurring (the "VPM Allocated Purchase Price"). Notwithstanding the foregoing, if VPM receives notice from any of the Regulators regarding the Purchase that requests information, documents or action concerning Buyer Parties or their Affiliates, the failure to comply with which will result in immediate revocation of VPM's Permits and compliance with which is not possible in the timeframe provided by the Regulator or the Buyer Parties or their Affiliates fail to comply within the given time period, or VPM receives a demand from a Regulator that VPM cease operations as a result of a Buyer Party's or any of its Affiliates' failure to comply with any requirement of a Regulator or Applicable Laws concerning the Purchase, then the Parties will thereafter take all actions necessary to document contractual licensing arrangements, hold separate arrangements, formation of additional entities or similar matters or, if absolutely necessary, rescission of the purchase of VPM including Sellers' return of the allocated VPM Allocated Purchase Price.

(j) *RWB Guarantee*. RWB hereby guarantees the payment and performance of all obligations of the Buyer under this Agreement. Notwithstanding the foregoing, Sellers and the Companies agree that (i) none of them may enforce the foregoing guarantee against RWB unless Buyer has breached or defaulted on any such obligation, and (ii) RWB may assert, as a defense to, or release or discharge of, any payment or performance under this provision, any claim, set-off, deduction, defense or release that any Buyer could assert against any Seller or Company, and any failure by any Seller or any Company to comply with the terms of this Agreement or any other agreement, certificate or document executed in connection therewith. If Buyer is relieved of any such obligations, then so shall RWB. This provision may not be amended or modified in any manner adverse to RWB without the prior written consent of the RWB.

Section 10. ***Miscellaneous.***

(a) *Press Releases and Public Announcements*. Any Party may make any public disclosure it believes in good faith is required by Applicable Law or any listing or trading agreement concerning its publicly-traded securities (in which case the disclosing Party will use its best efforts to advise the other Parties prior to making the disclosure). However, such party will permit the other Parties to review and make reasonable edits to such announcements or disclosures.

(b)*No Third-Party Beneficiaries*. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

(c) *Entire Agreement*. This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof, including, without limitation, that certain letter of intent dated July 21, 2020 among RWB and the Sellers (the "*Letter of Intent*").

(d)*Succession and Assignment*. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of his, her, or its rights, interests, or obligations hereunder without the prior written approval of Buyer and Seller.

(e) *Counterparts*. This Agreement may be executed in one or more counterparts (including by means of facsimile or other electronic means), each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(f) *Headings*. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(g)*Notices*. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (i) when delivered personally to the recipient, (ii) 1 business day after being sent to the recipient by reputable overnight courier service (charges prepaid), (iii) 1 business day after being sent to the recipient by facsimile transmission or electronic mail, or (iv) four (4) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to Sellers:

[REDACTED]
Attn: Cody Sadler & George Sadler
Email: [REDACTED]
[REDACTED]

Copy to:

Austin Legal Group, APC
3990 Old Town Ave, Suite A-101
San Diego, California 92110
Attn: Arden Anderson, Esq.
Email: [REDACTED]

If to Buyer:

Red White and Bloom Inc.
810-789 West Pender Street
Vancouver, British Columbia
Canada, V6C 1H2
Attn: Brad Rogers
Email: [REDACTED]

Copy to:

Honigman LLP
660 Woodward Avenue
2290 First National Building
Detroit, Michigan 48226
Attn: Kim A. Dudek
Email: [REDACTED]

Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

(h)*Governing Law*. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of California.

(i) *Venue.* The exclusive jurisdiction and venue for any dispute between the parties shall be the courts for the State of California located in San Diego County. Any Party may make service on any other Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 10(g) above. Nothing in this Section 10(i), however, shall affect the right of any Party to serve legal process in any other manner permitted by law or at equity. Each Party agrees that a final

judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or at equity.

(j) *Amendments and Waivers*. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Buyer Parties and Sellers. No waiver by any Party of any provision of this Agreement or any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such default, misrepresentation, or breach of warranty or covenant.

(k)*Severability*. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(l) *Expenses*. Each of the Buyer Parties, Sellers, and the Company shall bear his, her, or its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

(m) *Construction*. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or non-U.S. statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation. The Parties intend that each representation, warranty, and covenant contained herein shall have independent significance.

(n)*Relationship with Letter of Intent*. The Parties acknowledge and agree that this Agreement represents the final agreement of the Parties with respect to the subject matter set forth herein, and that in the event of any conflict between the terms of any Transaction Document and the Letter of Intent, the terms of such Transaction Document will control.

(o)*Incorporation of Exhibits and Schedules*. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

(p)*Specific Performance.* Each Party acknowledges and agrees that the other Parties would be damaged irreparably in the event any provision of this Agreement is not performed in accordance with its specific terms or otherwise is breached, so that a Party shall be entitled to injunctive relief to prevent breaches of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in addition to any other remedy to which such Party may be entitled, at law or in equity. In particular, the Parties acknowledge that the business of the Company is unique and recognize and affirm that in the event any Party breaches this Agreement, money damages would be inadequate and the other Parties would have no adequate remedy at law, so that each Party shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and theother Parties' obligations hereunder not only by action for damages but also by action for specific performance, injunctive, and/or other equitable relief.

(q)*Attorneys' Fees*. If any Party brings a claim or lawsuit against the another Party to this Agreement to interpret or enforce any of the terms of this Agreement, the

prevailing Party shall, in addition to all other damages, be entitled to reasonable attorneys' fees and costs, costs of witnesses, and costs of investigation from the non-prevailing Party.

(r) *Further Assurances*. Each of the parties hereto shall from time to time at the request of the other party hereto, and without further consideration, execute and deliver to such other party such further instruments of assignment, transfer, conveyance and confirmation and take such other action as the other party may reasonably request in order to more effectively fulfill the purposes of this Agreement.

(s) *Federal Waiver*. The Parties expressly acknowledge and agree that (i) the use, possession, cultivation, manufacture, transportation, purchase and sale of cannabis is federally illegal, (ii) the federal laws and certain states' laws regarding the use, possession, cultivation, transportation, manufacture and furnishing of cannabis (the "*Industry*") are in conflict; (iii) engaging in the lawful conduct of business operations in the Industry under state law may risk criminal or civil forfeiture, violation of federal law, and heightened risk of criminal or civil prosecution, crime and violence; and (iv) such inherent risks are assumed by each Party, and each Party has elected to execute and fulfill this Agreement despite such risks and waives any defense to enforcement of this Agreement based on cannabis being federally illegal.

[Remainder of Page Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written.

BUYER PARTIES:

Red White & Bloom Brands Inc.

By: "Brad Rogers"

Name: Brad Rogers
Its: Chief Executive Officer

RWB Platinum Vape Inc.

By: "Brad Rogers"

Name: Brad Rogers
Its: Chief Executive Officer

SELLERS:

"George Sadler"
George Sadler

"Cody Sadler"
Cody Sadler

COMPANIES:

Vista Prime Management, LLC

By: "George Sadler"

Name: George Sadler
Its:

GC Ventures 2, LLC

By: "George Sadler"

Name: George Sadler
Its:

Vista Prime 2, Inc.

By: "George Sadler"

Name: George Sadler
Its:

Vista Prime 3, Inc.

By: "George Sadler"

Name: George Sadler
Its:

PV CBD LLC

By: "George Sadler"

Name: George Sadler
Its:

[Signature page to Securities Purchase Agreement]

[Signature page to Securities Purchase Agreement]

EXHIBIT A Platinum
Vape Entities

Entity Name	Description
Vista Prime Management, LLC, a California limited liability company	This is the licensed operating entity in CA. Sale of VPM will not include Lake Elsinore lease, assets or cannabis license applications, which will be assigned to Sellers prior to Closing.
GC Ventures 2, LLC, a Michigan LLC	This entity has a contract for Michigan operations.
Vista Prime 3, Inc. a California corporation	This entity has a contract for Oklahoma operations.
PV CBD LLC, a California limited liability company	This is the CBD arm of PV and holds the IP.
Vista Prime 2, Inc., a California corporation	This entity has licensed the right to the Platinum Vape trademark in certain territories to a third party.

EXHIBIT B
Promissory Notes
See attached.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JANUARY [●], 2021.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER THEREOF, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 133 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT, IN THE CASE OF (C) (1) AND (D) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY IS PROVIDED TO THE EFFECT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS.

Principal Amount: US$7,500,000.00 **Issue Date: September __ , 2020**
Purchase Price: US$7,500,000.00

CONVERTIBLE PROMISSORY NOTE

FOR VALUE RECEIVED, RWB Platinum Vape Inc., a California corporation (hereinafter called the "Borrower"), hereby promises to pay to the order of George Sadler (the "Holder") thesum of US$7,500,000.00 together with any interest as set forth herein, on _____, 2023 (the "Maturity Date"), whether at maturity or upon acceleration or by prepayment or otherwise. Any amount of principal on this Note which is not paid when due shall bear interest at the rate of the lesser of (i) ten percent (10%) per annum and (ii) the maximum amount permitted under law from the due date thereof until the same is paid (the "Default Interest"). Default Interest shall commence accruing on the earlier of the Maturity Date and the date the principal hereunder is accelerated and shall be computed on the basis of a 365-day year and the actual number of days elapsed. All payments due hereunder (to the extent not converted in accordance with the terms hereof into common shares of the Borrower's sole shareholder, Red White & Bloom Brands Inc., a corporation formed under the laws of the province of British Columbia ("Parent") (Trading Symbol: RWBYF) (the "Common Stock") in accordance with the terms hereof) shall be made in lawful money of the United States of America. All payments shall be made at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a business day, the same shall instead be due on the next succeeding day which is a business day and, in the case of any interest payment date which is not the date on which this Note is paid in full, the extension of the due date thereof shall not be taken into account for purposes of determining the amount of interest due on such date. As used in this Note, the term "business day" shall mean any day other than a Saturday, Sunday or a day on which

commercial banks in the city of New York, New York are authorized or required by law or executive order to remain closed. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in that certain Securities Purchase Agreement dated the date hereof, by and among the Borrower, Parent, the Holder, the "Company" (defined therein) and Cody Sadler pursuant to which this Note was originally issued (as amended or otherwise modified from time to time, the "Purchase Agreement"). By the signature of its authorized representative hereunder, Parent agrees to join in and be bound by the terms of this Note applicable to Parent and to perform all acts required by Parent hereunder.

This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the Borrower and will not impose personal liability upon the holder thereof.

The following terms shall apply to this Note:

ARTICLE I. CONVERSION RIGHTS

1.1 Conversion Right. The Holder shall have the right from time to time, and at any time following the date twelve (12) months from the Issue Date, and ending on the Maturity Date to convert all or any part of the outstanding and unpaid principal and/or interest of this Note into fully paid and non-assessable shares of Common Stock, as such Common Stock exists on the Issue Date, or any shares of capital stock or other securities of Parent into which such Common Stock shall hereafter be changed or reclassified at the Conversion Price (as defined below) determined as provided herein (a "Conversion"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of Parent subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 9.99% of the outstanding shares of Common Stock (the "Maximum Share Amount"). For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso. The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on the date specified in the notice of conversion, in the form attached hereto as Exhibit A (the "Notice of Conversion"), delivered to Parent by the Holder in accordance with Section 1.4 below; provided that the Notice of Conversion is submitted by facsimile or e-mail (or by other means resulting in, or reasonably expected to result in, notice) to Parent before 6:00 p.m. New York, New York Time on such conversion date (the "Conversion Date"). The term "Conversion Amount" means, with respect to any conversion of this Note, the sum of (1) the principal amount of this Note to be converted in such conversion plus (2) at the Holder's option, accrued and unpaid interest, if any.

1.2 Mandatory Conversion. Any time after the date four (4) months from the Issue Date, in the event that the closing price of Parent's Common Stock, as quoted on OTCMarkets.com exceeds one hundred fifty percent (150%) of the Conversion Price for at least ten (10) consecutive trading days, then Borrower and Parent the right to force the conversion of this Note into its Common Stock pursuant to the terms hereof.

1.3 Conversion Price. Subject to the adjustments described herein, the conversion price (the "Conversion Price") shall equal USD $0.57.

1.4 Authorized Shares. Parent covenants that during the period the conversion right exists, Parent will reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note issued pursuant to the Purchase Agreement (the "Reserved Amount"). Parent represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if Parent shall issue any securities or make any change to its capital structure which would change the number of shares of Common Stock into which the Notes shall be convertible at the then current Conversion Price, Parent shall at the same time make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved, free from preemptive rights, for conversion of the outstanding Notes. Parent (i) acknowledges that it has irrevocably instructed its transfer agent to issue certificates for the Common Stock issuable upon conversion of this Note, and (ii) agrees that its issuance of this Note shall constitute full authority to its officers and agents who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for shares of Common Stock in accordance with the terms and conditions of this Note.

1.5 Method of Conversion.

(a) Mechanics of Conversion. Subject to Section 1.1, this Note may be converted by the Holder in whole or in part at any time from time to time after the Issue Date, by (A) submitting to Parent a Notice of Conversion (by facsimile, e-mail or other reasonable means of communication dispatched on the Conversion Date prior to 6:00 p.m. New York, New York time) and (B) subject to Section 1.5(b), surrendering this Note at the principal office of Parent.

(b) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Borrower unless the entire unpaid principal amount of this Note is so converted. The Holder and Parent shall maintain records showing the principal amount so converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and the Borrower, so as not to require physical surrender of this Note upon each such conversion. In the event of any dispute or discrepancy, such records of the Borrower shall, *prima facie,* be controlling and determinative in the absence of manifest error. Notwithstanding the foregoing, if any portion of this Note is converted as aforesaid, the Holder may not transfer this Note unless the Holder first physically surrenders this Note to the Borrower, whereupon the Borrower will forthwith issue and deliver upon the order of the Holder a new Note of like tenor, registered as the Holder (upon payment by the Holder of any applicable

transfer taxes) may request, representing in the aggregate the remaining unpaid principal amount of this Note. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note represented by this Note may be less than the amount stated on the face hereof.

(c) Payment of Taxes. Neither Parent nor the Borrower shall be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock or other securities or property on conversion of this Note in a name other than that of the Holder (or in street name), and Parent shall not be required to issue or deliver any such shares or other securities or property unless and until the person or persons (other than the Holder or the custodian in whose street name such shares are to be held for the Holder's account) requesting the issuance thereof shall have paid to Parent the amount of any such tax or shall have established to the satisfaction of Parent that such tax has been paid.

(d) Delivery of Common Stock Upon Conversion. Upon receipt by Parent from the Holder of a facsimile transmission or e-mail (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section 1.5, Parent shall issue and deliver or cause to be issued and delivered to or upon the order of the Holder certificates for the Common Stock issuable upon such conversion within three (3) business days after such receipt (the "Deadline") (and, solely in the case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof and the Purchase Agreement.

(e) Obligation of Borrower to Deliver Common Stock. Upon receipt by Parent of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless Parent defaults on its obligations under this Article I, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Common Stock or other securities, cash or other assets, as herein provided, on such conversion. If the Holder shall have given a Notice of Conversion as provided herein, Parent's obligation to issue and deliver the certificates for Common Stock shall be absolute and unconditional, irrespective of the absence of any action by the Holder to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any person or any action to enforce the same, any failure or delay in the enforcement of any other obligation of Parent to the holder of record, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder of any obligation to Parent, and irrespective of any other circumstance which might otherwise limit such obligation of the Borrower to the Holder in connection with such conversion. The Conversion Date specified in the Notice of Conversion shall be the Conversion Date so long as the Notice of Conversion is received by the Borrower before 6:00 p.m., New York, New York Time, on such date.

(f) Delivery of Common Stock by Electronic Transfer. In lieu of delivering physical certificates representing the Common Stock issuable upon conversion, provided Parent is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer

("FAST") program, upon request of the Holder and its compliance with the provisions contained in Section 1.1 and in this Section 1.5, Parent shall use its commercially reasonable best efforts to cause its transfer agent to electronically transmit the Common Stock issuable upon conversion to the Holder by crediting the account of Holder's Prime Broker with DTC through its Deposit Withdrawal At Custodian ("DWAC") system.

(g) Failure to Deliver Common Stock Prior to Delivery Deadline. Without in any way limiting the Holder's right to pursue other remedies, including actual damages and/or equitable relief, the parties agree that if delivery of the Common Stock issuable upon conversion of this Note is not delivered by the Deadline (other than a failure due to the circumstances described in Section 1.3 above, which failure shall be governed by such Section) Parent shall pay to the Holder $100 per day in cash, for each day beyond the Deadline that Parent fails to deliver such Common Stock until Parent issues and delivers a certificate to the Holder or credit the Holder's balance account with OTC for the number of shares of Common Stock to which the Holder is entitled upon such Holder's conversion of any Conversion Amount (under Holder's and Parent's expectation that any damages will tack back to the Issue Date). Such cash amount shall be paid to Holder by the fifth (5th) day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Parent by the first day of the month following the month in which it has accrued), shall be added to the principal amount of this Note, in which event interest shall accrue thereon in accordance with the terms of this Note and such additional principal amount shall be convertible into Common Stock in accordance with the terms of this Note. Parent agrees that the right to convert is a valuable right to the Holder. The damages resulting from a failure, attempt to frustrate, interference with such conversion right are difficult if not impossible to qualify. Accordingly the parties acknowledge that the liquidated damages provision contained in this Section 1.5(g) are justified.

(h) Rescindment of a Notice of Conversion. If (i) Parent fails to respond to Holder within one (1) business day from the Conversion Date confirming the details of Notice of Conversion, (ii) Parent fails to provide any of the shares of Parent's Common Stock requested in the Notice of Conversion within two (2) business days from the date of receipt of the Note of Conversion, (iii) the Holder is unable to procure a legal opinion required to have the shares of Parent's Common Stock issued unrestricted and/or deposited to sell for any reason related to Parent's standing, (iv) the Holder is unable to deposit the shares of Parent's Common Stock requested in the Notice of Conversion for any reason related to Parent's standing, (v) at any time after a missed Deadline, at the Holder's sole discretion, or (vi) if OTC Markets changes Parent's designation to 'Limited Information' (Yield), 'No Information' (Stop Sign), 'Caveat Emptor' (Skull & Crossbones), 'OTC', 'Other OTC' or 'Grey Market' (Exclamation Mark Sign) or other trading restriction on the day of or any day after the Conversion Date, the Holder maintains the option and sole discretion to rescind the Notice of Conversion ("Rescindment") with a "Notice of Rescindment."

1.6 Concerning the Shares. If the Conversion Date occurs before January [●], 2021, the Common Shares issued upon conversion shall bear the following legend in accordance with applicable securities laws:

"**UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JANUARY [●], 2021**."

Until such time as the shares of Common Stock issuable upon conversion of this Note have been registered under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold, each certificate for shares of Common Stock issuable upon conversion of this Note that has not been so included in an effective registration statement or that has not been sold pursuant to an effective registration statement or an exemption that permits removal of the legend, shall bear a legend substantially in the following form, as appropriate:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER THEREOF, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 133 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT, IN THE CASE OF (C)(1) AND (D) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY IS PROVIDED TO THE EFFECT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS."

The legend set forth above shall be removed and Parent shall issue to the Holder a new certificate therefore free of any transfer legend if (i) Parent or its transfer agent shall have received an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of such Common Stock may be made without registration under the Act, which opinion shall be reasonably accepted by Parent so that the sale or transfer is effected or (ii) such security is registered for sale by the Holder under an effective registration statement filed under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold. In the event that Parent does not accept the opinion of counsel provided by the Buyer with respect to the transfer of Securities pursuant to an exemption from registration, such as Rule 144 or Regulation S, at the Deadline, it will be considered an Event of Default pursuant to Section 3.2 of the Note.

1.7 Effect of Certain Events.

(a) Effect of Asset Sale. The sale, conveyance or disposition of all or substantially all of the assets of the Borrower shall be deemed to be an Event of Default (as defined in Article III) pursuant to which the Borrower shall be required to pay to the Holder upon the consummation of and as a condition to such transaction an amount equal to the Default Amount (as defined in Article III). For clarity, Holder and Borrower shall retain their respective rights to convert the principal and unpaid interest (if any) hereunder until the date such sale transaction closes. "Person" shall mean any individual, corporation, limited liability company, partnership, association, trust or other entity or organization.

(b) Effect of Merger, Consolidation, Etc. If, at any time when this Note is issued and outstanding and prior to conversion of all of the Notes, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a result of which shares of Common Stock shall be changed into the same or a different number of shares of another class or classes of stock or securities of Parent or another entity, or the effectuation by Parent of a transaction or series of related transactions in which more than 50% of the voting power of shares of Common Stock is disposed of, then, in Holder's discretion, Holder may require one of the following by providing written notice to Parent at any time no later than six (6) months after the date such transaction closes:

(i) the obligations outstanding hereunder shall be paid in full no later than six (6) months after the date such transaction closes, and notwithstanding anything to the contrary herein, the failure to make such payment in a timely manner shall be an automatic Event of Default under Section 3.1 and the obligations hereunder shall accelerate and Default Interest shall begin to accrue automatically upon such failure to pay, whether or not Holder notifies Parent of such acceleration or accrual; or

(ii) Holder shall have the right to receive upon conversion of this Note, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such stock, securities or assets which the Holder would have been entitled to receive in such transaction had this Note been converted in full immediately prior to such transaction (without regard to any limitations on conversion set forth herein), and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder of this Note to the end that the provisions hereof (including, without limitation, provisions for adjustment of the Conversion Price and of the number of shares issuable upon conversion of the Note) shall thereafter be applicable, as nearly as may be practicable in relation to any securities or assets thereafter deliverable upon the conversion hereof.

Parent shall not affect any transaction described in this Section 1.7(b) unless (x) it first gives, to the extent practicable, thirty (30) days prior written notice (but in any event at least fifteen (15) days prior written notice) of the record date of the special meeting of shareholders to approve, or if there is no such record date, the consummation of, such merger, consolidation, exchange of shares, recapitalization, reorganization or other similar event or sale of assets (during which time the Holder shall be entitled to convert this Note) and (y) the resulting successor or acquiring entity (if not Parent) assumes by written instrument the obligations of this Note. The above provisions shall similarly apply to successive consolidations, mergers, sales, transfers or share exchanges.

(c) Adjustment Due to Distribution. If Parent shall declare or make any distribution of its assets (or rights to acquire its assets) to holders of Common Stock as a dividend, stock repurchase, by way of return of capital or otherwise (including any dividend or distribution to Parent's shareholders in cash or shares (or rights to acquire shares) of capital stock of a subsidiary (i.e., a spin-off)) (a "Distribution"), then the Holder of this Note shall be entitled, upon any conversion of this Note after the date of record for determining shareholders entitled to such Distribution, to receive the amount of such assets which would have been payable to the Holder with respect to the shares of Common Stock issuable upon such conversion had such Holder been the holder of such shares of Common Stock on the record date for the determination of shareholders entitled to such Distribution.

(d) Purchase Rights. If, at any time when any Notes are issued and outstanding, Parent issues any convertible securities or rights to purchase stock, warrants, securities or other property (the "Purchase Rights") pro rata to the record holders of any class of Common Stock, then the Holder of this Note will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such Holder could have acquired if such Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Note (without regard to any limitations on conversion contained herein) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

(e) Notice of Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price as a result of the events described in this Section 1.6, the Borrower, at its expense, shall promptly, but no later than 10 business days after such adjustment or readjustment becomes effective, compute such adjustment or readjustment and prepare and furnish to the Holder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Borrower shall, upon the written request at any time of the Holder, furnish to such Holder a like certificate setting forth (i) such adjustment or readjustment, (ii) the Conversion Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other securities or property which at the time would be received upon conversion of the Note.

1.8 Status as Shareholder. Upon submission of a Notice of Conversion by a Holder, (i) the shares covered thereby (other than the shares, if any, which cannot be issued because their issuance would exceed such Holder's allocated portion of the Reserved Amount or Maximum Share Amount) shall be deemed converted into shares of Common Stock and (ii) the Holder's rights as a Holder of such converted portion of this Note shall cease and terminate, excepting only the right to receive certificates for such shares of Common Stock and to any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by the Borrower to comply with the terms of this Note. Notwithstanding the foregoing, if a Holder has not received certificates for all shares of Common Stock prior to the tenth (10th) business day after the expiration of the Deadline with respect to a conversion of any portion of this Note for any reason, then (unless the Holder otherwise elects to retain its status as a holder of Common Stock by so notifying Parent) the Holder shall regain the rights of a Holder of this Note with respect to such unconverted portions of this Note and the Borrower shall, as soon as practicable, return such

unconverted Note to the Holder or, if the Note has not been surrendered, adjust its records to reflect that such portion of this Note has not been converted. In all cases, the Holder shall retain all of its rights and remedies for Parent's failure to convert this Note.

1.9 Security. This Note and Borrower's obligations hereunder will be secured by all ownership interests and assets of Platinum Vape pursuant to the Security Agreement between Borrower and Holder as of approximate date herewith.

1.10 Prepayment. This Note may be prepaid in whole or in part without penalty or premium; provided, Borrower shall provide Holder with thirty (30) days' advance notice of its intent to prepay this Note, during which time Holder may convert this Note or any portion of this Note in accordance with the terms stated herein.

ARTICLE II. CERTAIN COVENANTS

2.1 Borrowings. Until the end of the Earn-out Period, the Borrower shall not, without the Holder's written consent, create, incur, assume guarantee, endorse, contingently agree to purchase or otherwise become liable upon the obligation of any person, firm, partnership, joint venture or corporation, except by the endorsement of negotiable instruments for deposit or collection, or suffer to exist any liability for borrowed money, except (a) borrowings in existence or committed on the date hereof and of which the Borrower has informed Holder in writing prior to the date hereof, (b) indebtedness to trade creditors financial institutions or other lenders incurred in the ordinary course of business or (c) borrowings, the proceeds of which shall be used to repay this Note.

2.2 Sale of Assets. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, sell, lease or otherwise dispose of any significant portion of its assets or the assets of Platinum Vape (as defined in the Purchase Agreement) outside the ordinary course of business. In no event while this Note is outstanding shall Borrower or Platinum Vape sell, convey, assign, encumber, pledge, gift or transfer any of the ownership interests in Platinum Vape or sell, lease, convey, assign, encumber, pledge, gift or transfer any of the assets of Platinum Vape except for inventory and obsolete or worn or damaged equipment sold in the ordinary course of business.

2.3 Preservation of Existence, etc. The Borrower shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, its existence, rights and privileges, and become or remain, and cause each of its Subsidiaries (other than dormant Subsidiaries that have no or minimum assets) to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary.

2.4 Non-circumvention. The Borrower hereby covenants and agrees that the Borrower will not, by amendment of its Certificate or Articles of Incorporation or Bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme 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 of this Note, and will at all times in good faith carry

out all the provisions of this Note and take all action as may be required to protect the rights of the Holder.

ARTICLE III. EVENTS OF DEFAULT

If any of the following events of default (each, an "Event of Default") shall occur:

3.1 Failure to Pay Principal or Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note, whether at maturity, upon acceleration or otherwise.

3.2 Conversion and the Shares. Parent (i) fails to issue shares of Common Stock to the Holder (or announces or threatens in writing that it will not honor its obligation to do so) upon exercise by the Holder of the conversion rights of the Holder in accordance with the terms of this Note, (ii) fails to transfer or cause its transfer agent to transfer (issue) (electronically or in certificated form) any certificate for shares of Common Stock issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, (iii) directs its transfer agent not to transfer or delays, impairs, and/or hinders its transfer agent in transferring (or issuing) (electronically or in certificated form) any certificate for shares of Common Stock to be issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, (iv) fails to remove (or directs its transfer agent not to remove or impairs, delays, and/or hinders its transfer agent from removing) any restrictive legend (or to withdraw any stop transfer instructions in respect thereof) on any certificate for any shares of Common Stock issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note (or makes any written announcement, statement or threat that it does not intend to honor the obligations described in this paragraph) and any such failure shall continue uncured (or any written announcement, statement or threat not to honor its obligations shall not be rescinded in writing) for three (3) business days after the Holder shall have delivered a Notice of Conversion, (v) fails to remain current in its obligations to its transfer agent, (vi) causes a conversion of this Note to be delayed, hindered or frustrated due to a balance owed by Parent to its transfer agent, (vii) fails to repay Holder, within forty eight (48) hours of a demand from the Holder, any amount of funds advanced by Holder to Parent's transfer agent in order to process a conversion, (viii) fails to reserve sufficient amount of shares of common stock to satisfy the Reserved Amount at all times, and/or (ix) an exemption under Rule 144 is unavailable for the Holder's deposit into Holder's brokerage account and resale into the public market of any of the conversion shares under this Note at any time after the date which is twelve (12) months after the Issue Date.

3.3 Breach of Covenants. The Borrower or Parent breaches any material covenant or other material term or condition contained in this Note or the Security Agreement and such breach continues for a period of fifteen (15) days after written notice thereof to the Borrower and Parent from the Holder.

3.4 Breach of Representations and Warranties. Any representation or warranty of the Borrower or Parent made herein or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith, shall be false or misleading in any material respect

when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note.

3.5 Receiver or Trustee. The Parent, Borrower or any subsidiary of the Borrower shall make an assignment for the benefit of creditors or commence proceedings for its dissolution, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed for the Parent or Borrower or for a substantial part of its property or business without its consent and shall not be discharged within sixty (60) days after such appointment.

3.6 Judgments. Any money judgment, writ or similar process shall be entered or filed against the Borrower or any subsidiary of the Borrower or any of its property or other assets for more than $625,000, and shall remain unvacated, unbonded or unstayed for a period of forty five (45) days unless otherwise consented to by the Holder, which consent will not be unreasonably withheld.

3.7 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Parent, Borrower or any subsidiary of the Borrower, or the Parent or Borrower admits in writing its inability to pay its debts generally as they mature, or have filed against it an involuntary petition for bankruptcy relief, all under federal or state laws as applicable or the Parent or Borrower admits in writing its inability to pay its debts generally as they mature, or have filed against it an involuntary petition for bankruptcy relief, all under international, federal or state laws as applicable.

3.8 Delisting of Common Stock. Parent shall fail to maintain the listing of the Common Stock on at least one of the OTC Pink, OTCQB, Nasdaq National Market, Nasdaq Small Cap Market, New York Stock Exchange, NYSE MKT, CSE, TSX, TSX Venture Exchange or an equivalent replacement exchange

3.9 Failure to Comply with the Exchange Act; Reporting Issuer Status. Parent shall fail to use commercially reasonable efforts to comply with the reporting requirements of the Exchange Act (including but not limited to becoming delinquent in its filings); and/or Parent shall cease to be subject to the reporting requirements of the Exchange Act; and/or Parent fails to use commercially reasonable efforts to maintain its status as a "reporting issuer" in British Columbia and Ontario, not in default of any requirement of the applicable securities laws.

3.10 Liquidation. Any dissolution, liquidation, or winding up of Borrower or any substantial portion of its business or Platinum Vape.

3.11 Cessation of Operations. Any permanent cessation of operations by Parent or Borrower or Parent or Borrower admits in writing it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Parent or Borrower's ability to continue as a "going concern" shall not be an admission that the Parent or Borrower cannot pay its debts as they become due.

3.12 Cessation of Trading. Any cessation of trading of the Common Stock on at least one of the OTC Pink, OTCQB, Nasdaq National Market, Nasdaq Small Cap Market, New York Stock Exchange, NYSE MKT, CSE, TSX or an equivalent replacement exchange, and such cessation of trading shall continue for a period of five consecutive (5) Trading Days.

3.13 Bid Price. Parent shall lose the "bid" price for its Common Stock ($0.0001 on the "Ask" with zero market makers on the "Bid" per Level 2) and/or a market (including the OTC Pink, OTCQB, OTCQX or an equivalent replacement exchange).

3.14 OTC Markets Designation. OTC Markets changes Parent's designation to 'No Information' (Stop Sign), 'Caveat Emptor' (Skull and Crossbones), or 'OTC', 'Other OTC' or 'Grey Market' (Exclamation Mark Sign).

3.15 Unavailability of Rule 144. If, at any time on or after the date which is twelve (12) months after the Issue Date, the Holder is unable to (i) obtain a standard "144 legal opinion letter" from an attorney reasonably acceptable to the Holder, the Holder's brokerage firm (and respective clearing firm), and the Borrower's transfer agent in order to facilitate the Holder's conversion of any portion of the Note into free trading shares of the Borrower's Common Stock pursuant to Rule 144, and (ii) thereupon deposit such shares into the Holder's brokerage account.

3.16 Cross-Default. Notwithstanding anything to the contrary contained in this Note, a breach or default of any covenant or other term or condition contained in the Security Agreement that secures this Note.

3.17 Replacement of Transfer Agent. In the event that the Parent proposes to replace its transfer agent, the Parent fails to provide, prior to the effective date of such replacement, a fully executed Irrevocable Transfer Agent Instructions in a form as initially delivered pursuant to this Note (including but not limited to the provision to irrevocably reserve shares of Common Stock in the Reserved Amount) signed by the successor transfer agent to Parent and the Parent.

3.18 Maintenance of Assets. The failure by Borrower to maintain in any material respect any material intellectual property rights, personal, real property or other assets which are necessary to conduct its business (whether now or in the future), or any disposition or conveyance of any material asset of the Borrower or Platinum Vape outside the ordinary course of business.

Upon the occurrence of any Event of Default, the Note shall become immediately due and payable and the Borrower the interest shall increase to Default Interest (a) with respect to Events of Default other than those set forth in Section 3.7 above (but subject to Section 1.7(b)), upon Holder's delivery of written notice of acceleration to Borrower, and (b) with respect to an Event of Default under Section 3.7, automatically and without notice. In addition, Holder shall be entitled to all other remedies under law and equity, including those of a secured creditor. If the Holder shall commence an action or proceeding to enforce any provisions of this Note, including, without limitation, engaging an attorney, then if the Holder prevails in such action, the Holder shall be reimbursed by the Borrower for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

ARTICLE IV. MISCELLANEOUS

4.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the 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 privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

4.2 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, telegram, electronic mail, 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 electronic mail or facsimile, with accurate confirmation generated by the transmitting facsimile machine, 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:

If to the Borrower or Parent, to:
Red White and Bloom Inc.
810-789 West Pender Street
Vancouver, British Columbia
Canada, V6C 1H2
Attn: _____ Email: _____

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

Honigman LLP
660 Woodward Avenue
2290 First National Building
Detroit, Michigan 48226
Attn: Kim A. Dudek
Email: [REDACTED]

If to the Holder:

[●]

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

Arden Anderson, Esq.
Austin Legal Group, APC
3990 Old Town Ave., A-101
San Diego, CA 92110
E-mail: [REDACTED]

4.3 Amendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the Holder. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument (and the other Notes issued pursuant to the Purchase Agreement) as originally executed, or if later amended or supplemented, then as so amended or supplemented.

4.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Borrower shall not assign this Note or any rights or obligations hereunder without the prior written consent of Holder. Holder may assign its rights hereunder without approval of Borrower.

4.5 Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the state courts of California or in the federal courts located in San Diego, California. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Note by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

4.6 Notice of Corporate Events. Except as otherwise provided below, the Holder of this Note shall have no rights as a Holder of Common Stock unless and only to the extent that it converts this Note into Common Stock. The Borrower shall provide the Holder with prior notification of any meeting of the Borrower's shareholders (and copies of proxy materials and other information sent to shareholders). In the event of any taking by the Borrower of a record of its shareholders for the purpose of determining shareholders who are entitled to receive payment of any dividend or other distribution, any right to subscribe for, purchase or otherwise acquire (including by way of merger, consolidation, reclassification or recapitalization) any share of any class or any other securities or property, or to receive any other right, or for the purpose of determining shareholders who are entitled to vote in connection with any proposed sale, lease or conveyance of all or substantially all of the assets of the Borrower or any proposed liquidation, dissolution or winding up of the Borrower, the Borrower shall mail a notice to the Holder, at least twenty (20) days prior to the record date specified therein (or thirty (30) days prior to the

consummation of the transaction or event, whichever is earlier), of the date on which any such record is to be taken for the purpose of such dividend, distribution, right or other event, and a brief statement regarding the amount and character of such dividend, distribution, right or other event to the extent known at such time. The Borrower shall make a public announcement of any event requiring notification to the Holder hereunder substantially simultaneously with the notification to the Holder.

4.7 Usury. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable provision shall automatically be revised to equal the maximum rate of interest or other amount deemed interest permitted under applicable law. The Borrower covenants (to the extent that it may lawfully do so) that it will not seek to claim or take advantage of any law that would prohibit or forgive the Borrower from paying all or a portion of the principal or interest on this Note.

4.8 Remedies. The Borrower acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder, by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Borrower acknowledges that the remedy at law for a breach of its obligations under this Note will be inadequate and agrees, in the event of a breach or threatened breach by the Borrower of the provisions of this Note, that the Holder shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required. No provision of this Note shall alter or impair the obligation of the Borrower, which is absolute and unconditional, to pay the principal of, and interest on, this Note at the time, place, and rate, and in the form, herein prescribed.

4.9 Severability. In the event that any provision of this Note is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

4.10 Waiver. Borrower and any endorsers, sureties or guarantors hereof jointly and severally waive presentment and demand for payment, notice of intent to accelerate maturity, notice of acceleration of maturity, protest and notice of protest and non-payment, all applicable exemption rights, valuation and appraisement, notice of demand, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note and the bringing of suit and diligence in taking any action to collect any sums owing hereunder.

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer as of the date first above written.

RWB PLATINUM VAPE INC.

By: _____
Name: Brad Rogers
Title: Chief Executive Officer

Agreed and Acknowledged by:

RED WHITE & BLOOM BRANDS INC.

By: _____
Name: Brad Rogers
Title: Chief Executive Officer

EXHIBIT A NOTICE OF CONVERSION

The undersigned hereby elects to convert $_____ principal amount of the Note (defined below) [together with $_____ of accrued and unpaid interest thereto, totaling $_ into that number of shares of Common Stock to be issued pursuant to the conversion of the Note ("Common Stock") as set forth below, of Red White & Bloom Brands Inc., a corporation formed under the laws of British Columbia (the "Company"), according to the conditions of the convertible note of the Borrower dated as of _____, 2020 (the "Note"), as of the date written below. No fee will be charged to the Holder for any conversion, except for transfer taxes, if any.

Box Checked as to applicable instructions:

[ ] Company shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal At Custodian system ("DWAC Transfer").

Name of DTC Prime Broker:
Account Number:

[ ] The undersigned hereby requests that Company issue a certificate or certificates for the number of shares of Common Stock set forth below (which numbers are based on the Holder's calculation attached hereto) in the name(s) specified immediately below or, if additional space is necessary, on an attachment hereto:

Name: [NAME] Address: [ADDRESS]

Date of Conversion: _____
Applicable Conversion Price: $_____
Number of Shares of Common Stock to be Issued
Pursuant to Conversion of the Notes: _____
Amount of Principal Balance Due remaining
Under the Note after this conversion:
Accrued and unpaid interest remaining: _____

[HOLDER]

By:_____
Name: [NAME]
Title: [TITLE]
Date: [DATE]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JANUARY [●], 2021.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER THEREOF, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 133 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT, IN THE CASE OF (C) (1) AND (D) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY IS PROVIDED TO THE EFFECT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS.

Principal Amount: US$7,500,000.00 **Issue Date: September __ , 2020**
Purchase Price: US$7,500,000.00

CONVERTIBLE PROMISSORY NOTE

FOR VALUE RECEIVED, RWB Platinum Vape Inc., a California corporation (hereinafter called the "Borrower"), hereby promises to pay to the order of Cody Sadler (the "Holder") the sumof US$7,500,000.00 together with any interest as set forth herein, on _____, 2023 (the"Maturity Date"), whether at maturity or upon acceleration or by prepayment or otherwise. Any amount of principal on this Note which is not paid when due shall bear interest at the rate of the lesser of (i) ten percent (10%) per annum and (ii) the maximum amount permitted under law from the due date thereof until the same is paid (the "Default Interest"). Default Interest shall commence accruing on the earlier of the Maturity Date and the date the principal hereunder is accelerated and shall be computed on the basis of a 365-day year and the actual number of days elapsed. All payments due hereunder (to the extent not converted in accordance with the terms hereof into common shares of the Borrower's sole shareholder, Red White & Bloom Brands Inc., a corporation formed under the laws of the province of British Columbia ("Parent") (Trading Symbol: RWBYF) (the "Common Stock") in accordance with the terms hereof) shall be made in lawful money of the United States of America. All payments shall be made at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a business day, the same shall instead be due on the next succeeding day which is a business day and, in the case of any interest payment date which is not the date on which this Note is paid in full, the extension of the due date thereof shall not be taken into account for purposes of determining the amount of interest due on such date. As used in this Note, the term "business day" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the city

of New York, New York are authorized or required by law or executive order to remain closed. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in that certain Securities Purchase Agreement dated the date hereof, by and among the Borrower, Parent, the Holder, the "Company" (defined therein) and George Sadler pursuant to which this Note was originally issued (as amended or otherwise modified from time to time, the "Purchase Agreement"). By the signature of its authorized representative hereunder, Parent agrees to join in and be bound by the terms of this Note applicable to Parent and to perform all acts required by Parent hereunder.

This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the Borrower and will not impose personal liability upon the holder thereof.

The following terms shall apply to this Note:

ARTICLE I. CONVERSION RIGHTS

1.1 Conversion Right. The Holder shall have the right from time to time, and at any time following the date twelve (12) months from the Issue Date, and ending on the Maturity Date to convert all or any part of the outstanding and unpaid principal and/or interest of this Note into fully paid and non-assessable shares of Common Stock, as such Common Stock exists on the Issue Date, or any shares of capital stock or other securities of Parent into which such Common Stock shall hereafter be changed or reclassified at the Conversion Price (as defined below) determined as provided herein (a "Conversion"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of Parent subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 9.99% of the outstanding shares of Common Stock (the "Maximum Share Amount"). For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso. The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on the date specified in the notice of conversion, in the form attached hereto as Exhibit A (the "Notice of Conversion"), delivered to Parent by the Holder in accordance with Section 1.4 below; provided that the Notice of Conversion is submitted by facsimile or e-mail (or by other means resulting in, or reasonably expected to result in, notice) to Parent before 6:00 p.m. New York, New York Time on such conversion date (the "Conversion Date"). The term "Conversion Amount" means, with respect to any conversion of this Note, the sum of (1) the principal amount of this Note to be converted in such conversion plus (2) at the Holder's option, accrued and unpaid interest, if any.

1.2 Mandatory Conversion. Any time after the date four (4) months from the Issue Date, in the event that the closing price of Parent's Common Stock, as quoted on OTCMarkets.com exceeds one hundred fifty percent (150%) of the Conversion Price for at least ten (10) consecutive trading days, then Borrower and Parent the right to force the conversion of this Note into its Common Stock pursuant to the terms hereof.

1.3 Conversion Price. Subject to the adjustments described herein, the conversion price (the "Conversion Price") shall equal USD $0.57.

1.4 Authorized Shares. Parent covenants that during the period the conversion right exists, Parent will reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note issued pursuant to the Purchase Agreement (the "Reserved Amount"). Parent represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if Parent shall issue any securities or make any change to its capital structure which would change the number of shares of Common Stock into which the Notes shall be convertible at the then current Conversion Price, Parent shall at the same time make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved, free from preemptive rights, for conversion of the outstanding Notes. Parent (i) acknowledges that it has irrevocably instructed its transfer agent to issue certificates for the Common Stock issuable upon conversion of this Note, and (ii) agrees that its issuance of this Note shall constitute full authority to its officers and agents who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for shares of Common Stock in accordance with the terms and conditions of this Note.

1.5 Method of Conversion.

(a) Mechanics of Conversion. Subject to Section 1.1, this Note may be converted by the Holder in whole or in part at any time from time to time after the Issue Date, by (A) submitting to Parent a Notice of Conversion (by facsimile, e-mail or other reasonable means of communication dispatched on the Conversion Date prior to 6:00 p.m. New York, New York time) and (B) subject to Section 1.5(b), surrendering this Note at the principal office of Parent.

(b) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Borrower unless the entire unpaid principal amount of this Note is so converted. The Holder and Parent shall maintain records showing the principal amount so converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and the Borrower, so as not to require physical surrender of this Note upon each such conversion. In the event of any dispute or discrepancy, such records of the Borrower shall, *prima facie,* be controlling and determinative in the absence of manifest error. Notwithstanding the foregoing, if any portion of this Note is converted as aforesaid, the Holder may not transfer this Note unless the Holder first physically surrenders this Note to the Borrower, whereupon the Borrower will forthwith issue and deliver upon the order of the Holder a new Note of like tenor, registered as the Holder (upon payment by the Holder of any applicable

transfer taxes) may request, representing in the aggregate the remaining unpaid principal amount of this Note. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note represented by this Note may be less than the amount stated on the face hereof.

(c) Payment of Taxes. Neither Parent nor the Borrower shall be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock or other securities or property on conversion of this Note in a name other than that of the Holder (or in street name), and Parent shall not be required to issue or deliver any such shares or other securities or property unless and until the person or persons (other than the Holder or the custodian in whose street name such shares are to be held for the Holder's account) requesting the issuance thereof shall have paid to Parent the amount of any such tax or shall have established to the satisfaction of Parent that such tax has been paid.

(d) Delivery of Common Stock Upon Conversion. Upon receipt by Parent from the Holder of a facsimile transmission or e-mail (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section 1.5, Parent shall issue and deliver or cause to be issued and delivered to or upon the order of the Holder certificates for the Common Stock issuable upon such conversion within three (3) business days after such receipt (the "Deadline") (and, solely in the case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof and the Purchase Agreement.

(e) Obligation of Borrower to Deliver Common Stock. Upon receipt by Parent of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless Parent defaults on its obligations under this Article I, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Common Stock or other securities, cash or other assets, as herein provided, on such conversion. If the Holder shall have given a Notice of Conversion as provided herein, Parent's obligation to issue and deliver the certificates for Common Stock shall be absolute and unconditional, irrespective of the absence of any action by the Holder to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any person or any action to enforce the same, any failure or delay in the enforcement of any other obligation of Parent to the holder of record, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder of any obligation to Parent, and irrespective of any other circumstance which might otherwise limit such obligation of the Borrower to the Holder in connection with such conversion. The Conversion Date specified in the Notice of Conversion shall be the Conversion Date so long as the Notice of Conversion is received by the Borrower before 6:00 p.m., New York, New York Time, on such date.

(f) Delivery of Common Stock by Electronic Transfer. In lieu of delivering physical certificates representing the Common Stock issuable upon conversion, provided Parent is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer

("FAST") program, upon request of the Holder and its compliance with the provisions contained in Section 1.1 and in this Section 1.5, Parent shall use its commercially reasonable best efforts to cause its transfer agent to electronically transmit the Common Stock issuable upon conversion to the Holder by crediting the account of Holder's Prime Broker with DTC through its Deposit Withdrawal At Custodian ("DWAC") system.

(g) Failure to Deliver Common Stock Prior to Delivery Deadline. Without in any way limiting the Holder's right to pursue other remedies, including actual damages and/or equitable relief, the parties agree that if delivery of the Common Stock issuable upon conversion of this Note is not delivered by the Deadline (other than a failure due to the circumstances described in Section 1.3 above, which failure shall be governed by such Section) Parent shall pay to the Holder $100 per day in cash, for each day beyond the Deadline that Parent fails to deliver such Common Stock until Parent issues and delivers a certificate to the Holder or credit the Holder's balance account with OTC for the number of shares of Common Stock to which the Holder is entitled upon such Holder's conversion of any Conversion Amount (under Holder's and Parent's expectation that any damages will tack back to the Issue Date). Such cash amount shall be paid to Holder by the fifth (5th) day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Parent by the first day of the month following the month in which it has accrued), shall be added to the principal amount of this Note, in which event interest shall accrue thereon in accordance with the terms of this Note and such additional principal amount shall be convertible into Common Stock in accordance with the terms of this Note. Parent agrees that the right to convert is a valuable right to the Holder. The damages resulting from a failure, attempt to frustrate, interference with such conversion right are difficult if not impossible to qualify. Accordingly the parties acknowledge that the liquidated damages provision contained in this Section 1.5(g) are justified.

(h) Rescindment of a Notice of Conversion. If (i) Parent fails to respond to Holder within one (1) business day from the Conversion Date confirming the details of Notice of Conversion, (ii) Parent fails to provide any of the shares of Parent's Common Stock requested in the Notice of Conversion within two (2) business days from the date of receipt of the Note of Conversion, (iii) the Holder is unable to procure a legal opinion required to have the shares of Parent's Common Stock issued unrestricted and/or deposited to sell for any reason related to Parent's standing, (iv) the Holder is unable to deposit the shares of Parent's Common Stock requested in the Notice of Conversion for any reason related to Parent's standing, (v) at any time after a missed Deadline, at the Holder's sole discretion, or (vi) if OTC Markets changes Parent's designation to 'Limited Information' (Yield), 'No Information' (Stop Sign), 'Caveat Emptor' (Skull & Crossbones), 'OTC', 'Other OTC' or 'Grey Market' (Exclamation Mark Sign) or other trading restriction on the day of or any day after the Conversion Date, the Holder maintains the option and sole discretion to rescind the Notice of Conversion ("Rescindment") with a "Notice of Rescindment."

1.6 Concerning the Shares. If the Conversion Date occurs before January [●], 2021, the Common Shares issued upon conversion shall bear the following legend in accordance with applicable securities laws:

"**UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JANUARY [●], 2021**."

Until such time as the shares of Common Stock issuable upon conversion of this Note have been registered under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold, each certificate for shares of Common Stock issuable upon conversion of this Note that has not been so included in an effective registration statement or that has not been sold pursuant to an effective registration statement or an exemption that permits removal of the legend, shall bear a legend substantially in the following form, as appropriate:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER THEREOF, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 133 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT, IN THE CASE OF (C)(1) AND (D) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY IS PROVIDED TO THE EFFECT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS."

The legend set forth above shall be removed and Parent shall issue to the Holder a new certificate therefore free of any transfer legend if (i) Parent or its transfer agent shall have received an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of such Common Stock may be made without registration under the Act, which opinion shall be reasonably accepted by Parent so that the sale or transfer is effected or (ii) such security is registered for sale by the Holder under an effective registration statement filed under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold. In the event that Parent does not accept the opinion of counsel provided by the Buyer with respect to the transfer of Securities pursuant to an exemption from registration, such as Rule 144 or Regulation S, at the Deadline, it will be considered an Event of Default pursuant to Section 3.2 of the Note.

1.7 Effect of Certain Events.

(a) Effect of Asset Sale. The sale, conveyance or disposition of all or substantially all of the assets of the Borrower shall be deemed to be an Event of Default (as defined in Article III) pursuant to which the Borrower shall be required to pay to the Holder upon the consummation of and as a condition to such transaction an amount equal to the Default Amount (as defined in Article III). For clarity, Holder and Borrower shall retain their respective rights to convert the principal and unpaid interest (if any) hereunder until the date such sale transaction closes. "Person" shall mean any individual, corporation, limited liability company, partnership, association, trust or other entity or organization.

(b) Effect of Merger, Consolidation, Etc. If, at any time when this Note is issued and outstanding and prior to conversion of all of the Notes, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a result of which shares of Common Stock shall be changed into the same or a different number of shares of another class or classes of stock or securities of Parent or another entity, or the effectuation by Parent of a transaction or series of related transactions in which more than 50% of the voting power of shares of Common Stock is disposed of, then, in Holder's discretion, Holder may require one of the following by providing written notice to Parent at any time no later than six (6) months after the date such transaction closes:

(i) the obligations outstanding hereunder shall be paid in full no later than six (6) months after the date such transaction closes, and notwithstanding anything to the contrary herein, the failure to make such payment in a timely manner shall be an automatic Event of Default under Section 3.1 and the obligations hereunder shall accelerate and Default Interest shall begin to accrue automatically upon such failure to pay, whether or not Holder notifies Parent of such acceleration or accrual; or

(ii) Holder shall have the right to receive upon conversion of this Note, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such stock, securities or assets which the Holder would have been entitled to receive in such transaction had this Note been converted in full immediately prior to such transaction (without regard to any limitations on conversion set forth herein), and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder of this Note to the end that the provisions hereof (including, without limitation, provisions for adjustment of the Conversion Price and of the number of shares issuable upon conversion of the Note) shall thereafter be applicable, as nearly as may be practicable in relation to any securities or assets thereafter deliverable upon the conversion hereof.

Parent shall not affect any transaction described in this Section 1.7(b) unless (x) it first gives, to the extent practicable, thirty (30) days prior written notice (but in any event at least fifteen (15) days prior written notice) of the record date of the special meeting of shareholders to approve, or if there is no such record date, the consummation of, such merger, consolidation, exchange of shares, recapitalization, reorganization or other similar event or sale of assets (during which time the Holder shall be entitled to convert this Note) and (y) the resulting successor or acquiring entity (if not Parent) assumes by written instrument the obligations of this Note. The above provisions shall similarly apply to successive consolidations, mergers, sales, transfers or share exchanges.

(c) Adjustment Due to Distribution. If Parent shall declare or make any distribution of its assets (or rights to acquire its assets) to holders of Common Stock as a dividend, stock repurchase, by way of return of capital or otherwise (including any dividend or distribution to Parent's shareholders in cash or shares (or rights to acquire shares) of capital stock of a subsidiary (i.e., a spin-off)) (a "Distribution"), then the Holder of this Note shall be entitled, upon any conversion of this Note after the date of record for determining shareholders entitled to such Distribution, to receive the amount of such assets which would have been payable to the Holder with respect to the shares of Common Stock issuable upon such conversion had such Holder been the holder of such shares of Common Stock on the record date for the determination of shareholders entitled to such Distribution.

(d) Purchase Rights. If, at any time when any Notes are issued and outstanding, Parent issues any convertible securities or rights to purchase stock, warrants, securities or other property (the "Purchase Rights") pro rata to the record holders of any class of Common Stock, then the Holder of this Note will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such Holder could have acquired if such Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Note (without regard to any limitations on conversion contained herein) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

(e) Notice of Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price as a result of the events described in this Section 1.6, the Borrower, at its expense, shall promptly, but no later than 10 business days after such adjustment or readjustment becomes effective, compute such adjustment or readjustment and prepare and furnish to the Holder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Borrower shall, upon the written request at any time of the Holder, furnish to such Holder a like certificate setting forth (i) such adjustment or readjustment, (ii) the Conversion Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other securities or property which at the time would be received upon conversion of the Note.

1.8 Status as Shareholder. Upon submission of a Notice of Conversion by a Holder, (i) the shares covered thereby (other than the shares, if any, which cannot be issued because their issuance would exceed such Holder's allocated portion of the Reserved Amount or Maximum Share Amount) shall be deemed converted into shares of Common Stock and (ii) the Holder's rights as a Holder of such converted portion of this Note shall cease and terminate, excepting only the right to receive certificates for such shares of Common Stock and to any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by the Borrower to comply with the terms of this Note. Notwithstanding the foregoing, if a Holder has not received certificates for all shares of Common Stock prior to the tenth (10th) business day after the expiration of the Deadline with respect to a conversion of any portion of this Note for any reason, then (unless the Holder otherwise elects to retain its status as a holder of Common Stock by so notifying Parent) the Holder shall regain the rights of a Holder of this Note with respect to such unconverted portions of this Note and the Borrower shall, as soon as practicable, return such

unconverted Note to the Holder or, if the Note has not been surrendered, adjust its records to reflect that such portion of this Note has not been converted. In all cases, the Holder shall retain all of its rights and remedies for Parent's failure to convert this Note.

1.9 Security. This Note and Borrower's obligations hereunder will be secured by all ownership interests and assets of Platinum Vape pursuant to the Security Agreement between Borrower and Holder as of approximate date herewith.

1.10 Prepayment. This Note may be prepaid in whole or in part without penalty or premium; provided, Borrower shall provide Holder with thirty (30) days' advance notice of its intent to prepay this Note, during which time Holder may convert this Note or any portion of this Note in accordance with the terms stated herein.

ARTICLE II. CERTAIN COVENANTS

2.1 Borrowings. Until the end of the Earn-out Period, the Borrower shall not, without the Holder's written consent, create, incur, assume guarantee, endorse, contingently agree to purchase or otherwise become liable upon the obligation of any person, firm, partnership, joint venture or corporation, except by the endorsement of negotiable instruments for deposit or collection, or suffer to exist any liability for borrowed money, except (a) borrowings in existence or committed on the date hereof and of which the Borrower has informed Holder in writing prior to the date hereof, (b) indebtedness to trade creditors financial institutions or other lenders incurred in the ordinary course of business or (c) borrowings, the proceeds of which shall be used to repay this Note.

2.2 Sale of Assets. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, sell, lease or otherwise dispose of any significant portion of its assets or the assets of Platinum Vape (as defined in the Purchase Agreement) outside the ordinary course of business. In no event while this Note is outstanding shall Borrower or Platinum Vape sell, convey, assign, encumber, pledge, gift or transfer any of the ownership interests in Platinum Vape or sell, lease, convey, assign, encumber, pledge, gift or transfer any of the assets of Platinum Vape except for inventory and obsolete or worn or damaged equipment sold in the ordinary course of business.

2.3 Preservation of Existence, etc. The Borrower shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, its existence, rights and privileges, and become or remain, and cause each of its Subsidiaries (other than dormant Subsidiaries that have no or minimum assets) to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary.

2.4 Non-circumvention. The Borrower hereby covenants and agrees that the Borrower will not, by amendment of its Certificate or Articles of Incorporation or Bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme 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 of this Note, and will at all times in good faith carry

out all the provisions of this Note and take all action as may be required to protect the rights of the Holder.

ARTICLE III. EVENTS OF DEFAULT

If any of the following events of default (each, an "Event of Default") shall occur:

3.1 Failure to Pay Principal or Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note, whether at maturity, upon acceleration or otherwise.

3.2 Conversion and the Shares. Parent (i) fails to issue shares of Common Stock to the Holder (or announces or threatens in writing that it will not honor its obligation to do so) upon exercise by the Holder of the conversion rights of the Holder in accordance with the terms of this Note, (ii) fails to transfer or cause its transfer agent to transfer (issue) (electronically or in certificated form) any certificate for shares of Common Stock issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, (iii) directs its transfer agent not to transfer or delays, impairs, and/or hinders its transfer agent in transferring (or issuing) (electronically or in certificated form) any certificate for shares of Common Stock to be issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, (iv) fails to remove (or directs its transfer agent not to remove or impairs, delays, and/or hinders its transfer agent from removing) any restrictive legend (or to withdraw any stop transfer instructions in respect thereof) on any certificate for any shares of Common Stock issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note (or makes any written announcement, statement or threat that it does not intend to honor the obligations described in this paragraph) and any such failure shall continue uncured (or any written announcement, statement or threat not to honor its obligations shall not be rescinded in writing) for three (3) business days after the Holder shall have delivered a Notice of Conversion, (v) fails to remain current in its obligations to its transfer agent, (vi) causes a conversion of this Note to be delayed, hindered or frustrated due to a balance owed by Parent to its transfer agent, (vii) fails to repay Holder, within forty eight (48) hours of a demand from the Holder, any amount of funds advanced by Holder to Parent's transfer agent in order to process a conversion, (viii) fails to reserve sufficient amount of shares of common stock to satisfy the Reserved Amount at all times, and/or (ix) an exemption under Rule 144 is unavailable for the Holder's deposit into Holder's brokerage account and resale into the public market of any of the conversion shares under this Note at any time after the date which is twelve (12) months after the Issue Date.

3.3 Breach of Covenants. The Borrower or Parent breaches any material covenant or other material term or condition contained in this Note or the Security Agreement and such breach continues for a period of fifteen (15) days after written notice thereof to the Borrower and Parent from the Holder.

3.4 Breach of Representations and Warranties. Any representation or warranty of the Borrower or Parent made herein or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith, shall be false or misleading in any material respect

when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note.

3.5 Receiver or Trustee. The Parent, Borrower or any subsidiary of the Borrower shall make an assignment for the benefit of creditors or commence proceedings for its dissolution, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed for the Parent or Borrower or for a substantial part of its property or business without its consent and shall not be discharged within sixty (60) days after such appointment.

3.6 Judgments. Any money judgment, writ or similar process shall be entered or filed against the Borrower or any subsidiary of the Borrower or any of its property or other assets for more than $625,000, and shall remain unvacated, unbonded or unstayed for a period of forty five (45) days unless otherwise consented to by the Holder, which consent will not be unreasonably withheld.

3.7 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Parent, Borrower or any subsidiary of the Borrower, or the Parent or Borrower admits in writing its inability to pay its debts generally as they mature, or have filed against it an involuntary petition for bankruptcy relief, all under federal or state laws as applicable or the Parent or Borrower admits in writing its inability to pay its debts generally as they mature, or have filed against it an involuntary petition for bankruptcy relief, all under international, federal or state laws as applicable.

3.8 Delisting of Common Stock. Parent shall fail to maintain the listing of the Common Stock on at least one of the OTC Pink, OTCQB, Nasdaq National Market, Nasdaq Small Cap Market, New York Stock Exchange, NYSE MKT, CSE, TSX, TSX Venture Exchange or an equivalent replacement exchange

3.9 Failure to Comply with the Exchange Act; Reporting Issuer Status. Parent shall fail to use commercially reasonable efforts to comply with the reporting requirements of the Exchange Act (including but not limited to becoming delinquent in its filings); and/or Parent shall cease to be subject to the reporting requirements of the Exchange Act; and/or Parent fails to use commercially reasonable efforts to maintain its status as a "reporting issuer" in British Columbia and Ontario, not in default of any requirement of the applicable securities laws.

3.10 Liquidation. Any dissolution, liquidation, or winding up of Borrower or any substantial portion of its business or Platinum Vape.

3.11 Cessation of Operations. Any permanent cessation of operations by Parent or Borrower or Parent or Borrower admits in writing it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Parent or Borrower's ability to continue as a "going concern" shall not be an admission that the Parent or Borrower cannot pay its debts as they become due.

3.12 Cessation of Trading. Any cessation of trading of the Common Stock on at least one of the OTC Pink, OTCQB, Nasdaq National Market, Nasdaq Small Cap Market, New York Stock Exchange, NYSE MKT, CSE, TSX or an equivalent replacement exchange, and such cessation of trading shall continue for a period of five consecutive (5) Trading Days.

3.13 Bid Price. Parent shall lose the "bid" price for its Common Stock ($0.0001 on the "Ask" with zero market makers on the "Bid" per Level 2) and/or a market (including the OTC Pink, OTCQB, OTCQX or an equivalent replacement exchange).

3.14 OTC Markets Designation. OTC Markets changes Parent's designation to 'No Information' (Stop Sign), 'Caveat Emptor' (Skull and Crossbones), or 'OTC', 'Other OTC' or 'Grey Market' (Exclamation Mark Sign).

3.15 Unavailability of Rule 144. If, at any time on or after the date which is twelve (12) months after the Issue Date, the Holder is unable to (i) obtain a standard "144 legal opinion letter" from an attorney reasonably acceptable to the Holder, the Holder's brokerage firm (and respective clearing firm), and the Borrower's transfer agent in order to facilitate the Holder's conversion of any portion of the Note into free trading shares of the Borrower's Common Stock pursuant to Rule 144, and (ii) thereupon deposit such shares into the Holder's brokerage account.

3.16 Cross-Default. Notwithstanding anything to the contrary contained in this Note, a breach or default of any covenant or other term or condition contained in the Security Agreement that secures this Note.

3.17 Replacement of Transfer Agent. In the event that the Parent proposes to replace its transfer agent, the Parent fails to provide, prior to the effective date of such replacement, a fully executed Irrevocable Transfer Agent Instructions in a form as initially delivered pursuant to this Note (including but not limited to the provision to irrevocably reserve shares of Common Stock in the Reserved Amount) signed by the successor transfer agent to Parent and the Parent.

3.18 Maintenance of Assets. The failure by Borrower to maintain in any material respect any material intellectual property rights, personal, real property or other assets which are necessary to conduct its business (whether now or in the future), or any disposition or conveyance of any material asset of the Borrower or Platinum Vape outside the ordinary course of business.

Upon the occurrence of any Event of Default, the Note shall become immediately due and payable and the Borrower the interest shall increase to Default Interest (a) with respect to Events of Default other than those set forth in Section 3.7 above (but subject to Section 1.7(b)), upon Holder's delivery of written notice of acceleration to Borrower, and (b) with respect to an Event of Default under Section 3.7, automatically and without notice. In addition, Holder shall be entitled to all other remedies under law and equity, including those of a secured creditor. If the Holder shall commence an action or proceeding to enforce any provisions of this Note, including, without limitation, engaging an attorney, then if the Holder prevails in such action, the Holder shall be reimbursed by the Borrower for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

ARTICLE IV. MISCELLANEOUS

4.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the 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 privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

4.2 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, telegram, electronic mail, 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 electronic mail or facsimile, with accurate confirmation generated by the transmitting facsimile machine, 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:

If to the Borrower or Parent, to:
Red White and Bloom Inc.
810-789 West Pender Street
Vancouver, British Columbia
Canada, V6C 1H2
Attn: _____ Email:
_____

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

Honigman LLP
660 Woodward Avenue
2290 First National Building
Detroit, Michigan 48226
Attn: Kim A. Dudek
Email: [REDACTED]

If to the Holder:

[●]

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

Arden Anderson, Esq.
Austin Legal Group, APC
3990 Old Town Ave., A-101
San Diego, CA 92110
E-mail: [REDACTED]

4.3 Amendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the Holder. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument (and the other Notes issued pursuant to the Purchase Agreement) as originally executed, or if later amended or supplemented, then as so amended or supplemented.

4.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Borrower shall not assign this Note or any rights or obligations hereunder without the prior written consent of Holder. Holder may assign its rights hereunder without approval of Borrower.

4.5 Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the state courts of California or in the federal courts located in San Diego, California. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Note by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

4.6 Notice of Corporate Events. Except as otherwise provided below, the Holder of this Note shall have no rights as a Holder of Common Stock unless and only to the extent that it converts this Note into Common Stock. The Borrower shall provide the Holder with prior notification of any meeting of the Borrower's shareholders (and copies of proxy materials and other information sent to shareholders). In the event of any taking by the Borrower of a record of its shareholders for the purpose of determining shareholders who are entitled to receive payment of any dividend or other distribution, any right to subscribe for, purchase or otherwise acquire (including by way of merger, consolidation, reclassification or recapitalization) any share of any class or any other securities or property, or to receive any other right, or for the purpose of determining shareholders who are entitled to vote in connection with any proposed sale, lease or conveyance of all or substantially all of the assets of the Borrower or any proposed liquidation, dissolution or winding up of the Borrower, the Borrower shall mail a notice to the Holder, at least twenty (20) days prior to the record date specified therein (or thirty (30) days prior to the

consummation of the transaction or event, whichever is earlier), of the date on which any such record is to be taken for the purpose of such dividend, distribution, right or other event, and a brief statement regarding the amount and character of such dividend, distribution, right or other event to the extent known at such time. The Borrower shall make a public announcement of any event requiring notification to the Holder hereunder substantially simultaneously with the notification to the Holder.

4.7 Usury. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable provision shall automatically be revised to equal the maximum rate of interest or other amount deemed interest permitted under applicable law. The Borrower covenants (to the extent that it may lawfully do so) that it will not seek to claim or take advantage of any law that would prohibit or forgive the Borrower from paying all or a portion of the principal or interest on this Note.

4.8 Remedies. The Borrower acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder, by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Borrower acknowledges that the remedy at law for a breach of its obligations under this Note will be inadequate and agrees, in the event of a breach or threatened breach by the Borrower of the provisions of this Note, that the Holder shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required. No provision of this Note shall alter or impair the obligation of the Borrower, which is absolute and unconditional, to pay the principal of, and interest on, this Note at the time, place, and rate, and in the form, herein prescribed.

4.9 Severability. In the event that any provision of this Note is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

4.10 Waiver. Borrower and any endorsers, sureties or guarantors hereof jointly and severally waive presentment and demand for payment, notice of intent to accelerate maturity, notice of acceleration of maturity, protest and notice of protest and non-payment, all applicable exemption rights, valuation and appraisement, notice of demand, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note and the bringing of suit and diligence in taking any action to collect any sums owing hereunder.

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer as of the date first above written.

RWB PLATINUM VAPE INC.

By: _____
Name: Brad Rogers
Title: Chief Executive Officer

Agreed and Acknowledged by:

RED WHITE & BLOOM BRANDS INC.

By: _____
Name: Brad Rogers
Title: Chief Executive Officer

EXHIBIT A NOTICE OF CONVERSION

The undersigned hereby elects to convert $_____ principal amount of the Note (defined below) [together with $_____ of accrued and unpaid interest thereto, totaling $_ into that number of shares of Common Stock to be issued pursuant to the conversion of the Note ("Common Stock") as set forth below, of Red White & Bloom Brands Inc., a corporation formed under the laws of British Columbia (the "Company"), according to the conditions of the convertible note of the Borrower dated as of _____, 2020 (the "Note"), as of the date written below. No fee will be charged to the Holder for any conversion, except for transfer taxes, if any.

Box Checked as to applicable instructions:

[ ] Company shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal At Custodian system ("DWAC Transfer").

Name of DTC Prime
Broker: Account
Number:

[ ] The undersigned hereby requests that Company issue a certificate or certificates for the number of shares of Common Stock set forth below (which numbers are based on the Holder's calculation attached hereto) in the name(s) specified immediately below or, if additional space is necessary, on an attachment hereto:

Name: [NAME]
Address: [ADDRESS]

Date of Conversion: _____
Applicable Conversion Price: $_____
Number of Shares of Common Stock to be Issued
Pursuant to Conversion of the Notes: _____
Amount of Principal Balance Due remaining
Under the Note after this conversion:
Accrued and unpaid interest remaining: _____

[HOLDER]

By:_____
Name: [NAME]
Title: [TITLE]
Date: [DATE]

EXHIBIT C
Assignments
See attached.

MEMBERSHIP INTEREST POWER

FOR VALUE RECEIVED, the undersigned (the "Member") hereby sells, assigns and transfers unto Cody Sadler, 50% of the membership interests of GC Ventures 2, LLC, a Michigan limited liability company (the "Company"), standing in its name on the books of said Company, and which are uncertificated, and the Member does hereby irrevocably constitute and appoint the secretary of the Company as its attorney in fact, with full power of substitution in the premises, to transfer said membership interests on the books of said Company.

Date: January __, 2021

RWB PLATINUM VAPE INC.

By:_____ Name: Brad Rogers
Title: Chief Executive Officer

MEMBERSHIP INTEREST POWER

FOR VALUE RECEIVED, the undersigned (the "Member") hereby sells, assigns and transfers unto George Sadler, 50% of the membership interests of GC Ventures 2, LLC, a Michigan limited liability company (the "Company"), standing in its name on the books of said Company, and which are uncertificated, and the Member does hereby irrevocably constitute and appoint the secretary of the Company as its attorney in fact, with full power of substitution in the premises, to transfer said membership interests on the books of said Company.

Date: January __, 2021

RWB PLATINUM VAPE INC.

By:_____ Name: Brad Rogers
Title: Chief Executive Officer

MEMBERSHIP INTEREST POWER

FOR VALUE RECEIVED, the undersigned (the "Member") hereby sells, assigns and transfers unto Cody Sadler, 50% of the membership interests of PV CBD LLC, a California limited liability company (the "Company"), standing in its name on the books of said Company, and which are uncertificated, and the Member does hereby irrevocably constitute and appoint the secretary of the Company as its attorney in fact, with full power of substitution in the premises, to transfer said membership interests on the books of said Company.

Date: January __, 2021

RWB PLATINUM VAPE INC.

By:_____ Name: Brad Rogers
Title: Chief Executive Officer

MEMBERSHIP INTEREST POWER

FOR VALUE RECEIVED, the undersigned (the "Member") hereby sells, assigns and transfers unto George Sadler, 50% of the membership interests of PV CBD LLC, a California limited liability company (the "Company"), standing in its name on the books of said Company, and which are uncertificated, and the Member does hereby irrevocably constitute and appoint the secretary of the Company as its attorney in fact, with full power of substitution in the premises, to transfer said membership interests on the books of said Company.

Date: January __, 2021

RWB PLATINUM VAPE INC.

By:_____ Name: Brad Rogers
Title: Chief Executive Officer

MEMBERSHIP INTEREST POWER

FOR VALUE RECEIVED, the undersigned (the "Member") hereby sells, assigns and transfers unto Cody Sadler, 50% of the membership interests of Vista Prime Management, LLC, a California limited liability company (the "Company"), standing in its name on the books of said Company, and which are uncertificated, and the Member does hereby irrevocably constitute and appoint the secretary of the Company as its attorney in fact, with full power of substitution in the premises, to transfer said membership interests on the books of said Company.

Date: January __, 2021

RWB PLATINUM VAPE INC.

By:_____ Name: Brad Rogers
Title: Chief Executive Officer

MEMBERSHIP INTEREST POWER

FOR VALUE RECEIVED, the undersigned (the "Member") hereby sells, assigns and transfers unto George Sadler, 50% of the membership interests of Vista Prime Management, LLC, a California limited liability company (the "Company"), standing in its name on the books of said Company, and which are uncertificated, and the Member does hereby irrevocably constitute and appoint the secretary of the Company as its attorney in fact, with full power of substitution in the premises, to transfer said membership interests on the books of said Company.

Date: January __, 2021

RWB PLATINUM VAPE INC.

By:_____ Name: Brad Rogers
Title: Chief Executive Officer

STOCK POWER

FOR VALUE RECEIVED, the undersigned (the "Shareholder") hereby sells, assigns and transfers unto Cody Sadler, 10,000 shares of common stock of Vista Prime 2, Inc., a California corporation (the "Company"), standing in its name on the books of said Company, and which are uncertificated, and the Shareholder does hereby irrevocably constitute and appoint the secretary of the Company as its attorney in fact, with full power of substitution in the premises, to transfer said common stock on the books of said Company.

Date: January __, 2021

RWB PLATINUM VAPE INC.

By:_____ Name: Brad Rogers
Title: Chief Executive Officer

STOCK POWER

FOR VALUE RECEIVED, the undersigned (the "Shareholder") hereby sells, assigns and transfers unto George Sadler, 10,000 shares of common stock of Vista Prime 2, Inc., a California corporation (the "Company"), standing in its name on the books of said Company, and which are uncertificated, and the Shareholder does hereby irrevocably constitute and appoint the secretary of the Company as its attorney in fact, with full power of substitution in the premises, to transfer said common stock on the books of said Company.

Date: January __, 2021

RWB PLATINUM VAPE INC.

By:_____ Name: Brad Rogers
Title: Chief Executive Officer

STOCK POWER

FOR VALUE RECEIVED, the undersigned (the "Shareholder") hereby sells, assigns and transfers unto Cody Sadler, 10,000 shares of common stock of Vista Prime 3, Inc., a California corporation (the "Company"), standing in its name on the books of said Company, and which are uncertificated, and the Shareholder does hereby irrevocably constitute and appoint the secretary of the Company as its attorney in fact, with full power of substitution in the premises, to transfer said common stock on the books of said Company.

Date: January __, 2021

RWB PLATINUM VAPE INC.

By:_____ Name: Brad Rogers
Title: Chief Executive Officer

STOCK POWER

FOR VALUE RECEIVED, the undersigned (the "Shareholder") hereby sells, assigns and transfers unto George Sadler, 10,000 shares of common stock of Vista Prime 3, Inc., a California corporation (the "Company"), standing in its name on the books of said Company, and which are uncertificated, and the Shareholder does hereby irrevocably constitute and appoint the secretary of the Company as its attorney in fact, with full power of substitution in the premises, to transfer said common stock on the books of said Company.

Date: January __, 2021

RWB PLATINUM VAPE INC.

By:_____ Name: Brad Rogers
Title: Chief Executive Officer

RESIGNATION

Reference is made to that certain Securities Purchase Agreement, dated August 31, 2020, by and among the RWB Platinum Vape Inc., a California Corporation, George Sadler and Cody Sadler (the "Purchase Agreement"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

In the event that RWB fails to timely pay the Second Payment pursuant to Section 2(b)(ii) of the Purchase Agreement, the undersigned, effective as of the date hereof, hereby resigns from each and every position that he holds as a director, officer, manager, agent, employee, authorized signer or otherwise with each of: (i) Vista Prime Management, LLC, a California limited liability company; (ii) GC Ventures 2, LLC, a Michigan limited liability company; (iii) Vista Prime 3, Inc., a California corporation; (iv) PV CBD LLC, a California limited liability company; and (iv) Vista Prime 2, Inc., a California corporation.

DATED: January __, 2021.

_____

Brad Rogers

EXHIBIT D

Employment Agreements

See attached.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "**Agreement**"), is made this __day of _____, 2020 (the "**Effective Date**") and is entered into by and between RWB Platinum Vape Inc., a California corporation ("**RWB**"), and George Sadler ("**Executive**").

WHEREAS, RWB, Red White & Bloom Brands Inc. ("**RWB Parent**"), Executive, Cody Sadler and Platinum Vape (as defined therein) ("**Platinum Vape**") have entered into that certain Securities Purchase Agreement dated as of August 31, 2020 (as amended or otherwise modified from time to time, the "**Securities Purchase Agreement**"), pursuant to which Executive and Cody Sadler sold their interests in Platinum Vape to RWB; and

WHEREAS, RWB and Executive desire to enter into this Agreement to set forth the rights and the duties of the parties hereto in regards to RWB's employment of Executive.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, terms and conditions contained herein, it is hereby agreed as follows:

1. Employment Period. Subject to the provisions for earlier termination hereinafter provided, Executive's employment hereunder shall be for a term (the "**Employment Period**") commencing on the Effective Date and ending on the fourth anniversary of the Effective Date (the "**Initial Termination Date**"); provided, however, that this Agreement shall be automatically extended for one additional year on the Initial Termination Date and on each subsequent anniversary of the initial Termination Date, unless either Executive or RWB elects not to so extend the term of the Agreement by notifying the other party, in writing, of such election not less than ninety (90) days prior to the last day of the term as then in effect (all of the foregoing being part of the Employment Period). For the avoidance of doubt, non-renewal of this Agreement pursuant to the proviso contained in the preceding sentence shall not be deemed to give rise to any payment to Executive as might be the case in connection with a termination of this Agreement. Notwithstanding the Employment Period, Executive's employment shall be at-will and may be terminated at any time, subject to the severance terms in this Agreement.

2. Terms of Employment.

   a. Position and Duties.

      (i) During the Employment Period, Executive shall serve as the Chief Executive Officer, director and manager of each entity in RWB's Platinum Vape division and an officer and/or director of RWB, and shall perform such employment duties as are usual and customary for such positions and such other duties as the Board of Directors of RWB Parent (the "**Board**") shall from time to time reasonably assign to Executive. As CEO of Platinum Vape and an officer of RWB, Executive shall serve as the CEO of each entity comprising RWB's Platinum Vape division, which entities are listed on Exhibit A hereto. In the event Executive's service in one or more of such additional capacities is subsequently terminated, Executive's compensation, as specified in Section 2(b) of this Agreement, shall not be diminished or reduced in any manner as a result of such termination for so long as Executive otherwise remains employed under the terms of this Agreement. During the Employment Period, Executive shall perform his duties at the Company's offices in the San Diego, CA area.

      (ii) It is specifically agreed that Executive may devote time and attention to other activities that do not compete with Platinum Vape in the states in which it operates or interfere with his obligations, duties and responsibilities to Platinum Vape (e.g. Executive may (A) own and rent real estate used for any purpose; (B) own or operate cannabis businesses that do not manufacture or distribute cannabis vape products, license technology, brands, processes or any other intellectual property involving cannabis vape products or provide services to any

person or entity involving cannabis vape products; (C) own or operate any non-cannabis business in any jurisdiction; or (D) subject to Section 10 below, own and conduct business at the Chula Vista Property or Lake Elsinore Property pursuant to the Restrictive Covenant Agreement.

b. Compensation.

(i) Base Salary. During the Employment Period, Executive shall receive a starting base salary (the "**Base Salary**") of Five Hundred Thousand Dollars ($500,000.00) per year. The Base Salary shall be paid at such intervals as RWB pays executive salaries generally. During the Employment Period, the Base Salary shall be reviewed at least annually for possible increase in RWB's sole discretion, as determined by RWB's compensation committee or Board; provided, however, that after the second anniversary hereof, Executive shall be entitled to any annual cost of living increases in Base Salary that are granted to senior executives of RWB Parent generally. "**Base Salary**" as utilized in this Agreement shall refer to Base Salary as so adjusted.

(ii) Annual Bonus. In addition to the Base Salary, Executive shall be eligible to earn, for each fiscal year of RWB ending during the Employment Period, an annual cash performance bonus which shall be determined from time to time by RWB's compensation committee or the Board, in either the RWB's compensation committee or the Board's sole and absolute discretion, as applicable.

(iii) Equity Incentive Award. During the Employment Period, Executive shall be eligible to participate in such Stock Incentive Plans, policies and programs put in place by RWB Parent that are applicable generally to similarly situated senior executives of RWB Parent and its subsidiaries.

(iv) Incentive, Savings and Retirement Plans. During the Employment Period, Executive shall be eligible to participate in all other incentive plans, policies and programs, and all savings and retirement plans, policies and programs, in each case that are applicable generally to similarly situated senior executives of RWB Parent and its subsidiaries.

(v) Welfare Benefit Plans. During the Employment Period, Executive and Executive's eligible family members shall be eligible for participation in the welfare benefit plans, practices, policies and programs (including, if applicable, medical, dental, disability, employee life, group life and accidental death insurance plans and programs) maintained by RWB Parent and its subsidiaries for their senior executives.

(vi) Expenses. During the Employment Period, Executive shall be entitled to receive prompt reimbursement for all reasonable business expenses incurred by Executive in accordance with the policies, practices and procedures of RWB provided to similarly situated senior executives of RWB; provided, that to receive reimbursement, Executive must provide written documentation of Executive's expenses and otherwise comply with RWB's expense policies in effect from time to time.

(vii) Fringe Benefits. During the Employment Period, Executive shall be entitled to such fringe benefits and perquisites as are provided by RWB Parent and its subsidiaries to their similarly situated senior executives from time to time, in accordance with the policies, practices and procedures of RWB Parent.

(viii) Vacation. During the Employment Period, Executive shall be entitled to paid vacation in accordance with the plans, policies, programs and practices of RWB Parent and its subsidiaries applicable to their similarly situated senior executives in a minimum amount of six weeks, provided that Executive has provided reasonable notice to the Board of any vacation, including the duration thereof.

Initials: ____, ____

(ix) Indemnification Agreement. On the Effective Date, RWB and Executive shall enter into an indemnification agreement in the form attached hereto as Exhibit B.

(x) Automobile. Executive shall be entitled to an automobile allowance of One Thousand Five Hundred Dollars ($1,500) per month.

(xi) Additional Agreements. As a condition to RWB entering into this Agreement, Executive shall concurrently herewith enter into a Restrictive Covenant Agreement in the form contained herewith as Exhibit C.

3. Termination of Employment.

a . Death or Disability. Executive's employment will terminate automatically upon Executive's death. Executive's employment may be terminated if Executive suffers a Disability. For purposes of this Agreement, "**Disability**" means Executive's inability by reason of physical or mental illness to fulfill his obligations hereunder for ninety (90) consecutive days or on a total of one hundred fifty (150) days in any 12-month period which, in the reasonable opinion of an independent physician selected by RWB or its insurers and reasonably acceptable to Executive or Executive's legal representative, renders Executive unable to perform the essential functions of his job, even after reasonable accommodations are made by RWB. RWB is not, however, required to make unreasonable accommodations for Executive or accommodations that would create an undue hardship on RWB.

b . Cause. RWB may terminate Executive's employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, "**Cause**" shall mean the occurrence of any one or more of the following events:

(i) Executive's willful failure to perform or gross negligence in performing Executive's duties owed to RWB, after fifteen (15) days written notice delivered to Executive by the Board, which notice specifies such failure or negligence and providing Executive an opportunity to cure;

(ii) Executive's commission of an act of embezzlement, misappropriation, or fraud, whether or not related to the performance of Executive's duties;

(iii) Executive's conviction of, or entry by Executive of a guilty or no contest plea to, any (x) felony or (y) any misdemeanor involving moral turpitude;

(iv) Executive's violation of RWB's written policies or codes of conduct, including written policies related to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct after fifteen (15) days written notice delivered to Executive by the Board, which notice specifies such breach and providing Executive an opportunity to cure (to the extent such breach is capable of cure);

(v) Executive's breach of a fiduciary duty owed to RWB after fifteen (15) days written notice delivered to Executive by the Board, which notice specifies such breach and providing Executive an opportunity to cure (to the extent such breach is capable of cure);

(vi) Executive's breach of any terms of the Restrictive Covenant Agreement attached hereto as Exhibit C (as amended or otherwise modified from time to time, the "**Restrictive Covenant Agreement**") after fifteen (15) days written notice delivered to Executive by the Board, which notice specifies such breach and providing Executive an opportunity to cure (to the extent such breach is capable of cure);

Initials: ____, ____

(vii) Executive's material breach of any of the provisions of this Agreement or any other written agreement between Executive and RWB, which is curable but is not cured within fifteen (15) days following written notice thereof from RWB;

(viii) Executive's conviction or commission of any act that renders Executive ineligible to serve as an "Owner", "Employee" or "Financial Interest Holder", within the meaning of the California Medicinal and Adult-Use Cannabis Regulations, Title 16 Division 42 of the Code of California Regulations or Title 17 Division 13 of the Code of California Regulations, or the City of San Diego Municipal Code regulations applicable to cannabis businesses, including an offense "substantially related to the qualifications, functions, or duties" of such cannabis businesses as defined therein, as determined by a final binding decision of the applicable governmental regulator;

(ix) Executive's commission of any act, or failure to act, giving rise to a material violation by Platinum Vape of the California Medicinal and Adult-Use Cannabis Regulations, Title 16 Division 42 of the Code of California Regulations or Title 17 Division 13 of the Code of California Regulations, the City of San Diego Municipal Code provisions applicable to cannabis businesses that results in any disciplinary action by the Bureau of Cannabis Control, the California Department of Public Health, the City of San Diego or any other governmental authority with jurisdiction over Platinum Vape, including but not limited to revocation, suspension lasting longer than five (5) business days, termination or involuntary cancellation of any of licenses or permits required for Platinum Vape's, RWB's or RWB Parent's business operations; or

(x) Executive engages in any commercial activities involving cannabis without the required licenses from all applicable governmental authorities, to the extent required (regardless of whether such cannabis activities involve hemp or any other type of cannabis), whether or not such activities are within the scope of Executive's employment by RWB or work for Platinum Vape.

The termination of Employment of Executive shall not be deemed to be fore Cause under any of clauses above unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of a majority of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is given to Executive and Executive is provided an opportunity to be heard before the Board), finding that, in the good faith opinion of the Board, sufficient Cause under such applicable clause exists to terminate Executive pursuant to this Section 3(b); provided, that if Executive is a member of the Board, Executive shall not participate in the deliberations regarding such resolution, vote on such resolution, nor shall Executive be counted in determining a majority or quorum of the Board.

c . Good Reason. Executive's employment may be terminated by Executive for Good Reason or without Good Reason. For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any one or more of the following events without Executive's prior written consent, unless RWB fully cures the circumstances constituting Good Reason (provided such circumstances are capable of cure) prior to the Date of Termination (as defined below):

(i) A material reduction in Executive's titles, duties, authority and responsibilities, or the assignment to Executive of any duties materially inconsistent with Executive's position, authority, duties or responsibilities without the written consent of Executive;

(ii) RWB's reduction of Executive's annual Base Salary below $500,000, unless such reduction is for no more than five percent (5%) of Executive's then current Base Salary and is part of a general reduction in Base Salary that affects all similarly situated executives in RWB's Platinum Vape division, RWB Parent and subsidiaries of RWB Parent in substantially the same proportions;

Initials: ____, ____

(iii) The relocation of Platinum Vape's headquarters to a location more than thirty five (35) miles from Platinum Vape's current headquarters in San Diego, CA; or

(iv) RWB's failure to cure a material breach of its obligations under the Agreement within fifteen (15) days after written notice is delivered to the Board by Executive which specifically identifies the manner in which Executive believes that RWB has breached its obligations under the Agreement.

d. Notice of Termination. Any termination by RWB for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 11(c) of this Agreement. For purposes of this Agreement, a "**Notice of Termination**" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by Executive or RWB to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of Executive or RWB, respectively, hereunder or preclude Executive or RWB, respectively, from asserting such fact or circumstance in enforcing Executive's or RWB's rights hereunder.

e. Date of Termination. "**Date of Termination**" means (i) if Executive's employment is terminated by RWB for Cause, or by Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein (which date shall not be more than 30 days after the giving of such notice), as the case may be, (ii) if Executive's employment is terminated by RWB other than for Cause or Disability, the Date of Termination shall be the date on which RWB notifies Executive of such termination, (iii) if Executive's employment is terminated by Executive without Good Reason, the Date of Termination shall be the thirtieth day after the date on which Executive notifies RWB of such termination, unless otherwise agreed by RWB and Executive, and (iv) if Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death or Disability of Executive, as the case may be.

4. Obligation of RWB Upon Termination.

a. Without Cause or For Good Reason. If, during the Employment Period, RWB terminates Executive's employment without Cause or Executive terminates his employment for Good Reason:

(i) Executive shall be paid (A) in one lump sum payment Executive's earned but unpaid Base Salary and accrued but unpaid vacation pay through the Date of Termination, and any fully earned but unpaid Annual Bonus required to be paid to Executive pursuant to Section 2(b)(ii) above for any fiscal year of RWB that ends on or before the Date of Termination to the extent not previously paid (collectively, the "**Accrued Obligations**"), and (B) an amount equal to the remaining Base Salary payable to Executive as salary continuation for the remainder of the Initial Term or then-current Renewal Term, as applicable, subject to all required withholding and with the first payment to Executive made on the first regularly scheduled RWB payroll date following the release agreement attached as Exhibit D becoming effective and irrevocable; provided, further, that the Accrued Obligations shall be paid when due under California law;

(ii) At the time when annual bonuses are paid to RWB's other senior executives for the fiscal year of RWB in which the Date of Termination occurs, Executive shall be paid an Annual Bonus in an amount equal to the product of (x) the amount of the Annual Bonus to which

Initials: ____, ____

Executive would have been entitled if Executive's employment had not been terminated, and (y) a fraction, the numerator of which is the number of days in such fiscal year through the Date of Termination and the denominator of which is the total number of days in such fiscal year (a "**Pro-Rated Annual Bonus**");

(iii) For a period of eighteen months following the Date of Termination, provided that Executive timely elects COBRA continuation coverage, Executive and Executive's eligible family members shall continue to be provided with group health insurance coverage at least equal to that which would have been provided to them if Executive's employment had not been terminated, and RWB shall pay the applicable COBRA premium for such eighteen- month period; provided, however, that if Executive is eligible to receive group health insurance coverage under another employer's plans, RWB's obligations under this; Section 4(a)(iii) shall terminate and any such coverage shall be reported by Executive to RWB;

(iv) All outstanding stock options, restricted stock and other equity awards granted to Executive under any of RWB's equity incentive plans (or awards substituted therefore covering the securities of a successor company) shall be modified to vest to the extent the aforementioned would have vested upon the expiration of the Initial Term or then-current Renewal Term, as applicable; and

(v) To the extent not theretofore paid or provided, RWB shall timely pay or provide to Executive any vested benefits and other amounts or benefits required to be paid or provided or which Executive is eligible to receive as of the Date of Termination under any plan, contract or agreement of RWB and its Affiliates (such other amounts and benefits shall be hereinafter referred to as the "**Other Benefits**") to which Executive is a party.

b. For Cause or Without Good Reason; Severance Conditions. If Executive's employment shall be terminated by RWB for Cause or by Executive without Good Reason during the Employment Period, RWB shall have no further obligations to Executive under this Agreement other than payment of the Accrued Obligations and pursuant to Section 7 hereof. Notwithstanding anything to the contrary, any payments to Executive or his estate contemplated in Section 4(a) or 4(c) are expressly conditioned upon Executive or his estate, as applicable, delivering an executed release in the form attached to this Agreement as Exhibit D and Executive's compliance with his obligations to RWB under the terms of the Restrictive Covenant Agreement. Executive acknowledges and agrees that RWB shall have the right to suspend any and all payments under Section 4(a) or 4(c), other than for the Accrued Obligations, in the event of Executive's breach of one or more terms of the Restrictive Covenant Agreement, and that Executive shall be obligated to repay all amounts received under Section 4(a) or 4(c), except that Executive may retain $5,000 in consideration for an effective release of claims.

c. Death or Disability. If Executive's employment is terminated by reason of Executive's death or Disability during the Employment Period:

(i) The Accrued Obligations shall be paid to Executive's estate or beneficiaries or to Executive, as applicable, when due under California law;

(ii) 100% of Executive's then-current annual Base Salary, as in effect on the Date of Termination, shall be paid to Executive's estate or beneficiaries or to Executive, as applicable, in cash when due under California law;

(iii) To the extent payable hereunder, the Pro-Rated Annual Bonus shall be paid to Executive's estate or beneficiaries or to Executive, as applicable, at the time when annual bonuses are paid to RWB's other senior executives for the fiscal year of RWB in which the Date of Termination occurs;

Initials: ____, ____

(iv) For a period of eighteen months following the Date of Termination, provided that Executive timely elects COBRA continuation coverage, Executive and Executive's eligible family members shall continue to be provided with group health insurance coverage at least equal to that which would have been provided to them if Executive's employment had not been terminated, and RWB shall pay the applicable COBRA premium for such eighteen- month period; provided, however, that if Executive is eligible to receive group health insurance coverage under another employer's plans, RWB's obligations under this Section 4(c)(iv) shall terminate, and any such coverage shall be reported by Executive to RWB; and

(v) The Other Benefits shall be paid or provided to Executive's estate or beneficiaries or to Executive, as applicable, on a timely basis.

(vi) The foregoing benefits of this Section 4(c) are contingent on the terms set forth in Section 4(b), including Executive's execution, or his estate's execution as applicable, of the release agreement attached as Exhibit D and such release becoming effective and irrevocable, and Executive's compliance with the Restrictive Covenant Agreement attached as Exhibit C.

5. Change in Control. If a Change in Control (as defined herein) occurs during the Employment Period, and the Executive's employment is terminated by RWB without Cause or by the Executive for Good Reason, in each case within one (1) year after the Effective Date of the Change in Control, then the Executive shall be entitled to the payments and benefits provided in Section 4(a), subject to the terms and conditions thereof set forth in Section 4(b). For purposes of this Agreement, "**Change in Control**" shall mean the occurrence of any of the following events:

a. Any transaction, whether effected directly or indirectly, resulting in any "person" or "group" (as those terms are defined in Sections 3(a)(9), 13(d), and 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the rules thereunder) having "beneficial ownership" (as determined pursuant to Rule 13d-3 under the Exchange Act) of securities entitled to vote generally in the election of directors ("**voting securities**") of RWB or RWB Parent that represent greater than 50% of the combined voting power of RWB's then outstanding voting securities, other than

(i) any transaction or event resulting in the beneficial ownership of voting securities by a trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by RWB or RWB Parent or any Person controlled by RWB or RWB Parent or by any employee benefit plan (or related trust) sponsored or maintained by RWB or RWB Parent or any Person controlled by RWB or RWB Parent, or

(ii) any transaction or event resulting in the beneficial ownership of voting securities by RWB or RWB Parent or a corporation owned, directly or indirectly, by the stockholders of RWB or RWB Parent in substantially the same proportions as their ownership of the stock of RWB or RWB Parent, or

(iii) any transaction or event resulting in the beneficial ownership of voting securities pursuant to a transaction described in clause (b) below that would not be a Change in Control under clause (b), or

(iv) any transaction or event resulting solely from the transfer or acquisition of the beneficial ownership of voting securities by Executive, or an Immediate Family Member or Affiliate thereof (collectively, the "**Executive's Affiliates**").

b. The consummation by RWB or RWB Parent (whether directly involving RWB or RWB Parent, or indirectly involving RWB or RWB Parent through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition

Initials: ____, ____

of all or substantially all of RWB's or RWB Parent's assets or (z) the acquisition of assets or stock of another entity, in each case, other than a transaction:

(i) which results in RWB's or RWB Parent's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of RWB or RWB Parent or the Person that, as a result of the transaction, controls, directly or indirectly, RWB or RWB Parent or owns, directly or indirectly, all or substantially all of RWB's or RWB Parent's assets or otherwise succeeds to the business of RWB or RWB Parent (RWB, RWB Parent or such person, the "**Successor Entity**")) directly or indirectly, greater than 50% of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction; or

(ii) the approval by RWB's or RWB Parent's stockholders of a liquidation or dissolution of RWB or RWB Parent.

For purposes of clause (a) above, the calculation of voting power shall be made as if the date of the acquisition were a record date for a vote of RWB's or RWB Parent's stockholders, as applicable, and for purposes of clause (c) above, the calculation of voting power shall be made as if the date of the consummation of the transaction were a record date for a vote of RWB's or RWB Parent's stockholders.

The following terms shall have the following meanings for purposes of this Section 5:

"**Affiliate**" shall mean, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with such Person. Control of any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities or other interests, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Immediate Family Member**" shall mean a natural person's estate or heirs or current spouse or former spouse, parents, parents-in-law, children (whether natural, adopted or by marriage), siblings and grandchildren and any trust or estate, all of the beneficiaries of which consist of such person or such person's spouse, or former spouse, parents, parents-in-law, children, siblings or grandchildren.

"**Person**" shall mean an individual or a corporation, partnership, Limited Liability Company, trust, unincorporated organization, association or other entity.

6 . No Offset; Attorneys' Fees and Costs. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and except as expressly provided, such amounts shall not be reduced whether or not Executive obtains other employment. If any party to this Agreement institutes any action, suit, counterclaim, appeal, or arbitration for any relief against another party, declaratory or otherwise (collectively an "**Action**"), to enforce the terms hereof or to declare rights hereunder, then the Prevailing Party in such Action shall be entitled to recover from the other party all costs and expenses of the Action, including reasonable attorneys' fees and costs (at the Prevailing Party's attorneys' then-prevailing rates) incurred in bringing and prosecuting or defending such Action. A court or arbitrator shall fix the amount of reasonable attorneys' fees and costs upon the request of either party as part of any final judgment or award in the Action. "**Prevailing Party**" within the meaning of this Section means a party who substantially prevails on its claims or defense of claims in an Action as determined by the court, arbitrator or other tribunal having jurisdiction over the Action.

7. Certain Additional Payments by RWB.

Initials: ____, ____

a. Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any Payment would be subject to the Excise Tax, then Executive shall be entitled to receive an additional payment (the "**Excise Tax Gross-Up Payment**") in an amount such that, after payment by Executive of all taxes (and any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Excise Tax Gross-Up Payment, Executive retains an amount of the Excise Tax Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

b. Subject to the provisions of Section 7(c), all determinations required to be made under this Section 7, including whether and when an Excise Tax Gross-Up Payment is required, the amount of such Excise Tax Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by such nationally recognized accounting firm as may be selected by RWB and reasonably acceptable to Executive (the "**Accounting Firm**"); provided, that the Accounting Firm's determination shall be made based upon "substantial authority" within the meaning of Section 6662 of the Code; provided, further, that Executive may waive the requirement that the determination be made by the Accounting Firm and may elect to have the determination made by RWB. The Accounting Firm shall provide detailed supporting calculations both to RWB and Executive within 15 business days of the receipt of notice from Executive that there has been a Payment or such earlier time as is requested by RWB. All fees and expenses of the Accounting Firm shall be borne solely by RWB. Any Excise Tax Gross- Up Payment, as determined pursuant to this Section 7, shall be paid by RWB to Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon RWB and Executive, unless RWB obtains an opinion of outside legal counsel, based upon at least "substantial authority" within the meaning of Section 6662 of the Code, reaching a different determination, in which event such legal opinion shall be binding upon RWB and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Excise Tax Gross-Up Payments that will not have been made by RWB should have been made (the "**Underpayment**"), consistent with the calculations required to be made hereunder. In the event RWB exhausts its remedies pursuant to Section 7(c) and Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by RWB to or for the benefit of Executive.

c. Executive shall notify RWB in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by RWB of the Excise Tax Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than 10 business days after Executive is informed in writing of such claim. Executive shall apprise RWB of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which Executive gives such notice to RWB (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If RWB notifies Executive in writing prior to the expiration of such period that RWB desires to contest such claim, Executive shall:

(i) give RWB any information reasonably requested by RWB relating to such claim;

(ii) take such action in connection with contesting such claim as RWB shall reasonably request in writing from time to-time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by RWB;

(iii) cooperate with RWB in good faith in order effectively to contest such claim; and

(iv) permit RWB to participate in any proceedings relating to such claim;

Initials: ____, ____

provided, however, that RWB shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such-contest, and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 7(c), RWB shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as RWB shall determine; provided, however, that, if RWB directs Executive to pay such claim and sue for a refund, RWB shall advance the amount of such payment to Executive, on an interest-free basis, and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such advance or with respect to any imputed income in connection with such advance; and provided, further, that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, RWB's control of the contest shall be limited to issues with respect to which the Excise Tax Gross-Up Payment would be payable hereunder, and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

d. If, after the receipt by Executive of an Excise Tax Gross-Up Payment or an amount advanced by RWB pursuant to Section 7(c), Executive becomes entitled to receive any refund with respect to the Excise Tax to which such Excise Tax Gross-Up Payment relates or with respect to such claim, Executive shall (subject to RWB's complying with the requirements of Section 7(c), if applicable) promptly pay to RWB the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by Executive of an amount advanced by RWB pursuant to Section 7(c), a determination is made that Executive shall not be entitled to any refund with respect to such claim and RWB does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Excise Tax Gross-Up Payment required to be paid.

e. Notwithstanding any other provision of this Section 7, RWB may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of Executive, all or any portion of any Excise Tax Gross-Up Payment, and Executive hereby consents to such withholding.

f. Any other liability for unpaid or unwithheld Excise Taxes shall be borne exclusively by RWB, in accordance with Section 3403 of the Code. The foregoing sentence shall not in any manner relieve RWB of any of its obligations under this Employment Agreement.

g. Definitions. The following terms shall have the following meanings for purposes of this Section 7:

(i) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(ii) "**Excise Tax**" shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(iii) "**Parachute Value**" of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such

Initials: ____, ____

Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(iv) A "**Payment**" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of Executive, whether paid or payable pursuant to this Agreement or otherwise.

(v) The "**Safe Harbor Amount**" shall mean 2.99 times Executive's "base amount," within the meaning of Section 280G(b)(3) of the Code.

(vi) "**Value**" of a Payment shall mean the economic present value of a Payment as of the date of the change of control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d)(4) of the Code.

8. Successors. This Agreement is personal to Executive and without the prior written consent of RWB shall not be assignable by Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon RWB and its successors and assigns.

9. 409A Provision. For purposes of this Agreement the term "termination of employment" and similar terms relating to the termination of employment mean a "separation from service" as that term is defined under Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations issued thereunder ("**Section 409A**"). The parties intend that this Agreement comply in form and operation with or be exempt from the requirements of Section 409A. To the extent permitted by applicable Department of Treasury/Internal Revenue Service guidance, or law or regulation, the parties will take reasonable actions to reform this Agreement or any actions taken pursuant to their operation of this Agreement in order to comply with or be exempt from Section 409A. Each payment made under this Agreement shall be treated as a separate payment for purposes of Section 409A. All reimbursements under this Agreement shall be made on or prior to the last day of the taxable year following the taxable year in which the expenses being reimbursed were incurred; any right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit; and no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year. Notwithstanding any other provision of this Agreement, in no event shall RWB be liable for any additional tax, interest or penalty imposed upon or other detriment suffered by Executive under Section 409A or for any damages suffered by him for any failure of any provision of this Agreement to be exempt from or to comply with Section 409A.

10. Chula Vista. Employee hereby agrees to permit RWB and Platinum Vape to transfer operations from Platinum Vape's Convoy facility in San Diego, California to 3517 Main St., Suites C301 & C302, Chula Vista, CA (the "**Chula Vista Property**"), which is owned by Executive or one or more of his Affiliates, subject to a lease to be agreed upon between Employee and Platinum Vape prior to the Closing. If Platinum Vape does not transfer operations to the Chula Vista Property pursuant to the lease or later vacates the Chula Vista Property, Executive and/or his Affiliates may sell or lease the Chula Vista Property and related cannabis license(s) to an unaffiliated third party in accordance with the Restrictive Covenant Agreement.

11. Miscellaneous.

a. Representation by Counsel; Assent to Choice of Law and Forum Selection. Executive acknowledges that Executive has had a full and complete opportunity to consult with counsel and other advisors of Executive's own choosing concerning the terms, enforceability and

Initials: ____, ____

implications of this Agreement, that Executive was in fact represented by counsel and consulted with counsel in the drafting and execution of this Agreement, and that RWB has not made any representations or warranties to Executive concerning the terms, enforceability or implications of this Agreement other than as reflected in this Agreement. Executive, having consulted with counsel, expressly agrees to the provisions of this Agreement providing for an arbitral forum outside of the State of California and for the application of the law of the State of Delaware to this Agreement rather than the law of the State of California.

b. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

c . Arbitration. To the fullest extent allowed by law, any controversy, claim or dispute between Executive and RWB (and/or any of its owners, directors, officers, employees, Affiliates, or agents) relating to or arising out of Executive's employment or the cessation of that employment will be submitted to final and binding arbitration in the County of Wayne, State of Michigan, for determination in accordance with the American Arbitration Association's (" **AAA**") National Rules for the Resolution of Employment Disputes, as the exclusive remedy for such controversy, claim or dispute. In any such arbitration, the parties may conduct discovery in accordance with the applicable rules of the arbitration forum, except that the arbitrator shall have the authority to order and permit discovery as the arbitrator may deem necessary and appropriate in accordance with applicable state or federal discovery statutes. The arbitrator shall issue a reasoned, written decision, and shall have full authority to award all remedies which would be available in court. The parties shall share the filing fees and arbitrator's fees required for the arbitration. The award of the arbitrator shall be final and binding upon the parties and may be entered as a judgment in any Michigan court of competent jurisdiction and the parties hereby consent to the exclusive jurisdiction of the courts of Michigan. Possible disputes covered by the above include (but are not limited to) unpaid wages, breach of contract, torts, violation of public policy, discrimination, harassment, or any other employment-related claims under laws including but not limited to, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, the California Labor Code, and any other statutes or laws relating to an employee's relationship with his/her employer, regardless of whether such dispute is initiated by the employee or RWB. However, notwithstanding anything to the contrary contained herein, RWB and Executive shall have their respective rights to seek and obtain injunctive relief with respect to any controversy, claim or dispute to the extent permitted by law. Claims for workers' compensation benefits and unemployment insurance (or any other claims where mandatory arbitration is prohibited by law) are not covered hereunder and such claims may be presented by either Executive or RWB to the appropriate court or government agency. BY AGREEING TO THIS BINDING ARBITRATION PROVISION, BOTH EXECUTIVE AND RWB GIVE UP ALL RIGHTS TO TRIAL BY JURY.

d . Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive: at Executive's most recent address on the records of RWB

If to RWB:

Initials: ____, ____

810-789 West Pender Street
Vancouver, British Columbia
Canada, V6C 1H2
With a copy sent to:
Honigman LLP
660 Woodward Avenue
2290 First National Building
Detroit, Michigan 48226
Attn: Kim A. Dudek
Email: [REDACTED]

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

e. Sarbanes-Oxley Act of 2002. Notwithstanding anything herein to the contrary, if RWB determines, in its good faith judgment, that any transfer or deemed transfer of funds hereunder is likely to be construed as a personal loan prohibited by Section 13(k) of the Exchange Act and the rules and regulations promulgated thereunder, then such transfer or deemed transfer shall not be made to the extent necessary or appropriate so as not to violate the Exchange Act and the rules and regulations promulgated thereunder.

f. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. In the event any provision or term hereof is deemed to have exceeded applicable legal authority or shall be in conflict with applicable legal limitations, such provision shall be reformed and rewritten as necessary to achieve consistency and compliance with such applicable law.

g. Withholding. RWB may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation. In addition, notwithstanding any other provision of this Agreement, RWB may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of Executive, all or any portion of any Excise Tax Gross-Up Payment and Executive hereby consents to such withholding.

h. No Waiver. Executive's or RWB's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Executive or RWB may have hereunder, including, without limitation, the right of Executive to terminate employment for Good Reason pursuant to Section 3(c) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

i. Entire Agreement. As of the Effective Date, this Agreement, the Indemnity Agreement , the Restrictive Covenant Agreement, each of which is being entered into between the parties concurrently herewith, and any equity award agreements entered into between RWB and Executive, constitute the final, complete and exclusive agreement between Executive and RWB with respect to the subject matter hereof and replaces and supersedes any and all other agreements, offers or promises, whether oral or written, made to Executive by RWB or any representative thereof.

j. Counterparts. This Agreement may be executed simultaneously in two counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

[remainder of page intentionally left blank]

Initials: ____, ____

Initials: ____, ____

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand and, pursuant to the authorization from the Board, RWB has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

EXECUTIVE	**RWB PLATINUM VAPE INC.**
_____	By: _____
Name: George Sadler	Name: Brad Rogers Title: Chief Executive Officer

Initials: ____, ____

EXHIBIT "A" PLATINUM
VAPE ENTITIES

Entity Name
Vista Prime Management, LLC, a California limited liability company
GC Ventures 2, LLC, a Michigan LLC
Vista Prime 3, Inc. a California corporation
PV CBD LLC, a California limited liability company
Vista Prime 2, Inc., a California corporation

Initials: ____, ____

EXHIBIT "B" INDEMNITY AGREEMENT

This Indemnity Agreement ("**Agreement**") is made and entered into this ___day of _____, 2020, by and between RWB Platinum Vape Inc., a California corporation (the "**Company**"), and the undersigned employee ("**Employee**").

RECITALS

WHEREAS, Employee performs a valuable service to the Company and entities in its Platinum Vape division ("**Platinum Vape**").

WHEREAS, in order to induce Employee to continue to serve the Company, the Company has determined and agreed to enter into this Agreement with Employee.

NOW, THEREFORE, in consideration of Employee's continued service after the date hereof, the parties hereto agree as follows:

AGREEMENT

1. Indemnity of Employee. The Company hereby agrees to hold harmless and indemnify Employee to the fullest extent authorized or permitted by the provisions of the Bylaws and applicable law against any and all reasonably incurred expenses (including attorneys' fees), witness fees, damages, judgments, fines and amounts paid in settlement and any other amounts that Employee becomes legally obligated to pay because of any claim or claims made against or by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, arbitrational, administrative or investigative (including an action by or in the right of the Company) to which Employee is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Employee is, was or at any time becomes a director, officer, Employee or other agent of Company, or is or was serving or at any time serves at the request of the Company as a director, officer, employee or other agent of another corporation, partnership, joint venture, trust, Employee benefit plan or other enterprise.

2. Limitations on Indemnity. No indemnity shall be paid by the Company:

(a) on account of Employee's conduct that is established by a final judgment as knowingly unlawful, fraudulent or deliberately dishonest or that constituted gross negligence or willful misconduct;

(b) for which payment is actually made to Employee under a valid and collectible insurance policy or under a valid and enforceable indemnity clause, bylaw or agreement, except in respect of any excess beyond payment under such insurance, clause, bylaw or agreement; or

(c) if indemnification is not lawful.

3. Continuation of Indemnity. All agreements and obligations of the Company contained herein shall continue during the period Employee is a director, officer, Employee or other agent of the Company (or is or was serving at the request of the Company as a director, officer, Employee or other agent of another corporation, partnership, joint venture, trust, Employee benefit plan or other enterprise) and shall continue thereafter so long as Employee shall be subject to any possible claim or threatened, pending or completed

Initials: ____, ____

action, suit or proceeding, whether civil, criminal, arbitrational, administrative or investigative, by reason of the fact that Employee was serving in the capacity referred to herein.

4. Partial Indemnification. Employee shall be entitled under this Agreement to indemnification by the Company for a portion of reasonably incurred expenses (including attorneys' fees), witness fees, damages, judgments, fines and amounts paid in settlement and any other amounts that Employee becomes legally obligated to pay in connection with any action, suit or proceeding referred to in Section 1 hereof even if not entitled hereunder to indemnification for the total amount thereof, and the Company shall indemnify Employee for the portion thereof to which Employee is entitled.

5. Notification and Defense of Claim. Not later than thirty (30) days after receipt by Employee of notice of the commencement of any action, suit or proceeding, Employee will, if a claim in respect thereof is to be made against the Company under this Agreement, notify the Company of the commencement thereof; but the omission so to notify the Company will not relieve it from any liability which it may have to Employee otherwise than under this Agreement. With respect to any such action, suit or proceeding as to which Employee notifies the Company of the commencement thereof:

(a) the Company will be entitled to participate therein at its own expense;

(b) except as otherwise provided below, the Company may, at its option and jointly with any other indemnifying party similarly notified and electing to assume such defense, assume the defense thereof, with counsel reasonably satisfactory to Employee. After notice from the Company to Employee of its election to assume the defense thereof, the Company will not be liable to Employee under this Agreement for any legal or other expenses subsequently incurred by Employee in connection with the defense thereof except for reasonable costs of investigation or otherwise as provided below. Employee shall have the right to employ separate counsel in such action, suit or proceeding but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Employee unless (i) the employment of counsel by Employee has been authorized by the Company, (ii) Employee shall have reasonably concluded, and so notified the Company, that there is an actual conflict of interest between the Company and Employee in the conduct of the defense of such action or (iii) the Company shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of Employee's separate counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Company or as to which Employee shall have made the conclusion provided for in clause (ii) above; and

(c) the Company shall not be liable to indemnify Employee under this Agreement for any amounts paid in settlement of any action or claim affected without its written consent, which shall not be unreasonably withheld. The Company shall be permitted to settle any action except that it shall not settle any action or claim in any manner which would impose any penalty or limitation on Employee without Employee's written consent, which may be given or withheld in Employee's sole discretion.

6. Expenses. The Company shall advance, prior to the final disposition of any proceeding, promptly following request therefore, all expenses incurred by Employee in connection with such proceeding upon receipt of an undertaking by or on behalf of Employee to repay said amounts if it shall be determined ultimately that Employee is not entitled to be indemnified under the provisions of this Agreement, the Bylaws, applicable law or otherwise.

7. Enforcement. Any right to indemnification or advances granted by this Agreement to Employee shall be enforceable by or on behalf of Employee in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefore. Employee, in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. It shall be a defense to any action for which a claim for indemnification is made under Section 1 hereof (other than an action brought to enforce a claim for expenses pursuant to Section 6 hereof, *provided that* the required undertaking has been tendered to

Initials: ____, ____

the Company) that Employee is not entitled to indemnification because of the limitations set forth in Section 2 hereof. Neither the failure of the Company (including its board of directors or its stockholders) to have made a determination prior to the commencement of such enforcement action that indemnification of Employee is proper in the circumstances, nor an actual determination by the Company (including its board of directors or its stockholders) that such indemnification is improper shall be a defense to the action or create a presumption that Employee is not entitled to indemnification under this Agreement or otherwise.

8. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Employee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

9. Non-Exclusivity of Rights. The rights conferred on Employee by this Agreement shall not be exclusive of any other right which Employee may have or hereafter acquire under any statute, provision of the Company's Articles of Incorporation or Bylaws, agreement, vote of stockholders or directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding office.

10. Survival of Rights.

(a) The rights conferred on Employee by this Agreement shall continue after Employee has ceased to be a director, officer, Employee or other agent of the Company or to serve at the request of the Company as a director, officer, Employee or other agent of another corporation, partnership, joint venture, trust, Employee benefit plan or other enterprise and shall inure to the benefit of Employee's heirs, executors and administrators.

(b) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

11. Severability. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof. Furthermore, if this Agreement shall be invalidated in its entirety on any ground, then the Company shall nevertheless indemnify Employee to the fullest extent provided by applicable law.

12. Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Delaware.

13. Amendment and Termination. No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

14. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute but one and the same Agreement. Only one such counterpart need be produced to evidence the existence of this Agreement.

15. Headings. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

16. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) upon delivery if delivered by hand to the party to whom such communication was directed or (ii) upon the third business day after the date on which such communication

Initials: ____, ____

was mailed if mailed by certified or registered mail with postage prepaid to the parties address of record, or to such other address as may have been furnished to Employee by the Company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

RWB PLATINUM VAPE INC.

By: Brad Rogers, Chief Executive Officer

EMPLOYEE

George Sadler

Initials: ____, ____

EXHIBIT "C" RESTRICTIVE COVENANT AGREEMENT

This Restrictive Covenant Agreement (this "**Agreement**") is dated as of __day of _____, 2020 by and between, RWB Platinum Vape Inc., a California corporation ("**RWB**"), and George Sadler ("**Executive**").

WHEREAS, concurrently with the execution of this Agreement, RWB and Executive have entered into (i) an Employment Agreement, pursuant to which RWB has agreed to employ Executive, and Executive has agreed to be employed by RWB (the "**Employment Agreement**") and (ii) an Indemnity Agreement (the "**Indemnity Agreement**");

WHEREAS, RWB and Executive agree that, in connection with the execution of the Employment Agreement and Executive's employment, Executive will not engage in Competition with Platinum Vape pursuant to the terms and conditions hereof; and

WHEREAS, capitalized terms used herein without definition shall have the meanings ascribed thereto in the Employment Agreement.

NOW, THEREFORE, in furtherance of the foregoing and in exchange for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Restrictive Covenants.
   (a) Noncompetition. During the Employment Period and for two (2) years thereafter, Executive shall not engage in Competition (as defined below) with RWB or any of its Affiliates. The term "**Competition**" for purposes of this Agreement shall mean the taking of any of the following actions by Executive in any state in the United States where Platinum Vape operates: (i) the conduct of, directly or indirectly (including, without limitation, engaging in, assisting or performing services for), any business that engages in any activity which is directly competitive with the business of Platinum Vape, whether such business is conducted by Executive individually or as principal, partner, officer, director, consultant, security holder, creditor, employee, stockholder, member or manager of any person, partnership, corporation, limited liability company or any other entity; and/or (ii) ownership of interests in any business which is competitive, directly or indirectly, with any business carried on by Platinum Vape (or any successor thereto) or its Affiliates. Notwithstanding the foregoing, it is specifically agreed that Executive may devote time and attention to other activities that do compete with Platinum Vape outside the states in which it operates or those that do interfere with his obligations, duties and responsibilities to Platinum Vape (e.g. Executive may (A) own and rent real estate used for any purpose; (B) own or operate cannabis businesses that do not manufacture or distribute cannabis vape products, license technology, brands, processes or any other intellectual property involving cannabis vape products or provide services to any person or entity involving cannabis vape products in states where Platinum Vape has operations; or (C) own or operate any non-cannabis business in any jurisdiction). Notwithstanding the foregoing, RWB agrees that Executive may directly or through his Affiliates (i) own the Chula Vista Property referenced in Section 10 of Executive's Employment Agreement with RWB, lease or sell the Chula Vista Property to a business that competes with Platinum Vape and RWB; provided that Executive is unaffiliated with the lessee/buyer, and license or sell the cannabis license/entitlements being applied for by C.S. Designs, Inc., a California corporation, for the Chula Vista Property, each subject to RWB's election to have Platinum Vape occupy the Chula Vista Property in accordance with Section 10 of Executive's Employment Agreement with RWB, and (ii) own the real property located at 31875
   Corydon Rd, Suite 140, Lake Elsinore, CA (the "**Lake Elsinore Property**"), lease, license or sell the Lake Elsinore Property to a business that competes with Platinum Vape and/or RWB; provided that Executive is unaffiliated with the lessee/buyer, license or sell the cannabis license/CUP/ entitlements being applied for by Vista Prime Management, LLC, a California limited liability

Initials: ____, ____

company, for the Lake Elsinore Property that are to be transferred to an Affiliate of Executive, and operate a cannabis micro business at the Lake Elsinore Property; provided such business does not include the manufacture or distribution of cannabis vape products (retail sales of cannabis vape products are permitted).

(b) Nonsolicitation. During the Employment Period and for two (2) years thereafter, Executive shall not, directly or indirectly, (i) solicit the employment of or employ any person who is an employee and was an employee during the final twelve (12) months of the Employment Period or (ii) call on, solicit or service any supplier, licensee, licensor or other business relation of RWB or any of its Affiliates in order to induce or attempt to induce such Person to cease doing or decrease their business with RWB or any of its Affiliates, or in any way negatively interfere with the relationship between any such supplier, licensee, licensor or other business relation of RWB or any of its Affiliates.

(c) Nondisclosure. Executive shall not disclose, copy, communicate, distribute, reveal or use any trade secrets, proprietary information or other Confidential Information concerning RWB or any of its Affiliates or any of their customers, except as Executive's duties to RWB or any of its Affiliates may require during Executive's employment with RWB or any of its Affiliates. The term "**Confidential Information**" for purposes of this Agreement means non-public, confidential, proprietary or trade secret information relating to, regarding, or known or used by, RWB or any of its Affiliates including, without limitation, any of the following: all confidential advertiser information, pricing information, discounts, financial plans, strategic business plans, client information, lead and lead source information and arrangements, supplier information, computer programs, business processes and methods, website information and performance plans, security systems, financial data, information and plans, litigation, audits, investigations, financing arrangements, personnel, salaries and other compensation, advertising practices and procedures, scripting techniques, and materials related thereto. If ordered by a court of competent jurisdiction to disclose Confidential Information, Executive must provide written notice to the RWB of such order immediately and cooperate with it in seeking confidentiality safeguards.

(d) Nondisparagement. Executive shall not make any statement or any other expressions on television, radio, the internet or other media or to any third party which are in any way disparaging of Platinum Vape, RWB, or any of their respective Affiliates. RWB and its Affiliates shall not make any statement or any other expressions on television, radio, the internet or other media or to any third party which are in any way disparaging of Executive or any of his Affiliates. The foregoing does not prohibit either party or its Affiliates from providing truthful testimony or other statements in any (i) court proceeding or arbitration, including any hearing, deposition, trial or appeal, or (ii) mediation or other formal dispute resolution process, provided that such testimony or statements must be made solely in the course of such proceedings, arbitration or dispute resolution process and are not independently publicized or stated by the party or its Affiliates to any third party.

2. IP Assignment. Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, patent applications, copyrightable work and mask work (whether or not including any Confidential Information) and all registrations or applications related thereto, all other proprietary information and all similar or related information (whether or not patentable) which relate to RWB's or any of its Affiliates' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by Executive (whether alone or jointly with others) while employed by RWB or any of its Affiliates ("**Work Product**"), belong to RWB, and Executive hereby assigns, and agrees to assign, all of the above Work Product to RWB. Executive and RWB understand and acknowledges that Work Product does not include, and any provision in this Agreement requiring Executive to assign (or otherwise providing for ownership by RWB of) rights to an invention does not

Initials: ____, ____

apply to, any invention that Executive develops entirely on his or her own time without using RWB's or its Affiliates' equipment, supplies, facilities, or trade secret information, except for those inventions that either (i) relate at the time of conception or reduction to practice of the invention to RWB's business, or actual or demonstrably anticipated research or development of RWB or (ii) result from any work performed by Executive for RWB or its Affiliates. During and after the Employment Period, Executive agrees to reasonably cooperate with RWB to apply for, obtain, perfect, and transfer to RWB the Work Product as well as any and all intellectual property rights in the Work Product, at RWB's expense. For the avoidance of doubt, Work Product shall not include any inventions that qualify fully for exclusion under the provisions of California Labor Code Section 2870, which states as follows:

> (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:
>
> (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
>
> (2) Result from any work performed by the employee for the employer.
>
> (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

3. Specific Performance. Executive acknowledges that in the event of breach or threatened breach by Executive of the terms of Section 1 hereof, RWB could suffer significant and irreparable harm that could not be satisfactorily compensated in monetary terms, and that the remedies at law available to RWB may otherwise be inadequate and RWB shall be entitled, in addition to any other remedies to which it may be entitled to under law or in equity, to specific performance of this Agreement by Executive including the immediate ex parte issuance, without bond, of a temporary restraining order enjoining Executive from any such violation or threatened violation of Section 1 hereof and to exercise such remedies cumulatively or in conjunction with all other rights and remedies provided by law and not otherwise limited by this Agreement. Executive hereby acknowledges and agrees that RWB shall not be required to post bond as a condition to obtaining or exercising any such remedies, and Executive hereby waives any such requirement or condition.

4. Reasonableness of Covenants. Executive agrees that all of the covenants contained in this Agreement are reasonably necessary to protect the legitimate interests of RWB and its Affiliates, are reasonable with respect to time and territory and that he has read and understands the descriptions of the covenants so as to be informed as to their meaning and scope.

5. Attorneys' Fees. If any legal action, arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach or default in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover attorneys' fees and costs as set forth in the Employment Agreement.

6. No Alteration of Employment Status. The execution of this Agreement shall not be construed in any manner to alter Executive's employment with RWB as provided in the Employment Agreement.

7. Effect of Waiver. The waiver by either party of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach thereof or as a waiver of any other provision of this Agreement. The remedies set forth herein are nonexclusive and are in addition to any other remedies that RWB may have at law or in equity.

Initials: ____, ____

8. Severability. Any provision of this Agreement which is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this paragraph, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that any other provisions of this Agreement invalid, illegal or unenforceable in any other jurisdiction. Notwithstanding the foregoing, if any provision of this Agreement should be deemed invalid, illegal or unenforceable because its scope or duration is considered excessive, such provision shall be modified so that the scope of the provision is reduced only to the minimum extent necessary to render the modified provision valid, legal and enforceable.

9. Blue-Pencil. If any court of competent jurisdiction shall at any time deem the term of any particular restrictive covenant contained in this Agreement too lengthy or the geographic area covered too extensive, the other provisions of this Agreement shall nevertheless stand, the applicable term shall be deemed to be the longest period permissible by law under the circumstances and geographic area covered shall be deemed to comprise the largest territory permissible by law under the circumstances. The court in each case shall reduce the term and/or geographic area covered to permissible duration or size.

10. Representation by Counsel; Consent to Choice of Law and Forum Selection. Executive acknowledges that Executive has had a full and complete opportunity to consult with counsel and other advisors of Executive's own choosing concerning the terms, enforceability and implications of this Agreement, that Executive was in fact represented by counsel and consulted with counsel in the drafting and execution of this Agreement, and that RWB has not made any representations or warranties to Executive concerning the terms, enforceability or implications of this Agreement other than as reflected in this Agreement. Executive, having consulted with counsel, expressly agrees to the provisions of this Agreement providing for an arbitral forum outside of the State of California and for the application of the law of the State of Delaware to this Agreement rather than the law of the State of California.

11. Governing Law; Arbitration. This Agreement shall be governed, construed, interpreted and enforced in accordance with the laws of the State of Delaware, without regard to the conflict of laws principles thereof. The parties irrevocably elect as the sole judicial forum for the adjudication of any matters relating to or arising out of this Agreement, and consent to the exclusive jurisdiction of, the federal and state courts of the State of Michigan. The parties further agree that any dispute arising out of or relating to this Agreement shall be subject to the mandatory arbitration terms of the Employment Agreement.

12. Entire Agreement. This Agreement, together with the Employment Agreement, the Indemnity Agreement and any equity award agreements between Executive and RWB, contains the entire agreement and understanding between RWB and Executive with respect to the subject matter hereof, and no representations, promises, agreements or understandings, written or oral, not herein or therein contained shall be of any force or effect.

13. Assignment. This Agreement may not be assigned by Executive, but may be assigned by RWB to any successor to its business and will inure to the benefit of and be binding upon any such successor.

14. Notice. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive: at Executive's most recent address on the records of RWB,

If to RWB:

Initials: ____, ____

810-789 West Pender Street
Vancouver, British Columbia
Canada, V6C 1H2
With a copy sent to:
Honigman LLP
660 Woodward Avenue
2290 First National Building
Detroit, Michigan 48226
Attn: Kim A. Dudek
Email: [REDACTED]

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

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

16. Amendments. No amendment or modification to this Agreement shall be valid unless in writing signed by Executive and an authorized officer of RWB.

17. Termination. This Agreement, and Executive's obligations herein, shall terminate and be of no force or effect upon Executive's termination of the Securities Purchase Agreement between, inter alia, Executive and RWB, due to RWB's failure to pay the second payment (as defined in the Securities Purchase Agreement).

18. Executive's Acknowledgment. Executive acknowledges (a) that he has had the opportunity to consult with independent counsel of his own choice concerning this Agreement, and (b) that he has read and understands this Agreement, is fully aware of its legal effect, and has entered into it freely based on his own judgment.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

EXECUTIVE

_____
Name: George Sadler

RWB PLATINUM VAPE INC.

By: _____
Name: Brad Rogers
Title: Chief Executive Officer

Initials: ____, ____

EXHIBIT "D"
RELEASE OF CLAIMS

This Release Agreement ("**Agreement**") is made effective in accordance with Section 4 below, by and between RWB Platinum Vape Inc. ("**RWB**" or the "**Company**") and George Sadler (the "**Executive**").

1. **Employment Agreement**. Executive understands and agrees that this Agreement is entered into in consideration for certain severance benefits and other promises made by the Company pursuant to Sections 4(a) and 4(c) of the Employment Agreement that Executive executed with the Company (the "**Employment Agreement**"), and that Executive is not entitled to receive any severance benefits unless and until this Agreement has become effective and irrevocable pursuant to Section 4, below.

2 . **Release of Claims and Rights.** Executive, on behalf of himself and all of his heirs, family members, executors, accountants, administrators, attorneys, agents, assigns, successors and representatives, fully and forever releases, acquits and discharges the Company and all of its affiliates, successors, predecessors, assigns, parents, subsidiaries, divisions (whether incorporated or unincorporated), and all of its and their past and present owners, directors, officers, trustees, employees and agents (in their individual and representative capacities) (collectively, the "**Released Parties**") from and for all manner of claims, actions, suits, charges, grievances and/or causes of action, in law or in equity, existing by reason of and/or based upon any fact or set of facts, known or unknown, existing from the beginning of time through the date Executive signs this Agreement, whether known or unknown, suspected or unsuspected. For illustration purposes, the released claims include, but are not limited to, all claims and actions for or related to breach of implied or express contract; promissory estoppel; conversion; invasion of privacy; intentional infliction of emotional distress; negligence; fraud; defamation; wrongful discharge; discrimination; harassment; public policy violation; retaliation; any other claim or cause of action Seaman may have under the Age Discrimination in Employment Act ("**ADEA**"), the Older Workers Benefit Protection Act ("**OWBPA**"), Title VII of the Civil Rights Act, the Family and Medical Leave Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, the Equal Pay Act, the Employee Retirement Income Security Act, the Civil Rights Act of 1991, Section 1981 of U.S.C. Title 42, the Worker Adjustment and Retraining Notification Act, the Whistleblower Protection Act, the California Labor Code, the California Fair Employment and Housing Act (as amended), and any other federal, state, or local statute or law; and any claim or recovery for any type of damages, compensation, bonus, attorneys' fees, costs, or other relief that is or may be available to Executive. Executive acknowledges and agrees that the release contained in this Section 2 is intended to and shall be construed broadly to release any and all claims which Executive may have against the Released Parties, including, but not limited to, relating to and/or arising out of Executive's employment and/or the cessation of his employment with any of the Released Parties and/or otherwise. To the fullest extent permitted by law, Executive will not take any action that is contrary to the promises he has made in this Agreement.

3. **Covenant Not to Sue; Exclusions**.

(a) To the fullest extent permitted by law, Executive agrees not to file or initiate a lawsuit in any court or initiate an arbitration proceeding asserting any of the claims released pursuant to this Agreement. Executive further agrees that Executive will not permit himself to be a member of any class action and/or collective action in any court or in any arbitration proceeding seeking relief based on any claims released pursuant to this Agreement. Further, while nothing in this Agreement precludes Executive from filing a charge with a governmental or administrative agency or participating in any investigation, hearing, or proceeding of such agency, Executive agrees that (except as to possible whistleblower awards from the Securities and Exchange Commission), he will not be entitled to any personal relief or money damages arising out of such claims, whether pursued by him or any governmental agency, other person or group.

Initials: ____, ____

(b) Notwithstanding the foregoing, by signing this Agreement, Executive is not giving up: (i) any rights to vested benefits, such as pension or retirement benefits, the rights to which are governed by the terms of the applicable plan documents and award agreements; (ii) claims or rights that cannot be waived by operation of law, such as claims for unemployment compensation or workers' compensation benefits; (iii) claims to enforce this Agreement; or (iv) any monetary award offered by the Securities and Exchange Commission pursuant to Section 21F of the Securities Exchange Act of 1934.

4. **ADEA Notice.** Executive acknowledges that he is waiving and releasing any claims he may have under the ADEA, the OWBPA and otherwise, and that this waiver and release is knowing and voluntary. Executive is advised to consult with an attorney who is not affiliated with any of the Released Parties before signing this Agreement. Executive has twenty-one (21) days from the date he receives this Agreement to consider this Agreement. Executive may knowingly and voluntarily waive all or part of this 21-day period by signing and returning this Agreement to the Company, per the notice provisions of the Employment Agreement, prior to the expiration of the 21-day period. In the event that this Agreement is signed and delivered, Executive has a period of seven (7) days from the signature date to revoke this Agreement. Any revocation shall be made in writing by Executive and delivered to the Company, per the notice provisions of the Employment Agreement, within the 7-day revocation period. This Agreement will become effective and enforceable only after the revocation period has expired, without any revocation having been communicated, and the day following the expiration of the revocation period will be the "**Effective Date**" of this Agreement.

5. **Unknown Claims; Section 1542**. It is the intent of the parties that this Agreement shall be effective as a full and final accord and satisfaction and release of all released claims, whether known or unknown, as set forth above. In furtherance of this intention, Executive acknowledges familiarity with Section 1542 of the Civil Code of the State of California ("**Section 1542**"), which provides as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

Executive expressly waives and releases any right or benefit which he may have under Section 1542 to the fullest extent that he may waive all such rights and benefits pertaining to the matters released in this Agreement. It is the intent of the parties, through this Agreement and with the advice of counsel, to fully, finally and forever settle and release all claims Executive may have against the Released Parties, whether known or unknown.

6. **Confidentiality of Agreement.** Except as may be required by law, Executive will not in any manner disclose or communicate the existence of or any part of this Agreement to any other person except his spouse, his accountant or financial advisor to the limited extent needed for that person to prepare Executive's tax returns, and his attorney. If Executive is required by law to disclose any of the terms of this Agreement, he must immediately provide written notice of that fact to the Company, enclose a copy of the subpoena and any other documents describing the legal obligation, and cooperate with the Company in objecting to such request and/or seeking confidentiality protections.

7. **Non-Admission of Liability**. The parties wish to resolve all disputes amicably and without additional costs and expenses. Nothing in this Agreement shall be construed as an admission of liability by any party or any Released Parties.

8. **Adequacy of Consideration.** Executive acknowledges that the Company's promises set forth throughout this Agreement and Sections 4(a) and 4(c) of the Employment Agreement would not be provided unless Executive signed this Agreement and are each separate and adequate consideration for this Agreement, including Executive's release of claims.

Initials: ____, ____

9. **Non-Assistance.** To the fullest extent permitted by law, Executive will not cooperate with, or assist in, any claim, charge, lawsuit, investigation or arbitration against any of the Released Parties, unless required to do so by a lawfully issued subpoena, by court order or as expressly provided by regulation or statute. If Executive is served with a subpoena or is required by court order or otherwise to testify or produce documents in any type of proceeding involving any of the Released Parties, he must immediately advise the Company of same and cooperate with the Company in objecting to such request and/or seeking confidentiality protections.

10. **Binding Agreement; Assignment.** Except as otherwise provided herein, this Agreement will be binding upon and inure to the benefit of the parties' respective successors, permitted assigns and transferees, personal representatives, heirs and estates, as the case may be; provided, however, that Executive's rights and obligations under this Agreement may not be assigned without the prior written consent of the Company.

11. **Choice of Law; Attorneys' Fees; Arbitration.** This Agreement and the rights and obligations of the parties hereunder will be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, excluding any such laws that direct the application of the laws of any other jurisdiction. The Released Parties are intended third party beneficiaries of Executive's obligations under this Agreement. In any action in which any of the Released Parties seeks to enforce this Agreement, in addition to available legal and equitable damages, it will be entitled to recover from Executive its reasonable attorneys' fees and costs associated with such action. Any and all disputes related to or arising out of this Agreement shall be subject to the mandatory arbitration provisions of the Employment Agreement as though expressly incorporated herein.

12. **Return of Severance Benefits**. In addition to any other legal and/or equitable remedies, if it is judicially determined that Executive has breached this Agreement or any other contractual or legal obligation Executive owes to any of the Released Parties, then the Company shall be entitled to suspend payment of the severance benefits set forth in Sections 4(a) and 4(d) of the Employment Agreement and Executive will be required to repay all severance benefits as set forth in Sections 4(a) and 4(d) of the Employment Agreement, provided that he may retain $5,000. The exercise and/or availability of such remedy will not affect the validity of the release and other obligations of Executive as set forth in this Agreement or otherwise, nor will they limit the other legal and/or equitable remedies otherwise available to any of the Released Parties.

13. **Interpretation; Severability.** This Agreement shall be enforceable to the fullest extent permitted by law. If any provision is held to be unenforceable, then such provision will be construed or revised in a manner so as to permit its enforceability to the fullest extent permitted by applicable law. If such provision cannot be reformed in that manner, such provision will be deemed to be severed from this Agreement, but every other provision of this Agreement will remain in full force and effect.

14. **Section 409A**. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations issued thereunder ("**Section 409A**"), or an exemption under Section 409A and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under or in connection with the execution of this Agreement will be made in a manner that complies with Code Section 409A or an applicable exemption.

15. **Entire Agreement.** This Agreement reflects the entire agreement of the parties relative to the subject matter hereof, and supersedes all prior, contemporaneous, oral or written understandings, agreements, statements, representations or promises regarding the subject matter hereof. For the avoidance of doubt, this Agreement does not supersede any post-termination obligations of Executive under the Employment Agreement, or any restrictive covenant agreement between Executive or any other Released Party, including but not limited to the Restrictive Covenant Agreement between RWB and Executive executed contemporaneously with the Employment Agreement. This Agreement may not be amended, modified, waived or terminated except in a writing signed by Executive and the Company's signatory to this Agreement. Further, the waiver by a party of a breach of any provision of this Agreement by the other will

Initials: ____, ____

not operate or be construed as a waiver of any subsequent breach of the same or other provision of this Agreement.

16. **Executive's Acknowledgment.** Executive represents that he has fully read and understands the meaning and application of this Agreement and all exhibits thereto; that he is not relying on any representation, statement, and/or promise not set forth in this Agreement; that the Company and Released Parties have advised him/her to consult with independent legal counsel; and that Executive is signing this Agreement of his/her own free will.

The parties hereto confirm their agreement by the signatures shown below.

EXECUTIVE	**RWB PLATINUM VAPE INC.**
_____	By: _____
Name: George Sadler	Name: Brad Rogers Title: Chief Executive Officer

Initials: ____, ____

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "**Agreement**"), is made this __day of _____, 2020 (the "**Effective Date**") and is entered into by and between RWB Platinum Vape Inc., a California corporation ("**RWB**"), and Cody Sadler ("**Executive**").

WHEREAS, RWB, Red White & Bloom Brands Inc. ("**RWB Parent**"), Executive, George Sadler and Platinum Vape (as defined therein) ("**Platinum Vape**") have entered into that certain Securities Purchase Agreement dated as of August 31, 2020 (as amended or otherwise modified from time to time, the "**Securities Purchase Agreement**"), pursuant to which Executive and George Sadler sold their interests in Platinum Vape to RWB; and

WHEREAS, RWB and Executive desire to enter into this Agreement to set forth the rights and the duties of the parties hereto in regards to RWB's employment of Executive.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, terms and conditions contained herein, it is hereby agreed as follows:

1. Employment Period. Subject to the provisions for earlier termination hereinafter provided, Executive's employment hereunder shall be for a term (the "**Employment Period**") commencing on the Effective Date and ending on the fourth anniversary of the Effective Date (the "**Initial Termination Date**"); provided, however, that this Agreement shall be automatically extended for one additional year on the Initial Termination Date and on each subsequent anniversary of the initial Termination Date, unless either Executive or RWB elects not to so extend the term of the Agreement by notifying the other party, in writing, of such election not less than ninety (90) days prior to the last day of the term as then in effect (all of the foregoing being part of the Employment Period). For the avoidance of doubt, non-renewal of this Agreement pursuant to the proviso contained in the preceding sentence shall not be deemed to give rise to any payment to Executive as might be the case in connection with a termination of this Agreement. Notwithstanding the Employment Period, Executive's employment shall be at-will and may be terminated at any time, subject to the severance terms in this Agreement.

2. Terms of Employment.

   a. Position and Duties.

      (i) During the Employment Period, Executive shall serve as the [_____], director and manager of each entity in RWB's Platinum Vape division and an officer and/or director of RWB, and shall perform such employment duties as are usual and customary for such positions and such other duties as the Board of Directors of RWB Parent (the "**Board**") shall from time to time reasonably assign to Executive. As CEO of Platinum Vape and an officer of RWB, Executive shall serve as the CEO of each entity comprising RWB's Platinum Vape division, which entities are listed on Exhibit A hereto. In the event Executive's service in one or more of such additional capacities is subsequently terminated, Executive's compensation, as specified in Section 2(b) of this Agreement, shall not be diminished or reduced in any manner as a result of such termination for so long as Executive otherwise remains employed under the terms of this Agreement. During the Employment Period, Executive shall perform his duties at the Company's offices in the San Diego, CA area.

      (ii) It is specifically agreed that Executive may devote time and attention to other activities that do not compete with Platinum Vape in the states in which it operates or interfere with his obligations, duties and responsibilities to Platinum Vape (e.g. Executive may (A) own and rent real estate used for any purpose; (B) own or operate cannabis businesses that do not manufacture or distribute cannabis vape products, license technology, brands, processes or any other intellectual property involving cannabis vape products or provide services to any

person or entity involving cannabis vape products; (C) own or operate any non-cannabis business in any jurisdiction; or (D) subject to Section 10 below, own and conduct business at the Chula Vista Property or Lake Elsinore Property pursuant to the Restrictive Covenant Agreement.

b. Compensation.

(i) Base Salary. During the Employment Period, Executive shall receive a starting base salary (the "**Base Salary**") of Five Hundred Thousand Dollars ($500,000.00) per year. The Base Salary shall be paid at such intervals as RWB pays executive salaries generally. During the Employment Period, the Base Salary shall be reviewed at least annually for possible increase in RWB's sole discretion, as determined by RWB's compensation committee or Board; provided, however, that after the second anniversary hereof, Executive shall be entitled to any annual cost of living increases in Base Salary that are granted to senior executives of RWB Parent generally. "**Base Salary**" as utilized in this Agreement shall refer to Base Salary as so adjusted.

(ii) Annual Bonus. In addition to the Base Salary, Executive shall be eligible to earn, for each fiscal year of RWB ending during the Employment Period, an annual cash performance bonus which shall be determined from time to time by RWB's compensation committee or the Board, in either the RWB's compensation committee or the Board's sole and absolute discretion, as applicable.

(iii) Equity Incentive Award. During the Employment Period, Executive shall be eligible to participate in such Stock Incentive Plans, policies and programs put in place by RWB Parent that are applicable generally to similarly situated senior executives of RWB Parent and its subsidiaries.

(iv) Incentive, Savings and Retirement Plans. During the Employment Period, Executive shall be eligible to participate in all other incentive plans, policies and programs, and all savings and retirement plans, policies and programs, in each case that are applicable generally to similarly situated senior executives of RWB Parent and its subsidiaries.

(v) Welfare Benefit Plans. During the Employment Period, Executive and Executive's eligible family members shall be eligible for participation in the welfare benefit plans, practices, policies and programs (including, if applicable, medical, dental, disability, employee life, group life and accidental death insurance plans and programs) maintained by RWB Parent and its subsidiaries for their senior executives.

(vi) Expenses. During the Employment Period, Executive shall be entitled to receive prompt reimbursement for all reasonable business expenses incurred by Executive in accordance with the policies, practices and procedures of RWB provided to similarly situated senior executives of RWB; provided, that to receive reimbursement, Executive must provide written documentation of Executive's expenses and otherwise comply with RWB's expense policies in effect from time to time.

(vii) Fringe Benefits. During the Employment Period, Executive shall be entitled to such fringe benefits and perquisites as are provided by RWB Parent and its subsidiaries to their similarly situated senior executives from time to time, in accordance with the policies, practices and procedures of RWB Parent.

(viii) Vacation. During the Employment Period, Executive shall be entitled to paid vacation in accordance with the plans, policies, programs and practices of RWB Parent and its subsidiaries applicable to their similarly situated senior executives in a minimum amount of six weeks, provided that Executive has provided reasonable notice to the Board of any vacation, including the duration thereof.

Initials: ____, ____

(ix) Indemnification Agreement. On the Effective Date, RWB and Executive shall enter into an indemnification agreement in the form attached hereto as Exhibit B.

(x) Automobile. Executive shall be entitled to an automobile allowance of One Thousand Five Hundred Dollars ($1,500) per month.

(xi) Additional Agreements. As a condition to RWB entering into this Agreement, Executive shall concurrently herewith enter into a Restrictive Covenant Agreement in the form contained herewith as Exhibit C.

3. Termination of Employment.

a. Death or Disability. Executive's employment will terminate automatically upon Executive's death. Executive's employment may be terminated if Executive suffers a Disability. For purposes of this Agreement, "**Disability**" means Executive's inability by reason of physical or mental illness to fulfill his obligations hereunder for ninety (90) consecutive days or on a total of one hundred fifty (150) days in any 12-month period which, in the reasonable opinion of an independent physician selected by RWB or its insurers and reasonably acceptable to Executive or Executive's legal representative, renders Executive unable to perform the essential functions of his job, even after reasonable accommodations are made by RWB. RWB is not, however, required to make unreasonable accommodations for Executive or accommodations that would create an undue hardship on RWB.

b. Cause. RWB may terminate Executive's employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, "**Cause**" shall mean the occurrence of any one or more of the following events:

(i) Executive's willful failure to perform or gross negligence in performing Executive's duties owed to RWB, after fifteen (15) days written notice delivered to Executive by the Board, which notice specifies such failure or negligence and providing Executive an opportunity to cure;

(ii) Executive's commission of an act of embezzlement, misappropriation, or fraud, whether or not related to the performance of Executive's duties;

(iii) Executive's conviction of, or entry by Executive of a guilty or no contest plea to, any (x) felony or (y) any misdemeanor involving moral turpitude;

(iv) Executive's violation of RWB's written policies or codes of conduct, including written policies related to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct after fifteen (15) days written notice delivered to Executive by the Board, which notice specifies such breach and providing Executive an opportunity to cure (to the extent such breach is capable of cure);

(v) Executive's breach of a fiduciary duty owed to RWB after fifteen (15) days written notice delivered to Executive by the Board, which notice specifies such breach and providing Executive an opportunity to cure (to the extent such breach is capable of cure);

(vi) Executive's breach of any terms of the Restrictive Covenant Agreement attached hereto as Exhibit C (as amended or otherwise modified from time to time, the "**Restrictive Covenant Agreement**") after fifteen (15) days written notice delivered to Executive by the Board, which notice specifies such breach and providing Executive an opportunity to cure (to the extent such breach is capable of cure);

Initials: ____, ____

(vii) Executive's material breach of any of the provisions of this Agreement or any other written agreement between Executive and RWB, which is curable but is not cured within fifteen (15) days following written notice thereof from RWB;

(viii) Executive's conviction or commission of any act that renders Executive ineligible to serve as an "Owner", "Employee" or "Financial Interest Holder", within the meaning of the California Medicinal and Adult-Use Cannabis Regulations, Title 16 Division 42 of the Code of California Regulations or Title 17 Division 13 of the Code of California Regulations, or the City of San Diego Municipal Code regulations applicable to cannabis businesses, including an offense "substantially related to the qualifications, functions, or duties" of such cannabis businesses as defined therein, as determined by a final binding decision of the applicable governmental regulator;

(ix) Executive's commission of any act, or failure to act, giving rise to a material violation by Platinum Vape of the California Medicinal and Adult-Use Cannabis Regulations, Title 16 Division 42 of the Code of California Regulations or Title 17 Division 13 of the Code of California Regulations, the City of San Diego Municipal Code provisions applicable to cannabis businesses that results in any disciplinary action by the Bureau of Cannabis Control, the California Department of Public Health, the City of San Diego or any other governmental authority with jurisdiction over Platinum Vape, including but not limited to revocation, suspension lasting longer than five (5) business days, termination or involuntary cancellation of any of licenses or permits required for Platinum Vape's, RWB's or RWB Parent's business operations; or

(x) Executive engages in any commercial activities involving cannabis without the required licenses from all applicable governmental authorities, to the extent required (regardless of whether such cannabis activities involve hemp or any other type of cannabis), whether or not such activities are within the scope of Executive's employment by RWB or work for Platinum Vape.

The termination of Employment of Executive shall not be deemed to be fore Cause under any of clauses above unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of a majority of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is given to Executive and Executive is provided an opportunity to be heard before the Board), finding that, in the good faith opinion of the Board, sufficient Cause under such applicable clause exists to terminate Executive pursuant to this Section 3(b); provided, that if Executive is a member of the Board, Executive shall not participate in the deliberations regarding such resolution, vote on such resolution, nor shall Executive be counted in determining a majority or quorum of the Board.

c . Good Reason. Executive's employment may be terminated by Executive for Good Reason or without Good Reason. For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any one or more of the following events without Executive's prior written consent, unless RWB fully cures the circumstances constituting Good Reason (provided such circumstances are capable of cure) prior to the Date of Termination (as defined below):

(i) A material reduction in Executive's titles, duties, authority and responsibilities, or the assignment to Executive of any duties materially inconsistent with Executive's position, authority, duties or responsibilities without the written consent of Executive;

(ii) RWB's reduction of Executive's annual Base Salary below $500,000, unless such reduction is for no more than five percent (5%) of Executive's then current Base Salary and is part of a general reduction in Base Salary that affects all similarly situated executives in RWB's Platinum Vape division, RWB Parent and subsidiaries of RWB Parent in substantially the same proportions;

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(iii) The relocation of Platinum Vape's headquarters to a location more than thirty five (35) miles from Platinum Vape's current headquarters in San Diego, CA; or

(iv) RWB's failure to cure a material breach of its obligations under the Agreement within fifteen (15) days after written notice is delivered to the Board by Executive which specifically identifies the manner in which Executive believes that RWB has breached its obligations under the Agreement.

d. Notice of Termination. Any termination by RWB for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 11(c) of this Agreement. For purposes of this Agreement, a "**Notice of Termination**" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by Executive or RWB to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of Executive or RWB, respectively, hereunder or preclude Executive or RWB, respectively, from asserting such fact or circumstance in enforcing Executive's or RWB's rights hereunder.

e. Date of Termination. "**Date of Termination**" means (i) if Executive's employment is terminated by RWB for Cause, or by Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein (which date shall not be more than 30 days after the giving of such notice), as the case may be, (ii) if Executive's employment is terminated by RWB other than for Cause or Disability, the Date of Termination shall be the date on which RWB notifies Executive of such termination, (iii) if Executive's employment is terminated by Executive without Good Reason, the Date of Termination shall be the thirtieth day after the date on which Executive notifies RWB of such termination, unless otherwise agreed by RWB and Executive, and (iv) if Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death or Disability of Executive, as the case may be.

4. Obligation of RWB Upon Termination.

a. Without Cause or For Good Reason. If, during the Employment Period, RWB terminates Executive's employment without Cause or Executive terminates his employment for Good Reason:

(i) Executive shall be paid (A) in one lump sum payment Executive's earned but unpaid Base Salary and accrued but unpaid vacation pay through the Date of Termination, and any fully earned but unpaid Annual Bonus required to be paid to Executive pursuant to Section 2(b)(ii) above for any fiscal year of RWB that ends on or before the Date of Termination to the extent not previously paid (collectively, the "**Accrued Obligations**"), and (B) an amount equal to the remaining Base Salary payable to Executive as salary continuation for the remainder of the Initial Term or then-current Renewal Term, as applicable, subject to all required withholding and with the first payment to Executive made on the first regularly scheduled RWB payroll date following the release agreement attached as Exhibit D becoming effective and irrevocable; provided, further, that the Accrued Obligations shall be paid when due under California law;

(ii) At the time when annual bonuses are paid to RWB's other senior executives for the fiscal year of RWB in which the Date of Termination occurs, Executive shall be paid an Annual Bonus in an amount equal to the product of (x) the amount of the Annual Bonus to which

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Executive would have been entitled if Executive's employment had not been terminated, and (y) a fraction, the numerator of which is the number of days in such fiscal year through the Date of Termination and the denominator of which is the total number of days in such fiscal year (a "**Pro-Rated Annual Bonus**");

(iii) For a period of eighteen months following the Date of Termination, provided that Executive timely elects COBRA continuation coverage, Executive and Executive's eligible family members shall continue to be provided with group health insurance coverage at least equal to that which would have been provided to them if Executive's employment had not been terminated, and RWB shall pay the applicable COBRA premium for such eighteen- month period; provided, however, that if Executive is eligible to receive group health insurance coverage under another employer's plans, RWB's obligations under this; Section 4(a)(iii) shall terminate and any such coverage shall be reported by Executive to RWB;

(iv) All outstanding stock options, restricted stock and other equity awards granted to Executive under any of RWB's equity incentive plans (or awards substituted therefore covering the securities of a successor company) shall be modified to vest to the extent the aforementioned would have vested upon the expiration of the Initial Term or then-current Renewal Term, as applicable; and

(v) To the extent not theretofore paid or provided, RWB shall timely pay or provide to Executive any vested benefits and other amounts or benefits required to be paid or provided or which Executive is eligible to receive as of the Date of Termination under any plan, contract or agreement of RWB and its Affiliates (such other amounts and benefits shall be hereinafter referred to as the "**Other Benefits**") to which Executive is a party.

b. For Cause or Without Good Reason; Severance Conditions. If Executive's employment shall be terminated by RWB for Cause or by Executive without Good Reason during the Employment Period, RWB shall have no further obligations to Executive under this Agreement other than payment of the Accrued Obligations and pursuant to Section 7 hereof. Notwithstanding anything to the contrary, any payments to Executive or his estate contemplated in Section 4(a) or 4(c) are expressly conditioned upon Executive or his estate, as applicable, delivering an executed release in the form attached to this Agreement as Exhibit D and Executive's compliance with his obligations to RWB under the terms of the Restrictive Covenant Agreement. Executive acknowledges and agrees that RWB shall have the right to suspend any and all payments under Section 4(a) or 4(c), other than for the Accrued Obligations, in the event of Executive's breach of one or more terms of the Restrictive Covenant Agreement, and that Executive shall be obligated to repay all amounts received under Section 4(a) or 4(c), except that Executive may retain $5,000 in consideration for an effective release of claims.

c. Death or Disability. If Executive's employment is terminated by reason of Executive's death or Disability during the Employment Period:

(i) The Accrued Obligations shall be paid to Executive's estate or beneficiaries or to Executive, as applicable, when due under California law;

(ii) 100% of Executive's then-current annual Base Salary, as in effect on the Date of Termination, shall be paid to Executive's estate or beneficiaries or to Executive, as applicable, in cash when due under California law;

(iii) To the extent payable hereunder, the Pro-Rated Annual Bonus shall be paid to Executive's estate or beneficiaries or to Executive, as applicable, at the time when annual bonuses are paid to RWB's other senior executives for the fiscal year of RWB in which the Date of Termination occurs;

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(iv) For a period of eighteen months following the Date of Termination, provided that Executive timely elects COBRA continuation coverage, Executive and Executive's eligible family members shall continue to be provided with group health insurance coverage at least equal to that which would have been provided to them if Executive's employment had not been terminated, and RWB shall pay the applicable COBRA premium for such eighteen- month period; provided, however, that if Executive is eligible to receive group health insurance coverage under another employer's plans, RWB's obligations under this Section 4(c)(iv) shall terminate, and any such coverage shall be reported by Executive to RWB; and

(v) The Other Benefits shall be paid or provided to Executive's estate or beneficiaries or to Executive, as applicable, on a timely basis.

(vi) The foregoing benefits of this Section 4(c) are contingent on the terms set forth in Section 4(b), including Executive's execution, or his estate's execution as applicable, of the release agreement attached as Exhibit D and such release becoming effective and irrevocable, and Executive's compliance with the Restrictive Covenant Agreement attached as Exhibit C.

5. Change in Control. If a Change in Control (as defined herein) occurs during the Employment Period, and the Executive's employment is terminated by RWB without Cause or by the Executive for Good Reason, in each case within one (1) year after the Effective Date of the Change in Control, then the Executive shall be entitled to the payments and benefits provided in Section 4(a), subject to the terms and conditions thereof set forth in Section 4(b). For purposes of this Agreement, "**Change in Control**" shall mean the occurrence of any of the following events:

a. Any transaction, whether effected directly or indirectly, resulting in any "person" or "group" (as those terms are defined in Sections 3(a)(9), 13(d), and 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the rules thereunder) having "beneficial ownership" (as determined pursuant to Rule 13d-3 under the Exchange Act) of securities entitled to vote generally in the election of directors ("**voting securities**") of RWB or RWB Parent that represent greater than 50% of the combined voting power of RWB's then outstanding voting securities, other than

(i) any transaction or event resulting in the beneficial ownership of voting securities by a trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by RWB or RWB Parent or any Person controlled by RWB or RWB Parent or by any employee benefit plan (or related trust) sponsored or maintained by RWB or RWB Parent or any Person controlled by RWB or RWB Parent, or

(ii) any transaction or event resulting in the beneficial ownership of voting securities by RWB or RWB Parent or a corporation owned, directly or indirectly, by the stockholders of RWB or RWB Parent in substantially the same proportions as their ownership of the stock of RWB or RWB Parent, or

(iii) any transaction or event resulting in the beneficial ownership of voting securities pursuant to a transaction described in clause (b) below that would not be a Change in Control under clause (b), or

(iv) any transaction or event resulting solely from the transfer or acquisition of the beneficial ownership of voting securities by Executive, or an Immediate Family Member or Affiliate thereof (collectively, the "**Executive's Affiliates**").

b. The consummation by RWB or RWB Parent (whether directly involving RWB or RWB Parent, or indirectly involving RWB or RWB Parent through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition

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of all or substantially all of RWB's or RWB Parent's assets or (z) the acquisition of assets or stock of another entity, in each case, other than a transaction:

(i) which results in RWB's or RWB Parent's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of RWB or RWB Parent or the Person that, as a result of the transaction, controls, directly or indirectly, RWB or RWB Parent or owns, directly or indirectly, all or substantially all of RWB's or RWB Parent's assets or otherwise succeeds to the business of RWB or RWB Parent (RWB, RWB Parent or such person, the "**Successor Entity**")) directly or indirectly, greater than 50% of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction; or

(ii) the approval by RWB's or RWB Parent's stockholders of a liquidation or dissolution of RWB or RWB Parent.

For purposes of clause (a) above, the calculation of voting power shall be made as if the date of the acquisition were a record date for a vote of RWB's or RWB Parent's stockholders, as applicable, and for purposes of clause (c) above, the calculation of voting power shall be made as if the date of the consummation of the transaction were a record date for a vote of RWB's or RWB Parent's stockholders.

The following terms shall have the following meanings for purposes of this Section 5:

"**Affiliate**" shall mean, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with such Person. Control of any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities or other interests, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Immediate Family Member**" shall mean a natural person's estate or heirs or current spouse or former spouse, parents, parents-in-law, children (whether natural, adopted or by marriage), siblings and grandchildren and any trust or estate, all of the beneficiaries of which consist of such person or such person's spouse, or former spouse, parents, parents-in-law, children, siblings or grandchildren.

"**Person**" shall mean an individual or a corporation, partnership, Limited Liability Company, trust, unincorporated organization, association or other entity.

6 . No Offset; Attorneys' Fees and Costs. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and except as expressly provided, such amounts shall not be reduced whether or not Executive obtains other employment. If any party to this Agreement institutes any action, suit, counterclaim, appeal, or arbitration for any relief against another party, declaratory or otherwise (collectively an "**Action**"), to enforce the terms hereof or to declare rights hereunder, then the Prevailing Party in such Action shall be entitled to recover from the other party all costs and expenses of the Action, including reasonable attorneys' fees and costs (at the Prevailing Party's attorneys' then-prevailing rates) incurred in bringing and prosecuting or defending such Action. A court or arbitrator shall fix the amount of reasonable attorneys' fees and costs upon the request of either party as part of any final judgment or award in the Action. "**Prevailing Party**" within the meaning of this Section means a party who substantially prevails on its claims or defense of claims in an Action as determined by the court, arbitrator or other tribunal having jurisdiction over the Action.

7. Certain Additional Payments by RWB.

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a. Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any Payment would be subject to the Excise Tax, then Executive shall be entitled to receive an additional payment (the "**Excise Tax Gross-Up Payment**") in an amount such that, after payment by Executive of all taxes (and any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Excise Tax Gross-Up Payment, Executive retains an amount of the Excise Tax Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

b. Subject to the provisions of Section 7(c), all determinations required to be made under this Section 7, including whether and when an Excise Tax Gross-Up Payment is required, the amount of such Excise Tax Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by such nationally recognized accounting firm as may be selected by RWB and reasonably acceptable to Executive (the "**Accounting Firm**"); provided, that the Accounting Firm's determination shall be made based upon "substantial authority" within the meaning of Section 6662 of the Code; provided, further, that Executive may waive the requirement that the determination be made by the Accounting Firm and may elect to have the determination made by RWB. The Accounting Firm shall provide detailed supporting calculations both to RWB and Executive within 15 business days of the receipt of notice from Executive that there has been a Payment or such earlier time as is requested by RWB. All fees and expenses of the Accounting Firm shall be borne solely by RWB. Any Excise Tax Gross- Up Payment, as determined pursuant to this Section 7, shall be paid by RWB to Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon RWB and Executive, unless RWB obtains an opinion of outside legal counsel, based upon at least "substantial authority" within the meaning of Section 6662 of the Code, reaching a different determination, in which event such legal opinion shall be binding upon RWB and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Excise Tax Gross-Up Payments that will not have been made by RWB should have been made (the "**Underpayment**"), consistent with the calculations required to be made hereunder. In the event RWB exhausts its remedies pursuant to Section 7(c) and Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by RWB to or for the benefit of Executive.

c. Executive shall notify RWB in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by RWB of the Excise Tax Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than 10 business days after Executive is informed in writing of such claim. Executive shall apprise RWB of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which Executive gives such notice to RWB (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If RWB notifies Executive in writing prior to the expiration of such period that RWB desires to contest such claim, Executive shall:

(i) give RWB any information reasonably requested by RWB relating to such claim;

(ii) take such action in connection with contesting such claim as RWB shall reasonably request in writing from time to-time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by RWB;

(iii) cooperate with RWB in good faith in order effectively to contest such claim; and

(iv) permit RWB to participate in any proceedings relating to such claim;

Initials: ____, ____

provided, however, that RWB shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such-contest, and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 7(c), RWB shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as RWB shall determine; provided, however, that, if RWB directs Executive to pay such claim and sue for a refund, RWB shall advance the amount of such payment to Executive, on an interest-free basis, and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such advance or with respect to any imputed income in connection with such advance; and provided, further, that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, RWB's control of the contest shall be limited to issues with respect to which the Excise Tax Gross-Up Payment would be payable hereunder, and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

d. If, after the receipt by Executive of an Excise Tax Gross-Up Payment or an amount advanced by RWB pursuant to Section 7(c), Executive becomes entitled to receive any refund with respect to the Excise Tax to which such Excise Tax Gross-Up Payment relates or with respect to such claim, Executive shall (subject to RWB's complying with the requirements of Section 7(c), if applicable) promptly pay to RWB the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by Executive of an amount advanced by RWB pursuant to Section 7(c), a determination is made that Executive shall not be entitled to any refund with respect to such claim and RWB does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Excise Tax Gross-Up Payment required to be paid.

e. Notwithstanding any other provision of this Section 7, RWB may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of Executive, all or any portion of any Excise Tax Gross-Up Payment, and Executive hereby consents to such withholding.

f. Any other liability for unpaid or unwithheld Excise Taxes shall be borne exclusively by RWB, in accordance with Section 3403 of the Code. The foregoing sentence shall not in any manner relieve RWB of any of its obligations under this Employment Agreement.

g. Definitions. The following terms shall have the following meanings for purposes of this Section 7:

(i) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(ii) "**Excise Tax**" shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(iii) "**Parachute Value**" of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such

Initials: ____, ____

Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(iv) A "**Payment**" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of Executive, whether paid or payable pursuant to this Agreement or otherwise.

(v) The "**Safe Harbor Amount**" shall mean 2.99 times Executive's "base amount," within the meaning of Section 280G(b)(3) of the Code.

(vi) "**Value**" of a Payment shall mean the economic present value of a Payment as of the date of the change of control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d)(4) of the Code.

8. Successors. This Agreement is personal to Executive and without the prior written consent of RWB shall not be assignable by Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon RWB and its successors and assigns.

9. 409A Provision. For purposes of this Agreement the term "termination of employment" and similar terms relating to the termination of employment mean a "separation from service" as that term is defined under Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations issued thereunder ("**Section 409A**"). The parties intend that this Agreement comply in form and operation with or be exempt from the requirements of Section 409A. To the extent permitted by applicable Department of Treasury/Internal Revenue Service guidance, or law or regulation, the parties will take reasonable actions to reform this Agreement or any actions taken pursuant to their operation of this Agreement in order to comply with or be exempt from Section 409A. Each payment made under this Agreement shall be treated as a separate payment for purposes of Section 409A. All reimbursements under this Agreement shall be made on or prior to the last day of the taxable year following the taxable year in which the expenses being reimbursed were incurred; any right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit; and no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year. Notwithstanding any other provision of this Agreement, in no event shall RWB be liable for any additional tax, interest or penalty imposed upon or other detriment suffered by Executive under Section 409A or for any damages suffered by him for any failure of any provision of this Agreement to be exempt from or to comply with Section 409A.

10. Chula Vista. Employee hereby agrees to permit RWB and Platinum Vape to transfer operations from Platinum Vape's Convoy facility in San Diego, California to 3517 Main St., Suites C301 & C302, Chula Vista, CA (the "**Chula Vista Property**"), which is owned by Executive or one or more of his Affiliates, subject to a lease to be agreed upon between Employee and Platinum Vape prior to the Closing. If Platinum Vape does not transfer operations to the Chula Vista Property pursuant to the lease or later vacates the Chula Vista Property, Executive and/or his Affiliates may sell or lease the Chula Vista Property and related cannabis license(s) to an unaffiliated third party in accordance with the Restrictive Covenant Agreement.

11. Miscellaneous.

a. Representation by Counsel; Assent to Choice of Law and Forum Selection. Executive acknowledges that Executive has had a full and complete opportunity to consult with counsel and other advisors of Executive's own choosing concerning the terms, enforceability and

Initials: ____, ____

implications of this Agreement, that Executive was in fact represented by counsel and consulted with counsel in the drafting and execution of this Agreement, and that RWB has not made any representations or warranties to Executive concerning the terms, enforceability or implications of this Agreement other than as reflected in this Agreement. Executive, having consulted with counsel, expressly agrees to the provisions of this Agreement providing for an arbitral forum outside of the State of California and for the application of the law of the State of Delaware to this Agreement rather than the law of the State of California.

b. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

c . Arbitration. To the fullest extent allowed by law, any controversy, claim or dispute between Executive and RWB (and/or any of its owners, directors, officers, employees, Affiliates, or agents) relating to or arising out of Executive's employment or the cessation of that employment will be submitted to final and binding arbitration in the County of Wayne, State of Michigan, for determination in accordance with the American Arbitration Association's (" **AAA**") National Rules for the Resolution of Employment Disputes, as the exclusive remedy for such controversy, claim or dispute. In any such arbitration, the parties may conduct discovery in accordance with the applicable rules of the arbitration forum, except that the arbitrator shall have the authority to order and permit discovery as the arbitrator may deem necessary and appropriate in accordance with applicable state or federal discovery statutes. The arbitrator shall issue a reasoned, written decision, and shall have full authority to award all remedies which would be available in court. The parties shall share the filing fees and arbitrator's fees required for the arbitration. The award of the arbitrator shall be final and binding upon the parties and may be entered as a judgment in any Michigan court of competent jurisdiction and the parties hereby consent to the exclusive jurisdiction of the courts of Michigan. Possible disputes covered by the above include (but are not limited to) unpaid wages, breach of contract, torts, violation of public policy, discrimination, harassment, or any other employment-related claims under laws including but not limited to, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, the California Labor Code, and any other statutes or laws relating to an employee's relationship with his/her employer, regardless of whether such dispute is initiated by the employee or RWB. However, notwithstanding anything to the contrary contained herein, RWB and Executive shall have their respective rights to seek and obtain injunctive relief with respect to any controversy, claim or dispute to the extent permitted by law. Claims for workers' compensation benefits and unemployment insurance (or any other claims where mandatory arbitration is prohibited by law) are not covered hereunder and such claims may be presented by either Executive or RWB to the appropriate court or government agency. BY AGREEING TO THIS BINDING ARBITRATION PROVISION, BOTH EXECUTIVE AND RWB GIVE UP ALL RIGHTS TO TRIAL BY JURY.

d . Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive: at Executive's most recent address on the records of RWB

If to RWB:

Initials: ____, ____

810-789 West Pender Street
Vancouver, British Columbia
Canada, V6C 1H2
With a copy sent to:
Honigman LLP
660 Woodward Avenue
2290 First National Building
Detroit, Michigan 48226
Attn: Kim A. Dudek
Email: [REDACTED]

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

e. Sarbanes-Oxley Act of 2002. Notwithstanding anything herein to the contrary, if RWB determines, in its good faith judgment, that any transfer or deemed transfer of funds hereunder is likely to be construed as a personal loan prohibited by Section 13(k) of the Exchange Act and the rules and regulations promulgated thereunder, then such transfer or deemed transfer shall not be made to the extent necessary or appropriate so as not to violate the Exchange Act and the rules and regulations promulgated thereunder.

f. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. In the event any provision or term hereof is deemed to have exceeded applicable legal authority or shall be in conflict with applicable legal limitations, such provision shall be reformed and rewritten as necessary to achieve consistency and compliance with such applicable law.

g. Withholding. RWB may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation. In addition, notwithstanding any other provision of this Agreement, RWB may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of Executive, all or any portion of any Excise Tax Gross-Up Payment and Executive hereby consents to such withholding.

h. No Waiver. Executive's or RWB's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Executive or RWB may have hereunder, including, without limitation, the right of Executive to terminate employment for Good Reason pursuant to Section 3(c) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

i. Entire Agreement. As of the Effective Date, this Agreement, the Indemnity Agreement , the Restrictive Covenant Agreement, each of which is being entered into between the parties concurrently herewith, and any equity award agreements entered into between RWB and Executive, constitute the final, complete and exclusive agreement between Executive and RWB with respect to the subject matter hereof and replaces and supersedes any and all other agreements, offers or promises, whether oral or written, made to Executive by RWB or any representative thereof.

j. Counterparts. This Agreement may be executed simultaneously in two counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

[remainder of page intentionally left blank]

Initials: ____, ____

Initials: ____, ____

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand and, pursuant to the authorization from the Board, RWB has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

EXECUTIVE	**RWB PLATINUM VAPE INC.**
_____	By: _____
Name: Cody Sadler	Name: Brad Rogers Title: Chief Executive Officer

Initials: ____, ____

EXHIBIT "A" PLATINUM
VAPE ENTITIES

Entity Name
Vista Prime Management, LLC, a California limited liability company
GC Ventures 2, LLC, a Michigan LLC
Vista Prime 3, Inc. a California corporation
PV CBD LLC, a California limited liability company
Vista Prime 2, Inc., a California corporation

Initials: ____, ____

EXHIBIT "B" INDEMNITY AGREEMENT

This Indemnity Agreement ("**Agreement**") is made and entered into this ___day of _____, 2020, by and between RWB Platinum Vape Inc., a California corporation (the "**Company**"), and the undersigned employee ("**Employee**").

RECITALS

WHEREAS, Employee performs a valuable service to the Company and entities in its Platinum Vape division ("**Platinum Vape**").

WHEREAS, in order to induce Employee to continue to serve the Company, the Company has determined and agreed to enter into this Agreement with Employee.

NOW, THEREFORE, in consideration of Employee's continued service after the date hereof, the parties hereto agree as follows:

AGREEMENT

1. Indemnity of Employee. The Company hereby agrees to hold harmless and indemnify Employee to the fullest extent authorized or permitted by the provisions of the Bylaws and applicable law against any and all reasonably incurred expenses (including attorneys' fees), witness fees, damages, judgments, fines and amounts paid in settlement and any other amounts that Employee becomes legally obligated to pay because of any claim or claims made against or by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, arbitrational, administrative or investigative (including an action by or in the right of the Company) to which Employee is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Employee is, was or at any time becomes a director, officer, Employee or other agent of Company, or is or was serving or at any time serves at the request of the Company as a director, officer, employee or other agent of another corporation, partnership, joint venture, trust, Employee benefit plan or other enterprise.

2. Limitations on Indemnity. No indemnity shall be paid by the Company:

(a) on account of Employee's conduct that is established by a final judgment as knowingly unlawful, fraudulent or deliberately dishonest or that constituted gross negligence or willful misconduct;

(b) for which payment is actually made to Employee under a valid and collectible insurance policy or under a valid and enforceable indemnity clause, bylaw or agreement, except in respect of any excess beyond payment under such insurance, clause, bylaw or agreement; or

(c) if indemnification is not lawful.

3. Continuation of Indemnity. All agreements and obligations of the Company contained herein shall continue during the period Employee is a director, officer, Employee or other agent of the Company (or is or was serving at the request of the Company as a director, officer, Employee or other agent of another corporation, partnership, joint venture, trust, Employee benefit plan or other enterprise) and shall continue thereafter so long as Employee shall be subject to any possible claim or threatened, pending or completed

Initials: ____, ____

action, suit or proceeding, whether civil, criminal, arbitrational, administrative or investigative, by reason of the fact that Employee was serving in the capacity referred to herein.

4. Partial Indemnification. Employee shall be entitled under this Agreement to indemnification by the Company for a portion of reasonably incurred expenses (including attorneys' fees), witness fees, damages, judgments, fines and amounts paid in settlement and any other amounts that Employee becomes legally obligated to pay in connection with any action, suit or proceeding referred to in Section 1 hereof even if not entitled hereunder to indemnification for the total amount thereof, and the Company shall indemnify Employee for the portion thereof to which Employee is entitled.

5. Notification and Defense of Claim. Not later than thirty (30) days after receipt by Employee of notice of the commencement of any action, suit or proceeding, Employee will, if a claim in respect thereof is to be made against the Company under this Agreement, notify the Company of the commencement thereof; but the omission so to notify the Company will not relieve it from any liability which it may have to Employee otherwise than under this Agreement. With respect to any such action, suit or proceeding as to which Employee notifies the Company of the commencement thereof:

(a) the Company will be entitled to participate therein at its own expense;

(b) except as otherwise provided below, the Company may, at its option and jointly with any other indemnifying party similarly notified and electing to assume such defense, assume the defense thereof, with counsel reasonably satisfactory to Employee. After notice from the Company to Employee of its election to assume the defense thereof, the Company will not be liable to Employee under this Agreement for any legal or other expenses subsequently incurred by Employee in connection with the defense thereof except for reasonable costs of investigation or otherwise as provided below. Employee shall have the right to employ separate counsel in such action, suit or proceeding but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Employee unless (i) the employment of counsel by Employee has been authorized by the Company, (ii) Employee shall have reasonably concluded, and so notified the Company, that there is an actual conflict of interest between the Company and Employee in the conduct of the defense of such action or (iii) the Company shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of Employee's separate counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Company or as to which Employee shall have made the conclusion provided for in clause (ii) above; and

(c) the Company shall not be liable to indemnify Employee under this Agreement for any amounts paid in settlement of any action or claim affected without its written consent, which shall not be unreasonably withheld. The Company shall be permitted to settle any action except that it shall not settle any action or claim in any manner which would impose any penalty or limitation on Employee without Employee's written consent, which may be given or withheld in Employee's sole discretion.

6. Expenses. The Company shall advance, prior to the final disposition of any proceeding, promptly following request therefore, all expenses incurred by Employee in connection with such proceeding upon receipt of an undertaking by or on behalf of Employee to repay said amounts if it shall be determined ultimately that Employee is not entitled to be indemnified under the provisions of this Agreement, the Bylaws, applicable law or otherwise.

7. Enforcement. Any right to indemnification or advances granted by this Agreement to Employee shall be enforceable by or on behalf of Employee in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefore. Employee, in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. It shall be a defense to any action for which a claim for indemnification is made under Section 1 hereof (other than an action brought to enforce a claim for expenses pursuant to Section 6 hereof, *provided that* the required undertaking has been tendered to

Initials: ____, ____

the Company) that Employee is not entitled to indemnification because of the limitations set forth in Section 2 hereof. Neither the failure of the Company (including its board of directors or its stockholders) to have made a determination prior to the commencement of such enforcement action that indemnification of Employee is proper in the circumstances, nor an actual determination by the Company (including its board of directors or its stockholders) that such indemnification is improper shall be a defense to the action or create a presumption that Employee is not entitled to indemnification under this Agreement or otherwise.

8. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Employee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

9. Non-Exclusivity of Rights. The rights conferred on Employee by this Agreement shall not be exclusive of any other right which Employee may have or hereafter acquire under any statute, provision of the Company's Articles of Incorporation or Bylaws, agreement, vote of stockholders or directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding office.

10. Survival of Rights.

(a) The rights conferred on Employee by this Agreement shall continue after Employee has ceased to be a director, officer, Employee or other agent of the Company or to serve at the request of the Company as a director, officer, Employee or other agent of another corporation, partnership, joint venture, trust, Employee benefit plan or other enterprise and shall inure to the benefit of Employee's heirs, executors and administrators.

(b) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

11. Severability. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof. Furthermore, if this Agreement shall be invalidated in its entirety on any ground, then the Company shall nevertheless indemnify Employee to the fullest extent provided by applicable law.

12. Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Delaware.

13. Amendment and Termination. No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

14. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute but one and the same Agreement. Only one such counterpart need be produced to evidence the existence of this Agreement.

15. Headings. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

16. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) upon delivery if delivered by hand to the party to whom such communication was directed or (ii) upon the third business day after the date on which such communication

Initials: ____, ____

was mailed if mailed by certified or registered mail with postage prepaid to the parties address of record, or to such other address as may have been furnished to Employee by the Company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

RWB PLATINUM VAPE INC.

By: Brad Rogers, Chief Executive Officer

EMPLOYEE

Cody Sadler

Initials: ____, ____

EXHIBIT "C" RESTRICTIVE COVENANT AGREEMENT

This Restrictive Covenant Agreement (this "**Agreement**") is dated as of __day of _____, 2020 by and between, RWB Platinum Vape Inc., a California corporation ("**RWB**"), and Cody Sadler ("**Executive**").

WHEREAS, concurrently with the execution of this Agreement, RWB and Executive have entered into (i) an Employment Agreement, pursuant to which RWB has agreed to employ Executive, and Executive has agreed to be employed by RWB (the "**Employment Agreement**") and (ii) an Indemnity Agreement (the "**Indemnity Agreement**");

WHEREAS, RWB and Executive agree that, in connection with the execution of the Employment Agreement and Executive's employment, Executive will not engage in Competition with Platinum Vape pursuant to the terms and conditions hereof; and

WHEREAS, capitalized terms used herein without definition shall have the meanings ascribed thereto in the Employment Agreement.

NOW, THEREFORE, in furtherance of the foregoing and in exchange for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Restrictive Covenants.
   (a) Noncompetition. During the Employment Period and for two (2) years thereafter, Executive shall not engage in Competition (as defined below) with RWB or any of its Affiliates. The term "**Competition**" for purposes of this Agreement shall mean the taking of any of the following actions by Executive in any state in the United States where Platinum Vape operates: (i) the conduct of, directly or indirectly (including, without limitation, engaging in, assisting or performing services for), any business that engages in any activity which is directly competitive with the business of Platinum Vape, whether such business is conducted by Executive individually or as principal, partner, officer, director, consultant, security holder, creditor, employee, stockholder, member or manager of any person, partnership, corporation, limited liability company or any other entity; and/or (ii) ownership of interests in any business which is competitive, directly or indirectly, with any business carried on by Platinum Vape (or any successor thereto) or its Affiliates. Notwithstanding the foregoing, it is specifically agreed that Executive may devote time and attention to other activities that do compete with Platinum Vape outside the states in which it operates or those that do interfere with his obligations, duties and responsibilities to Platinum Vape (e.g. Executive may (A) own and rent real estate used for any purpose; (B) own or operate cannabis businesses that do not manufacture or distribute cannabis vape products, license technology, brands, processes or any other intellectual property involving cannabis vape products or provide services to any person or entity involving cannabis vape products in states where Platinum Vape has operations; or (C) own or operate any non-cannabis business in any jurisdiction). Notwithstanding the foregoing, RWB agrees that Executive may directly or through his Affiliates (i) own the Chula Vista Property referenced in Section 10 of Executive's Employment Agreement with RWB, lease or sell the Chula Vista Property to a business that competes with Platinum Vape and RWB; provided that Executive is unaffiliated with the lessee/buyer, and license or sell the cannabis license/entitlements being applied for by C.S. Designs, Inc., a California corporation, for the Chula Vista Property, each subject to RWB's election to have Platinum Vape occupy the Chula Vista Property in accordance with Section 10 of Executive's Employment Agreement with RWB, and (ii) own the real property located at 31875
   Corydon Rd, Suite 140, Lake Elsinore, CA (the "**Lake Elsinore Property**"), lease, license or sell the Lake Elsinore Property to a business that competes with Platinum Vape and/or RWB; provided that Executive is unaffiliated with the lessee/buyer, license or sell the cannabis license/CUP/ entitlements being applied for by Vista Prime Management, LLC, a California limited liability

Initials: ____, ____

company, for the Lake Elsinore Property that are to be transferred to an Affiliate of Executive, and operate a cannabis micro business at the Lake Elsinore Property; provided such business does not include the manufacture or distribution of cannabis vape products (retail sales of cannabis vape products are permitted).

(b) Nonsolicitation. During the Employment Period and for two (2) years thereafter, Executive shall not, directly or indirectly, (i) solicit the employment of or employ any person who is an employee and was an employee during the final twelve (12) months of the Employment Period or (ii) call on, solicit or service any supplier, licensee, licensor or other business relation of RWB or any of its Affiliates in order to induce or attempt to induce such Person to cease doing or decrease their business with RWB or any of its Affiliates, or in any way negatively interfere with the relationship between any such supplier, licensee, licensor or other business relation of RWB or any of its Affiliates.

(c) Nondisclosure. Executive shall not disclose, copy, communicate, distribute, reveal or use any trade secrets, proprietary information or other Confidential Information concerning RWB or any of its Affiliates or any of their customers, except as Executive's duties to RWB or any of its Affiliates may require during Executive's employment with RWB or any of its Affiliates. The term "**Confidential Information**" for purposes of this Agreement means non-public, confidential, proprietary or trade secret information relating to, regarding, or known or used by, RWB or any of its Affiliates including, without limitation, any of the following: all confidential advertiser information, pricing information, discounts, financial plans, strategic business plans, client information, lead and lead source information and arrangements, supplier information, computer programs, business processes and methods, website information and performance plans, security systems, financial data, information and plans, litigation, audits, investigations, financing arrangements, personnel, salaries and other compensation, advertising practices and procedures, scripting techniques, and materials related thereto. If ordered by a court of competent jurisdiction to disclose Confidential Information, Executive must provide written notice to the RWB of such order immediately and cooperate with it in seeking confidentiality safeguards.

(d) Nondisparagement. Executive shall not make any statement or any other expressions on television, radio, the internet or other media or to any third party which are in any way disparaging of Platinum Vape, RWB, or any of their respective Affiliates. RWB and its Affiliates shall not make any statement or any other expressions on television, radio, the internet or other media or to any third party which are in any way disparaging of Executive or any of his Affiliates. The foregoing does not prohibit either party or its Affiliates from providing truthful testimony or other statements in any (i) court proceeding or arbitration, including any hearing, deposition, trial or appeal, or (ii) mediation or other formal dispute resolution process, provided that such testimony or statements must be made solely in the course of such proceedings, arbitration or dispute resolution process and are not independently publicized or stated by the party or its Affiliates to any third party.

2. IP Assignment. Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, patent applications, copyrightable work and mask work (whether or not including any Confidential Information) and all registrations or applications related thereto, all other proprietary information and all similar or related information (whether or not patentable) which relate to RWB's or any of its Affiliates' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by Executive (whether alone or jointly with others) while employed by RWB or any of its Affiliates ("**Work Product**"), belong to RWB, and Executive hereby assigns, and agrees to assign, all of the above Work Product to RWB. Executive and RWB understand and acknowledges that Work Product does not include, and any provision in this Agreement requiring Executive to assign (or otherwise providing for ownership by RWB of) rights to an invention does not

Initials: ____, ____

apply to, any invention that Executive develops entirely on his or her own time without using RWB's or its Affiliates' equipment, supplies, facilities, or trade secret information, except for those inventions that either (i) relate at the time of conception or reduction to practice of the invention to RWB's business, or actual or demonstrably anticipated research or development of RWB or (ii) result from any work performed by Executive for RWB or its Affiliates. During and after the Employment Period, Executive agrees to reasonably cooperate with RWB to apply for, obtain, perfect, and transfer to RWB the Work Product as well as any and all intellectual property rights in the Work Product, at RWB's expense. For the avoidance of doubt, Work Product shall not include any inventions that qualify fully for exclusion under the provisions of California Labor Code Section 2870, which states as follows:

> (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:
>
> (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
>
> (2) Result from any work performed by the employee for the employer.
>
> (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

3 . Specific Performance. Executive acknowledges that in the event of breach or threatened breach by Executive of the terms of Section 1 hereof, RWB could suffer significant and irreparable harm that could not be satisfactorily compensated in monetary terms, and that the remedies at law available to RWB may otherwise be inadequate and RWB shall be entitled, in addition to any other remedies to which it may be entitled to under law or in equity, to specific performance of this Agreement by Executive including the immediate ex parte issuance, without bond, of a temporary restraining order enjoining Executive from any such violation or threatened violation of Section 1 hereof and to exercise such remedies cumulatively or in conjunction with all other rights and remedies provided by law and not otherwise limited by this Agreement. Executive hereby acknowledges and agrees that RWB shall not be required to post bond as a condition to obtaining or exercising any such remedies, and Executive hereby waives any such requirement or condition.

4 . Reasonableness of Covenants. Executive agrees that all of the covenants contained in this Agreement are reasonably necessary to protect the legitimate interests of RWB and its Affiliates, are reasonable with respect to time and territory and that he has read and understands the descriptions of the covenants so as to be informed as to their meaning and scope.

5 . Attorneys' Fees. If any legal action, arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach or default in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover attorneys' fees and costs as set forth in the Employment Agreement.

6 . No Alteration of Employment Status. The execution of this Agreement shall not be construed in any manner to alter Executive's employment with RWB as provided in the Employment Agreement.

7 . Effect of Waiver. The waiver by either party of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach thereof or as a waiver of any other provision of this Agreement. The remedies set forth herein are nonexclusive and are in addition to any other remedies that RWB may have at law or in equity.

Initials: ____, ____

8. Severability. Any provision of this Agreement which is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this paragraph, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that any other provisions of this Agreement invalid, illegal or unenforceable in any other jurisdiction. Notwithstanding the foregoing, if any provision of this Agreement should be deemed invalid, illegal or unenforceable because its scope or duration is considered excessive, such provision shall be modified so that the scope of the provision is reduced only to the minimum extent necessary to render the modified provision valid, legal and enforceable.

9. Blue-Pencil. If any court of competent jurisdiction shall at any time deem the term of any particular restrictive covenant contained in this Agreement too lengthy or the geographic area covered too extensive, the other provisions of this Agreement shall nevertheless stand, the applicable term shall be deemed to be the longest period permissible by law under the circumstances and geographic area covered shall be deemed to comprise the largest territory permissible by law under the circumstances. The court in each case shall reduce the term and/or geographic area covered to permissible duration or size.

10. Representation by Counsel; Consent to Choice of Law and Forum Selection. Executive acknowledges that Executive has had a full and complete opportunity to consult with counsel and other advisors of Executive's own choosing concerning the terms, enforceability and implications of this Agreement, that Executive was in fact represented by counsel and consulted with counsel in the drafting and execution of this Agreement, and that RWB has not made any representations or warranties to Executive concerning the terms, enforceability or implications of this Agreement other than as reflected in this Agreement. Executive, having consulted with counsel, expressly agrees to the provisions of this Agreement providing for an arbitral forum outside of the State of California and for the application of the law of the State of Delaware to this Agreement rather than the law of the State of California.

11. Governing Law; Arbitration. This Agreement shall be governed, construed, interpreted and enforced in accordance with the laws of the State of Delaware, without regard to the conflict of laws principles thereof. The parties irrevocably elect as the sole judicial forum for the adjudication of any matters relating to or arising out of this Agreement, and consent to the exclusive jurisdiction of, the federal and state courts of the State of Michigan. The parties further agree that any dispute arising out of or relating to this Agreement shall be subject to the mandatory arbitration terms of the Employment Agreement.

12. Entire Agreement. This Agreement, together with the Employment Agreement, the Indemnity Agreement and any equity award agreements between Executive and RWB, contains the entire agreement and understanding between RWB and Executive with respect to the subject matter hereof, and no representations, promises, agreements or understandings, written or oral, not herein or therein contained shall be of any force or effect.

13. Assignment. This Agreement may not be assigned by Executive, but may be assigned by RWB to any successor to its business and will inure to the benefit of and be binding upon any such successor.

14. Notice. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive: at Executive's most recent address on the records of RWB,

If to RWB:

Initials: ____, ____

810-789 West Pender Street
Vancouver, British Columbia
Canada, V6C 1H2
With a copy sent to:
Honigman LLP
660 Woodward Avenue
2290 First National Building
Detroit, Michigan 48226
Attn: Kim A. Dudek
Email: [REDACTED]

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

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

16. Amendments. No amendment or modification to this Agreement shall be valid unless in writing signed by Executive and an authorized officer of RWB.

17. Termination. This Agreement, and Executive's obligations herein, shall terminate and be of no force or effect upon Executive's termination of the Securities Purchase Agreement between, inter alia, Executive and RWB, due to RWB's failure to pay the second payment (as defined in the Securities Purchase Agreement).

18. Executive's Acknowledgment. Executive acknowledges (a) that he has had the opportunity to consult with independent counsel of his own choice concerning this Agreement, and (b) that he has read and understands this Agreement, is fully aware of its legal effect, and has entered into it freely based on his own judgment.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

EXECUTIVE	**RWB PLATINUM VAPE INC.**
_____	By: _____
Name: Cody Sadler	Name: Brad Rogers Title: Chief Executive Officer

Initials: ____, ____

EXHIBIT "D"
RELEASE OF CLAIMS

This Release Agreement ("**Agreement**") is made effective in accordance with Section 4 below, by and between RWB Platinum Vape Inc. ("**RWB**" or the "**Company**") and Cody Sadler (the "**Executive**").

1. **Employment Agreement**. Executive understands and agrees that this Agreement is entered into in consideration for certain severance benefits and other promises made by the Company pursuant to Sections 4(a) and 4(c) of the Employment Agreement that Executive executed with the Company (the "**Employment Agreement**"), and that Executive is not entitled to receive any severance benefits unless and until this Agreement has become effective and irrevocable pursuant to Section 4, below.

2 . **Release of Claims and Rights.** Executive, on behalf of himself and all of his heirs, family members, executors, accountants, administrators, attorneys, agents, assigns, successors and representatives, fully and forever releases, acquits and discharges the Company and all of its affiliates, successors, predecessors, assigns, parents, subsidiaries, divisions (whether incorporated or unincorporated), and all of its and their past and present owners, directors, officers, trustees, employees and agents (in their individual and representative capacities) (collectively, the "**Released Parties**") from and for all manner of claims, actions, suits, charges, grievances and/or causes of action, in law or in equity, existing by reason of and/or based upon any fact or set of facts, known or unknown, existing from the beginning of time through the date Executive signs this Agreement, whether known or unknown, suspected or unsuspected. For illustration purposes, the released claims include, but are not limited to, all claims and actions for or related to breach of implied or express contract; promissory estoppel; conversion; invasion of privacy; intentional infliction of emotional distress; negligence; fraud; defamation; wrongful discharge; discrimination; harassment; public policy violation; retaliation; any other claim or cause of action Seaman may have under the Age Discrimination in Employment Act ("**ADEA**"), the Older Workers Benefit Protection Act ("**OWBPA**"), Title VII of the Civil Rights Act, the Family and Medical Leave Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, the Equal Pay Act, the Employee Retirement Income Security Act, the Civil Rights Act of 1991, Section 1981 of U.S.C. Title 42, the Worker Adjustment and Retraining Notification Act, the Whistleblower Protection Act, the California Labor Code, the California Fair Employment and Housing Act (as amended), and any other federal, state, or local statute or law; and any claim or recovery for any type of damages, compensation, bonus, attorneys' fees, costs, or other relief that is or may be available to Executive. Executive acknowledges and agrees that the release contained in this Section 2 is intended to and shall be construed broadly to release any and all claims which Executive may have against the Released Parties, including, but not limited to, relating to and/or arising out of Executive's employment and/or the cessation of his employment with any of the Released Parties and/or otherwise. To the fullest extent permitted by law, Executive will not take any action that is contrary to the promises he has made in this Agreement.

3. **Covenant Not to Sue; Exclusions**.

(a) To the fullest extent permitted by law, Executive agrees not to file or initiate a lawsuit in any court or initiate an arbitration proceeding asserting any of the claims released pursuant to this Agreement. Executive further agrees that Executive will not permit himself to be a member of any class action and/or collective action in any court or in any arbitration proceeding seeking relief based on any claims released pursuant to this Agreement. Further, while nothing in this Agreement precludes Executive from filing a charge with a governmental or administrative agency or participating in any investigation, hearing, or proceeding of such agency, Executive agrees that (except as to possible whistleblower awards from the Securities and Exchange Commission), he will not be entitled to any personal relief or money damages arising out of such claims, whether pursued by him or any governmental agency, other person or group.

Initials: ____, ____

(b) Notwithstanding the foregoing, by signing this Agreement, Executive is not giving up: (i) any rights to vested benefits, such as pension or retirement benefits, the rights to which are governed by the terms of the applicable plan documents and award agreements; (ii) claims or rights that cannot be waived by operation of law, such as claims for unemployment compensation or workers' compensation benefits; (iii) claims to enforce this Agreement; or (iv) any monetary award offered by the Securities and Exchange Commission pursuant to Section 21F of the Securities Exchange Act of 1934.

4. **ADEA Notice.** Executive acknowledges that he is waiving and releasing any claims he may have under the ADEA, the OWBPA and otherwise, and that this waiver and release is knowing and voluntary. Executive is advised to consult with an attorney who is not affiliated with any of the Released Parties before signing this Agreement. Executive has twenty-one (21) days from the date he receives this Agreement to consider this Agreement. Executive may knowingly and voluntarily waive all or part of this 21-day period by signing and returning this Agreement to the Company, per the notice provisions of the Employment Agreement, prior to the expiration of the 21-day period. In the event that this Agreement is signed and delivered, Executive has a period of seven (7) days from the signature date to revoke this Agreement. Any revocation shall be made in writing by Executive and delivered to the Company, per the notice provisions of the Employment Agreement, within the 7-day revocation period. This Agreement will become effective and enforceable only after the revocation period has expired, without any revocation having been communicated, and the day following the expiration of the revocation period will be the "**Effective Date**" of this Agreement.

5. **Unknown Claims; Section 1542**. It is the intent of the parties that this Agreement shall be effective as a full and final accord and satisfaction and release of all released claims, whether known or unknown, as set forth above. In furtherance of this intention, Executive acknowledges familiarity with Section 1542 of the Civil Code of the State of California ("**Section 1542**"), which provides as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

Executive expressly waives and releases any right or benefit which he may have under Section 1542 to the fullest extent that he may waive all such rights and benefits pertaining to the matters released in this Agreement. It is the intent of the parties, through this Agreement and with the advice of counsel, to fully, finally and forever settle and release all claims Executive may have against the Released Parties, whether known or unknown.

6. **Confidentiality of Agreement.** Except as may be required by law, Executive will not in any manner disclose or communicate the existence of or any part of this Agreement to any other person except his spouse, his accountant or financial advisor to the limited extent needed for that person to prepare Executive's tax returns, and his attorney. If Executive is required by law to disclose any of the terms of this Agreement, he must immediately provide written notice of that fact to the Company, enclose a copy of the subpoena and any other documents describing the legal obligation, and cooperate with the Company in objecting to such request and/or seeking confidentiality protections.

7. **Non-Admission of Liability**. The parties wish to resolve all disputes amicably and without additional costs and expenses. Nothing in this Agreement shall be construed as an admission of liability by any party or any Released Parties.

8. **Adequacy of Consideration.** Executive acknowledges that the Company's promises set forth throughout this Agreement and Sections 4(a) and 4(c) of the Employment Agreement would not be provided unless Executive signed this Agreement and are each separate and adequate consideration for this Agreement, including Executive's release of claims.

Initials: ____, ____

9. **Non-Assistance.** To the fullest extent permitted by law, Executive will not cooperate with, or assist in, any claim, charge, lawsuit, investigation or arbitration against any of the Released Parties, unless required to do so by a lawfully issued subpoena, by court order or as expressly provided by regulation or statute. If Executive is served with a subpoena or is required by court order or otherwise to testify or produce documents in any type of proceeding involving any of the Released Parties, he must immediately advise the Company of same and cooperate with the Company in objecting to such request and/or seeking confidentiality protections.

10. **Binding Agreement; Assignment.** Except as otherwise provided herein, this Agreement will be binding upon and inure to the benefit of the parties' respective successors, permitted assigns and transferees, personal representatives, heirs and estates, as the case may be; provided, however, that Executive's rights and obligations under this Agreement may not be assigned without the prior written consent of the Company.

11. **Choice of Law; Attorneys' Fees; Arbitration.** This Agreement and the rights and obligations of the parties hereunder will be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, excluding any such laws that direct the application of the laws of any other jurisdiction. The Released Parties are intended third party beneficiaries of Executive's obligations under this Agreement. In any action in which any of the Released Parties seeks to enforce this Agreement, in addition to available legal and equitable damages, it will be entitled to recover from Executive its reasonable attorneys' fees and costs associated with such action. Any and all disputes related to or arising out of this Agreement shall be subject to the mandatory arbitration provisions of the Employment Agreement as though expressly incorporated herein.

12. **Return of Severance Benefits**. In addition to any other legal and/or equitable remedies, if it is judicially determined that Executive has breached this Agreement or any other contractual or legal obligation Executive owes to any of the Released Parties, then the Company shall be entitled to suspend payment of the severance benefits set forth in Sections 4(a) and 4(d) of the Employment Agreement and Executive will be required to repay all severance benefits as set forth in Sections 4(a) and 4(d) of the Employment Agreement, provided that he may retain $5,000. The exercise and/or availability of such remedy will not affect the validity of the release and other obligations of Executive as set forth in this Agreement or otherwise, nor will they limit the other legal and/or equitable remedies otherwise available to any of the Released Parties.

13. **Interpretation; Severability.** This Agreement shall be enforceable to the fullest extent permitted by law. If any provision is held to be unenforceable, then such provision will be construed or revised in a manner so as to permit its enforceability to the fullest extent permitted by applicable law. If such provision cannot be reformed in that manner, such provision will be deemed to be severed from this Agreement, but every other provision of this Agreement will remain in full force and effect.

14. **Section 409A**. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations issued thereunder ("**Section 409A**"), or an exemption under Section 409A and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under or in connection with the execution of this Agreement will be made in a manner that complies with Code Section 409A or an applicable exemption.

15. **Entire Agreement.** This Agreement reflects the entire agreement of the parties relative to the subject matter hereof, and supersedes all prior, contemporaneous, oral or written understandings, agreements, statements, representations or promises regarding the subject matter hereof. For the avoidance of doubt, this Agreement does not supersede any post-termination obligations of Executive under the Employment Agreement, or any restrictive covenant agreement between Executive or any other Released Party, including but not limited to the Restrictive Covenant Agreement between RWB and Executive executed contemporaneously with the Employment Agreement. This Agreement may not be amended, modified, waived or terminated except in a writing signed by Executive and the Company's signatory to this Agreement. Further, the waiver by a party of a breach of any provision of this Agreement by the other will

Initials: ____, ____

not operate or be construed as a waiver of any subsequent breach of the same or other provision of this Agreement.

16. **Executive's Acknowledgment.** Executive represents that he has fully read and understands the meaning and application of this Agreement and all exhibits thereto; that he is not relying on any representation, statement, and/or promise not set forth in this Agreement; that the Company and Released Parties have advised him/her to consult with independent legal counsel; and that Executive is signing this Agreement of his/her own free will.

The parties hereto confirm their agreement by the signatures shown below.

_____ By: _____

Name: Cody Sadler

Name: Brad Rogers
Title: Chief Executive Officer

Initials: ____, ____

EXHIBIT E
Security Agreement
See attached.

SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of _____, 2020 (this "Agreement"), is among RWB Platinum Vape Inc. (the "Company"), Red White & Bloom Brands, Inc. ("Parent"), the Subsidiaries of the Company set forth on the signature pages hereto (such subsidiaries, the "Subsidiaries" and, together with the Company, the "Debtors") and the holders of the Company's Convertible Promissory Notes due six three (3) years following their issuance, in the aggregate principal amount of $15,000,000.00 (the "Notes") signatory hereto, their endorsees, transferees and assigns (collectively, the "Secured Parties").

W I T N E S S E T H:

WHEREAS, pursuant to the Purchase Agreement (as defined below), the Company has issued the Notes to the Secured Parties;

WHEREAS, in order to induce the Secured Parties to accept the Notes as part of the consideration payable under the Purchase Agreement, each Debtor has agreed to execute and deliver to the Secured Parties this Agreement and to grant the Secured Parties, pari passu with each other Secured Party and through the Agent (as defined in Section 18 hereof), a security interest in certain property of such Debtor to secure the prompt payment, performance and discharge in full of all of the Company's obligations under the Notes.

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1 . **Certain Definitions**. As used in this Agreement, the following terms shall have the meanings set forth in this Section 1. Terms used but not otherwise defined in this Agreement that are defined in Article 9 of the UCC (such as "account", "chattel paper", "commercial tort claim", "deposit account", "document", "equipment", "fixtures", "general intangibles", "goods", "instruments", "inventory", "investment property", "letter-of-credit rights", "proceeds" and "supporting obligations") shall have the respective meanings given such terms in Article 9 of the UCC. In addition to the terms defined elsewhere in this Agreement, capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

(a) "Collateral" means the collateral in which the Secured Parties are granted a security interest by this Agreement and which shall comprise all the Company's ownership interests (shares or LLC memberships) in each Subsidiary (partially comprising the Pledged Securities) and all assets of each Subsidiary, including, without limitation, the following personal property of each Subsidiary, whether presently owned or existing or hereafter acquired or coming into existence, wherever situated, and all additions and accessions thereto and all substitutions and replacements thereof, and all proceeds, products and accounts thereof, including, without limitation, all proceeds from the sale or transfer of the Collateral and of insurance covering the same and of any tort claims in connection therewith, and all dividends, interest, cash, notes, securities, equity interest or other property at any time and from time to time acquired, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Securities (as defined below):

(i) All goods, including, without limitation, (A) all machinery, equipment, computers, motor vehicles, trucks, tanks, boats, ships, appliances, furniture, special and general

tools, fixtures, test and quality control devices and other equipment of every kind and nature and wherever situated, together with all documents of title and documents representing the same, all additions and accessions thereto, replacements therefor, all parts therefor, and all substitutes for any of the foregoing and all other items used and useful in connection with any Subsidiary's businesses and all improvements thereto; and (B) all inventory;

(ii) All contract rights and other general intangibles, including, without limitation, all partnership interests, membership interests, stock or other securities, rights under any of the Organizational Documents, agreements related to the Pledged Securities, licenses, distribution and other agreements, computer software (whether "off-the-shelf", licensed from any third party or developed by any Subsidiary), computer software development rights, leases, franchises, customer lists, quality control procedures, grants and rights, goodwill, Intellectual Property (but excluding intent-to-use trademarks and related trademark applications) and income tax refunds;

(iii) All accounts, together with all instruments, all documents of title representing any of the foregoing, all rights in any merchandising, goods, equipment, motor vehicles and trucks which any of the same may represent, and all right, title, security and guaranties with respect to each account, including any right of stoppage in transit;

(iv) All documents, letter-of-credit rights, instruments and chattel paper;

(v) All commercial tort claims; accounts);

(vi) All deposit accounts and all cash (whether or not deposited in such deposit

(vii) All investment property;

(viii) All supporting obligations; programs; and

(ix) All files, records, books of account, business papers, and computer

(x) the products and proceeds of all of the foregoing Collateral set forth in clauses (i)-(ix) above.

Without limiting the generality of the foregoing, the "Collateral" shall include all investment property and general intangibles respecting ownership and/or other equity interests in each Subsidiary, including, without limitation, the shares of capital stock and the other equity interests listed on Schedule G hereto (as the same may be modified from time to time pursuant to the terms hereof), and any other shares of capital stock and/or other equity interests of any other direct or indirect subsidiary of any Subsidiary obtained in the future, and, in each case, all certificates representing such shares and/or equity interests and, in each case, all rights, options, warrants, stock, other securities and/or equity interests that may hereafter be received, receivable or distributed in respect of, or exchanged for, any of the foregoing and all rights arising under or

in connection with the Pledged Securities, including, but not limited to, all dividends, interest and cash.

Notwithstanding the foregoing, nothing herein shall be deemed to constitute an assignment or encumbrance of any asset which, in the event of an assignment or encumbrance, becomes void by operation of applicable law or the assignment or encumbrance of which is otherwise prohibited by applicable law (in each case to the extent that such applicable law is not overridden by Sections
9-406, 9-407 and/or 9-408 of the UCC or other similar applicable law); provided, however, that, to the extent and upon becoming permitted by applicable law, this Agreement shall create a valid security interest in such asset at such time as it becomes permitted under applicable law, and, to the extent permitted by applicable law, this Agreement shall create a valid security interest in the proceeds of such asset; provided further, that the parties hereto agree that certain Cannabis Laws may prohibit or limit the ability of the Secured Parties to take a security interest in or foreclose on any Collateral subject to Cannabis Laws or Permits granted under Cannabis Laws, and notwithstanding anything to the contrary in any Transaction Document, no Collateral will be pledged hereunder or foreclosed on by any Secured Party except in accordance with applicable Cannabis Laws and Permits granted thereunder. The parties hereto agree that, as of the date hereof, the Cannabis Laws of the State of California and City of San Diego permit VPM's Permits relating to Cannabis Laws to be included in the Collateral.

(b) "Intellectual Property" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, (i) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, (ii) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof, and all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, (iii) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, service marks, logos, domain names and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common law rights related thereto, (iv) all trade secrets arising under the laws of the United States, any other country or any political subdivision thereof, (v) all rights to obtain any reissues, renewals or extensions of the foregoing, (vi) all licenses for any of the foregoing, and (vii) all causes of action for infringement of the foregoing.

(c) "Necessary Endorsement" means undated stock powers endorsed in blank or other proper instruments of assignment duly executed and such other instruments or documents as the Agent (as that term is defined below) may reasonably request.

(d) "Obligations" means all of the liabilities and obligations (primary, secondary, direct, contingent, sole, joint or several) due or to become due, or that are now or may be hereafter contracted or acquired, or owing to, of any Debtor to the Secured Parties under this Agreement

and the Notes, in each case, whether now or hereafter existing, voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from any of the Secured Parties as a preference, fraudulent transfer or otherwise as such obligations may be amended, supplemented, converted, extended or modified from time to time. Without limiting the generality of the foregoing, the term "Obligations" shall include, without limitation: (i) principal of, and interest on the Notes and the loans extended pursuant thereto; (ii) any and all other out-of-pocket fees, indemnities, costs, obligations and liabilities of the Debtors from time to time under or in connection with this Agreement or the Notes; and (iii) all amounts (including but not limited to post-petition interest) in respect of the foregoing that would be payable but for the fact that the obligations to pay such amounts are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving any Debtor.

(f) "Organizational Documents" means, with respect to any Debtor, the documents by which such Debtor was organized (such as articles of incorporation, certificate of incorporation, certificate of limited partnership or articles of organization, and including, without limitation, any certificates of designation for preferred stock or other forms of preferred equity) and which relate to the internal governance of such Debtor (such as bylaws, a partnership agreement or an operating, limited liability or members agreement).

(g) "Permitted Liens" means (i) Liens in favor of the Secured Parties, (ii) Liens for taxes, assessments or other governmental charges not delinquent or being contested in good faith by appropriate proceedings diligently conducted which stay the enforcement of any Lien and for which adequate reserves are being maintained by a Debtor; (iii) deposits or pledges to secure a Debtor's obligations under worker's compensation, social security or similar laws, or under unemployment insurance; (iv) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the ordinary course of business; (v) Liens arising by virtue of the rendition, entry or issuance against a Debtor, or any property of a Debtor, of any judgment, writ, order or decree, provided that such Liens are in existence for less than forty five (45) consecutive days after it first arises or are being contested in good faith by appropriate proceedings diligently conducted which stay the enforcement of any Lien and for which adequate reserves are being maintained by such Debtor; (vi) mechanics', workers', materialmen's or other like Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith by appropriate proceedings diligently conducted which stay the enforcement of any Lien; (vii) Liens in favor of third-party financing sources placed upon equipment or real estate hereafter acquired or leased to secure a portion of the purchase price or lease thereof, provided that such financing arrangements are subject to arm's length and market terms and conditions and may be prepaid at any time in accordance with its terms; (viii) non- exclusive licenses of intellectual property, and leases or subleases of equipment or real property, in each case granted in the ordinary course of business and which do not interfere in any material respect with the operations of the business of the Debtors; (ix) easements, rights-of-way, restrictions, and other similar encumbrances against real property incurred in the ordinary course of business; (x) Liens arising from precautionary uniform commercial code financing statements; and (xi) Liens in favor of collecting banks arising under Section 4-210 of the UCC and Liens

(including the right of set-off) in favor of a bank or other depository institution arising as a matter of law encumbering deposits.

(h) "Pledged Securities" shall have the meaning ascribed to such term in Section 4(g).

(i) "Purchase Agreement" means the Securities Purchase Agreement, dated as of _____, 2020 among, inter alia, the Company, Parent, each Subsidiary, and the original Holders, as amended, modified or supplemented from time to time in accordance with its terms.

2. **Grant of Security Interest in Collateral**. As an inducement for the Secured Parties to accept the consideration evidenced by the Notes and to secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Obligations, each Debtor hereby unconditionally and irrevocably pledges, grants and hypothecates to the Secured Parties a perfected, first priority security interest in and to, a lien upon and a right of set-off against all of their respective right, title and interest of whatsoever kind and nature in and to, the Collateral (a "Security Interest" and, collectively, the "Security Interests").

3. **Delivery of Certain Collateral**. Contemporaneously or prior to the execution of this Agreement (but with respect to the Pledged Securities that are required to be held in escrow in accordance with the Purchase Agreement, promptly upon release from such escrow), each Debtor shall deliver or cause to be delivered to the Agent (a) any and all certificates and other instruments representing or evidencing the Pledged Securities (if any), and (b) any and all certificates and other instruments or documents representing any of the other Collateral, in each case, together with all Necessary Endorsements, including Necessary Endorsements for any Pledged Securities held in escrow. The Debtors are, contemporaneously with the execution hereof, delivering to Agent, or have previously delivered to Agent, a true and correct copy of each Organizational Document governing any of the Pledged Securities. Notwithstanding anything contained herein, unless an Event of Default has occurred and is continuing, the Company shall have the right vote any Pledged Securities and receive dividends therefrom.

4. **Representations, Warranties, Covenants and Agreements of the Debtors**. Except as set forth under the corresponding Section of the disclosure schedules delivered to the Secured Parties concurrently herewith (the "Disclosure Schedules"), which Disclosure Schedules shall be deemed a part hereof, each Debtor represents and warrants to, and covenants and agrees with, the Secured Parties as follows:

(a) The Debtors have no place of business or offices where their respective books of account and records are kept (other than temporarily at the offices of its attorneys or accountants) or places where Collateral is stored or located, except as set forth on Schedule A attached hereto. Except as specifically set forth on Schedule A, each Subsidiary is the record owner or lessee of the real property where such Collateral is located, and there exist no mortgages or other liens on any such real property except for Permitted Liens as set forth on Schedule A. Except as disclosed on Schedule A, none of such Collateral is in the possession of any consignee, bailee, warehouseman, agent or processor.

(b) Except for Permitted Liens and as set forth on Schedule B attached hereto, the Debtors are the sole owners of the Collateral (except for non-exclusive licenses granted by any

Debtor in the ordinary course of business), free and clear of any liens, security interests, encumbrances, rights or claims, and are fully authorized to grant the Security Interests. Except as set forth on Schedule C attached hereto, there is not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement, license or transfer or any notice of any of the foregoing (other than those that will be filed in favor of the Secured Parties pursuant to this Agreement) covering or affecting any of the Collateral. Except as set forth on Schedule C attached hereto and except pursuant to this Agreement, as long as this Agreement shall be in effect, the Debtors shall not execute and shall not knowingly permit to be on file in any such office or agency any other financing statement or other document or instrument (except to the extent filed or recorded in favor of the Secured Parties pursuant to the terms of this Agreement and Permitted Liens).

(c) No written claim has been received that any Collateral or any Debtor's use of any Collateral violates the rights of any third party. There has been no adverse decision to any Debtor's claim of ownership rights in or exclusive rights to use the Collateral in any jurisdiction or to any Debtor's right to keep and maintain such Collateral in full force and effect, and there is no proceeding involving said rights pending or, to the best knowledge of any Debtor, threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

(d) Each Debtor shall at all times maintain its books of account and records relating to the Collateral at its principal place of business and its Collateral at the locations set forth on Schedule A attached hereto and may not relocate such books of account and records or tangible Collateral unless it delivers to the Secured Parties at least thirty (30) days prior to such relocation written notice of such relocation and the new location thereof (which must be within the United States). Each Debtor shall cooperate in good faith with the Secured Parties in connection with filing appropriate financing statements under the UCC and other necessary documents which may need to be filed and recorded, and taking other steps to ensure the Security Interests remain created and perfected first priority liens in the Collateral in favor of the Secured Parties (to the extent such Collateral can be perfected by the filing of a UCC financing statement).

(e) This Agreement creates in favor of the Secured Parties a valid first priority security interest in the Collateral, subject only to Permitted Liens, securing the payment and performance of the Obligations. Upon making the filings described in the immediately following paragraph, all security interests created hereunder in any Collateral which may be perfected by filing UCC financing statements shall have been duly perfected. Except for (i) the recordation of the Intellectual Property Security Agreement (as defined in Section 4(h) hereof) with respect to copyrights and copyright applications referred to in paragraph (z) in the United States Copyright Office, (ii) the recordation of the Intellectual Property Security Agreement with respect to patents and trademarks of the Debtors in the United States Patent and Trademark Office, and (iii) the delivery of the certificates and other instruments provided in Section 3, no action is necessary to create, perfect or protect the security interests created hereunder. Without limiting the generality of the foregoing, except for the foregoing, no consent of any third parties and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for (x) the execution, delivery and performance of this Agreement, (y) the creation or perfection of the Security Interests created hereunder in the Collateral (to the

extent such Collateral can be perfected by the filing of a UCC financing statement) or (z) the enforcement of the rights of the Agent and the Secured Parties hereunder.

(f) Each Debtor hereby authorizes the Agent to file one or more financing statements under the UCC, with respect to the Security Interests, with the proper filing and recording agencies in any jurisdiction deemed proper by it.

(g) The capital stock and other equity interests listed on Schedule G hereto (including all uncertificated equity interests consisting of capital stock of any corporation as well as partnership or limited liability company interests of any other entity) (the "Pledged Securities") represent all of the capital stock and other equity interests of the Subsidiaries, and represent all capital stock and other equity interests owned, directly or indirectly, by the Company as part of its Platinum Vape division. All of the Pledged Securities are validly issued, fully paid and nonassessable, and the Company is the legal and beneficial owner of the Pledged Securities, free and clear of any lien, security interest or other encumbrance except for the security interests created by this Agreement and other Permitted Liens.

(h) Except for Permitted Liens, each Debtor shall at all times maintain the liens and Security Interests provided for hereunder as valid and perfected, first priority (to the extent that such liens and Security Interests can be perfected by the filing of a UCC financing statement) liens and security interests in the Collateral in favor of the Secured Parties until this Agreement and the Security Interest hereunder shall be terminated pursuant to Section 14 hereof. Each Debtor hereby agrees to use commercially reasonable efforts to defend the same against the claims of any and all persons and entities. Each Debtor shall use commercially reasonable efforts to safeguard and protect all Collateral for the account of the Secured Parties. At the request of the Agent, each Debtor will deliver to the Agent on behalf of the Secured Parties at any time or from time to time one or more financing statements pursuant to the UCC in form reasonably satisfactory to the Agent and will pay the cost of filing the same in all public offices wherever filing is, or is deemed by the Agent to be, necessary or desirable to effect the rights and obligations provided for herein. Without limiting the generality of the foregoing, each Debtor shall pay all fees, taxes and other amounts necessary to maintain the Collateral and the Security Interests hereunder (except to the extent such fees, taxes or other amounts are being contested in good faith), and each Debtor shall obtain and furnish to the Agent from time to time, upon demand, such releases and/or subordinations of claims and liens which may be required to maintain the priority of the Security Interests hereunder. In addition to the foregoing, each Debtor shall promptly execute and deliver to the Agent such further deeds, mortgages, assignments, security agreements, financing statements or other instruments, documents, certificates and assurances and take such further action as the Agent may from time to time request and may in its sole discretion deem reasonably necessary to perfect, protect or enforce the Secured Parties' security interest in the Collateral, including, without limitation, if applicable, the execution and delivery of a separate security agreement with respect to each Debtor's Intellectual Property ("Intellectual Property Security Agreement") in which the Secured Parties have been granted a security interest hereunder, substantially in a form reasonably acceptable to the Agent, which Intellectual Property Security Agreement, other than as stated therein, shall be subject to all of the terms and conditions hereof.

(i) No Debtor will transfer, pledge, hypothecate, encumber, license, sell or otherwise dispose of any of the Collateral (except for Permitted Liens or non-exclusive licenses granted by

a Debtor in its ordinary course of business, sales of inventory by a Debtor in its ordinary course of business and the replacement of worn-out or obsolete equipment by a Debtor in its ordinary course of business) without the prior written consent of the Secured Party.

(j) Each Debtor shall keep and preserve its equipment, inventory and other tangible Collateral in good condition, repair and order (other than ordinary use wear and tear) and shall not operate or locate any such Collateral (or cause to be operated or located) in any area excluded from insurance coverage.

(k) Each Debtor shall maintain with financially sound and reputable insurers, insurance with respect to the Collateral, including Collateral hereafter acquired, against loss or damage of the kinds and in the amounts customarily insured against by entities of established reputation having similar properties similarly situated and in such amounts as are customarily carried under similar circumstances by other such entities and otherwise as is prudent for entities engaged in similar businesses but in any event sufficient to cover the full replacement cost thereof. Each Debtor shall cause each insurance policy issued in connection herewith to provide, and the insurer issuing such policy to certify to the Agent, that (a) the Agent will be named as lender loss payee and additional insured under each such insurance policy; (b) if such insurance be proposed to be cancelled or materially changed for any reason whatsoever, such insurer will promptly notify the Agent and such cancellation or change shall not be effective as to the Agent for at least thirty (30) days after receipt by the Agent of such notice, unless the effect of such change is to extend or increase coverage under the policy; and (c) the Agent will have the right (but no obligation) at its election to remedy any default in the payment of premiums within thirty (30) days of notice from the insurer of such default. Loss payments received by any Debtor after an Event of Default occurs and is continuing or in excess of $100,000 for any occurrence or series of related occurrences, upon approval by Agent, which approval shall not be unreasonably withheld, delayed, denied or conditioned, loss payments in each instance will be applied by the applicable Debtor to the repair and/or replacement of property with respect to which the loss was incurred to the extent reasonably feasible, and any loss payments or the balance thereof remaining, to the extent not so applied, shall be paid to the Agent on behalf of the Secured Parties.

(l) Each Debtor shall, within ten (10) days of obtaining knowledge thereof, advise the Secured Parties, in sufficient detail, of any material adverse change in the Collateral, and of the occurrence of any event that would have a material adverse effect on the value of the Collateral or on the Secured Parties' security interest, through the Agent, therein.

(m) Upon reasonable prior notice (so long as no Event of Default has occurred or continuing, which in either such event, no prior notice is required), each Debtor shall permit the Agent and its representatives and agents to inspect the Collateral during normal business hours and to make copies of records pertaining to the Collateral as may be reasonably requested by the Agent from time to time.

(n) Each Debtor shall promptly notify the Secured Parties in sufficient detail upon becoming aware of any attachment, garnishment, execution or other legal process levied against any material portion of the Collateral and of any other information received by such Debtor that may materially affect the value of the Collateral, the Security Interest or the rights and remedies of the Secured Parties hereunder.

(o) All information heretofore, herein or hereafter supplied to the Secured Parties by or on behalf of any Debtor with respect to the Collateral is accurate and complete in all material respects as of the date furnished.

(p) The Debtors shall at all times preserve and keep in full force and effect their respective valid existence and good standing and any rights and franchises material to its business. No Debtor will change its name, type of organization, jurisdiction of organization, organizational identification number (if it has one), legal or corporate structure, or identity, or add any new fictitious name unless it provides at least thirty (30) days' prior written notice to the Secured Parties of such change and, at the time of such written notification, such Debtor provides any financing statements or fixture filings necessary to perfect and continue the perfection of the Security Interests granted and evidenced by this Agreement.

(q) Except in the ordinary course of business, no Debtor may consign any of its inventory or sell any of its inventory on bill-and-hold, sale-or-return, sale-on-approval, or other conditional terms of sale without the consent of the Agent, which shall not be unreasonably withheld, delayed, denied, or conditioned.

(r) No Debtor may relocate its chief executive office to a new location without providing thirty (30) days' prior written notification thereof to the Secured Parties and so long as, at the time of such written notification, such Debtor provides any financing statements or fixture filings necessary to perfect and continue the perfection of the Security Interests granted and evidenced by this Agreement.

(s) Each Debtor was organized and remains organized solely under the laws of the state set forth next to such Debtor's name in Schedule D attached hereto, which Schedule D sets forth each Debtor's organizational identification number or, if any Debtor does not have one, states that one does not exist.

(t) (i) The actual name of each Debtor is the name set forth in Schedule D attached hereto; (ii) no Debtor has any trade names except as set forth on Schedule E attached hereto; (iii) no Debtor has used any name other than that stated in the preamble hereto or as set forth on Schedule E for the preceding five (5) years; and (iv) no entity has merged into any Debtor or been acquired by any Debtor within the past five years except as set forth on Schedule E.

(u) Each Debtor, in its capacity as issuer, hereby agrees to comply with any and all orders and instructions of Agent regarding the Pledged Securities consistent with the terms of this Agreement without the further consent of any Debtor as contemplated by Section 8-106 (or any successor section) of the UCC. Further, each Debtor agrees that it shall not enter into a similar agreement (or one that would confer "control" within the meaning of Article 8 of the UCC) with any other person or entity.

(v) Each Debtor shall cause each subsidiary of such Debtor to become a party hereto (an "Additional Debtor") within twenty (20) days after such Debtor's acquisition or formation of such Additional Debtor, by executing and delivering an Additional Debtor Joinder in substantially the form of Annex A attached hereto and comply with the provisions hereof applicable to the Debtors. Concurrently therewith, the Additional Debtor shall deliver replacement schedules for,

or supplements to all other Disclosure Schedules to (or referred to in) this Agreement, as applicable, which replacement schedules shall supersede, or supplements shall modify, the Disclosure Schedules then in effect. The Additional Debtor shall also deliver such authorizing resolutions, good standing certificates, incumbency certificates, organizational documents, financing statements and other information and documentation as the Agent may reasonably request. Upon delivery of the foregoing to the Agent, the Additional Debtor shall be and become a party to this Agreement with the same rights and obligations as the Debtors, for all purposes hereof as fully and to the same extent as if it were an original signatory hereto and shall be deemed to have made the representations, warranties and covenants set forth herein as of the date of execution and delivery of such Additional Debtor Joinder, and all references herein to the "Debtors" shall be deemed to include each Additional Debtor.

(w) Each Debtor shall vote the Pledged Securities to comply with the covenants and agreements set forth herein and in the Notes.

(x) Each Debtor shall register the pledge of the applicable Pledged Securities on the books of such Debtor. Each Debtor shall notify each issuer of Pledged Securities to register the pledge of the applicable Pledged Securities in the name of the Secured Parties on the books of such issuer. Further, except with respect to certificated securities delivered to the Agent, the applicable Debtor shall deliver to Agent an acknowledgement of pledge (which, where appropriate, shall comply with the requirements of the relevant UCC with respect to perfection by registration) signed by the issuer of the applicable Pledged Securities, which acknowledgement shall confirm that: (a) it has registered the pledge on its books and records; and (b) at any time directed by Agent during the continuation of an Event of Default, such issuer will transfer the record ownership of such Pledged Securities into the name of any designee of Agent, will take such steps as may be necessary to effect the transfer, and will comply with all other instructions of Agent regarding such Pledged Securities without the further consent of the applicable Debtor, in each case subject to any conditions to or restrictions on such transfer under applicable laws.

(y) During the continuance of an Event of Default, Agent shall have the right to sell all or any of the Pledged Securities to another party or parties (herein called the "Transferee") or shall purchase or retain all or any of the Pledged Securities, each Debtor shall, to the extent applicable: (i) deliver to Agent or the Transferee, as the case may be, the articles of incorporation, bylaws, minute books, stock certificate books, corporate seals, deeds, leases, indentures, agreements, evidences of indebtedness, books of account, financial records and all other Organizational Documents and records of the Debtors and their direct and indirect subsidiaries (but not including any items subject to the attorney-client privilege related to this Agreement or any of the transactions hereunder); (ii) use its best efforts to obtain resignations of the persons then serving as officers and directors of the Debtors and their direct and indirect subsidiaries, if so requested; and (iii) use best efforts to obtain any approvals that are required by any governmental or regulatory body in order to permit the sale of the Pledged Securities to the Transferee or the purchase or retention of the Pledged Securities by Agent and allow the Transferee or Agent to continue the business of the Debtors and their direct and indirect subsidiaries.

(z) Without limiting the generality of the other obligations of the Debtors hereunder, each Debtor shall promptly (i) use commercially reasonable efforts to cause to be registered at the United States Copyright Office all of its material copyrights, (ii) following an Event of Default,

upon the written request of the Agent, cause the security interest contemplated hereby with respect to all Intellectual Property registered at the United States Copyright Office or United States Patent and Trademark Office to be duly recorded at the applicable office, and (iii) give the Agent notice whenever it acquires (whether absolutely or by license) or creates any additional material Intellectual Property.

(aa) Each Debtor will from time to time, at the joint and several expense of the Debtors, promptly execute and deliver all such further instruments and documents, and take all such further action as may be reasonably necessary or desirable, or as the Agent may reasonably request, in order to perfect (to the extent such security interest can be perfected by the filing of a UCC financing statement) and protect any security interest granted or purported to be granted hereby or to enable the Secured Parties to exercise and enforce their rights and remedies hereunder and with respect to any Collateral or to otherwise carry out the purposes of this Agreement.

(bb) Schedule F attached hereto lists all of the patents, patent applications, trademarks, trademark applications, registered copyrights, and domain names owned by any of the Debtors as of the date hereof. Schedule F lists all material licenses in favor of any Debtor for the use of any patents, trademarks, copyrights and domain names as of the date hereof. All material patents and trademarks of the Debtors have been duly recorded at the United States Patent and Trademark Office and all material copyrights of the Debtors have been duly recorded at the United States Copyright Office.

(cc) Each Debtor shall promptly execute and deliver to the Agent such further deeds, mortgages, assignments, security agreements, financing statements or other instruments, documents, certificates and assurances and take such further action as the Agent may from time to time request and may in its sole discretion deem necessary to perfect, protect or enforce the Secured Parties' security interest in the Collateral.

(dd) Each Debtor will not transfer, pledge, hypothecate, encumber, license, sell or otherwise dispose of any of the Collateral (except for non-exclusive licenses granted by a Debtor in its ordinary course of business and sales of inventory by a Debtor in its ordinary course of business) without the prior written consent of the Agent.

5. **Effect of Pledge on Certain Rights**. If any of the Collateral subject to this Agreement consists of nonvoting equity or ownership interests (regardless of class, designation, preference or rights) that may be converted into voting equity or ownership interests upon the occurrence of certain events (including, without limitation, upon the transfer of all or any of the other stock or assets of the issuer), it is agreed by Debtors that the pledge of such equity or ownership interests pursuant to this Agreement or the enforcement of any of Agent's rights hereunder shall not be deemed to be the type of event which would trigger such conversion rights notwithstanding any provisions in the Organizational Documents or agreements to which any Debtor is subject or to which any Debtor is party.

6. **Defaults**. The following events shall be "Events of Default":

(a) The occurrence of an Event of Default (as defined in the Notes) under the Notes;

(b) Any representation or warranty of any Debtor in this Agreement shall prove to have been incorrect in any material respect when made;

(c) The failure by any Debtor to observe or perform in any material respect any of its obligations hereunder for thirty (30) days after delivery to such Debtor of notice of such failure by or on behalf of a Secured Party unless such default is capable of cure but cannot be cured within such time frame and such Debtor is using commercially reasonable efforts to cure same in a timely fashion; or

(d) If any material provision of this Agreement shall at any time for any reason be declared to be null and void, or the validity or enforceability thereof shall be contested by any Debtor, or a proceeding shall be commenced by any Debtor, or by any governmental authority having jurisdiction over any Debtor, seeking to establish the invalidity or unenforceability thereof, or any Debtor shall deny that any Debtor has any liability or obligation purported to be created under this Agreement.

7. **Duty to Hold in Trust**.

(a) Upon the occurrence and during the continuance of any Event of Default and upon receipt of Agent's written demand for the following, each Debtor shall upon receipt of any revenue, income, dividend, interest or other sums subject to the Security Interests, whether payable pursuant to the Notes or otherwise, or of any check, draft, note, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for the Secured Parties and shall forthwith endorse and transfer any such sums or instruments, or both, to the Agent, pro-rata in proportion to their respective then-currently outstanding principal amount of Notes for application to the satisfaction of the Obligations.

(b) If any Debtor shall become entitled to receive or shall receive any material securities or other property (including, without limitation, shares of Pledged Securities or instruments representing Pledged Securities acquired after the date hereof, or any options, warrants, rights or other similar property or certificates representing a dividend, or any distribution in connection with any recapitalization, reclassification or increase or reduction of capital, or issued in connection with any reorganization of such Debtor or any of its direct or indirect subsidiaries) in respect of the Pledged Securities (whether as an addition to, in substitution of, or in exchange for, such Pledged Securities or otherwise), such Debtor agrees to (i) accept the same as the agent of the Secured Parties; (ii) hold the same in trust on behalf of and for the benefit of the Secured Parties; and (iii) to deliver any and all certificates or instruments evidencing the same to Agent on or before the close of business on the fifth (5th) business day following the receipt thereof by such Debtor, in the exact form received together with the Necessary Endorsements, to be held by Agent subject to the terms of this Agreement as Collateral.

8. Rights and Remedies Upon Default.

(a) Upon the occurrence and during the continuance of any Event of Default, the Secured Parties, acting through the Agent, shall have the right to exercise all of the remedies conferred hereunder and under the Notes, and the Secured Parties shall have all the rights and

remedies of a secured party under the UCC. Without limitation, the Agent, for the benefit of the Secured Parties, shall have the following rights and powers:

(i) The Agent shall have the right to take possession of the Collateral and, for that purpose, enter, with the aid and assistance of any person, any premises where the Collateral, or any part thereof, is or may be placed and remove the same, and each Debtor shall assemble the Collateral and make it available to the Agent at places which the Agent shall reasonably select, whether at such Debtor's premises or elsewhere, and make available to the Agent, without rent, all of such Debtor's respective premises and facilities for the purpose of the Agent taking possession of, removing or putting the Collateral in saleable or disposable form.

(ii) Upon written notice to the Debtors by Agent, all rights of each Debtor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise and all rights of each Debtor to receive the dividends and interest which it would otherwise be authorized to receive and retain, shall cease. Upon such written notice, Agent shall have the right to receive, for the benefit of the Secured Parties, any interest, cash dividends or other payments on the Collateral and, at the option of Agent, to exercise in such Agent's discretion all voting rights pertaining thereto. Without limiting the generality of the foregoing, Agent shall have the right (but not the obligation) to exercise all rights with respect to the Collateral as it were the sole and absolute owner thereof, including, without limitation, to vote and/or to exchange, at its sole discretion, any or all of the Collateral in connection with a merger, reorganization, consolidation, recapitalization or other readjustment concerning or involving the Collateral or any Debtor or any of its direct or indirect subsidiaries.

(iii) The Agent shall have the right to operate the business of each Debtor using the Collateral and shall have the right to assign, sell, lease or otherwise dispose of and deliver all or any part of the Collateral, at public or private sale or otherwise, either with or without special conditions or stipulations, for cash or on credit or for future delivery, in such parcel or parcels and at such time or times and at such place or places, and upon such terms and conditions as the Agent may deem commercially reasonable, all without (except as shall be required by applicable statute and cannot be waived) advertisement or demand upon or notice to any Debtor or right of redemption of a Debtor, which are hereby expressly waived. Upon each such sale, lease, assignment or other transfer of Collateral, the Agent, for the benefit of the Secured Parties, may, unless prohibited by applicable law which cannot be waived, purchase all or any part of the Collateral being sold, free from and discharged of all trusts, claims, right of redemption and equities of any Debtor, which are hereby waived and released.

(iv) The Agent shall have the right (but not the obligation) to notify any account debtors and any obligors under instruments or accounts to make payments directly to the Agent, on behalf of the Secured Parties, and to enforce the Debtors' rights against such account debtors and obligors.

(v) The Agent, for the benefit of the Secured Parties, may (but is not obligated to) direct any financial intermediary or any other person or entity holding any investment property to transfer the same to the Agent, on behalf of the Secured Parties, or its designee.

(vi) The Agent may (but is not obligated to) transfer any or all Intellectual Property registered in the name of any Debtor at the United States Patent and Trademark Office and/or Copyright Office into the name of the Secured Parties or any designee or any purchaser of any Collateral.

(b) The Agent shall comply with any applicable law in connection with a disposition of Collateral and such compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. The Agent may sell the Collateral without giving any warranties and may specifically disclaim such warranties. If the Agent sells any of the Collateral on credit, the Debtors will only be credited with payments actually made by the purchaser. In addition, each Debtor waives (except as shall be required by applicable statute and cannot be waived) any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Agent's rights and remedies hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

(c) For the purpose of enabling the Agent to further exercise rights and remedies under this Section 8 or elsewhere provided by agreement or applicable law, each Debtor hereby grants to the Agent, for the benefit of the Agent and the Secured Parties, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Debtor) to use, license or sublicense following an Event of Default, any Intellectual Property now owned or hereafter acquired by such Debtor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

9 . **Applications of Proceeds**. Upon the occurrence and during the continuance of any Event of Default, the proceeds of any sale, lease or other disposition by the Agent of the Collateral hereunder or from payments made to the Agent on account of any insurance policy insuring any portion of the Collateral shall be applied first, to the expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like (including, without limitation, any taxes, fees and other costs incurred in connection therewith) of the Collateral, to the reasonable attorneys' fees and expenses incurred by the Agent in enforcing the Secured Parties' rights hereunder and in connection with collecting, storing and disposing of the Collateral, and then to satisfaction of the Obligations pro rata among the Secured Parties (based on then-outstanding principal amounts of Notes at the time of any such determination), and to the payment of any other amounts required by applicable law, after which the Secured Parties shall pay to the applicable Debtor any surplus proceeds. If, upon the sale, license or other disposition of all of the Collateral, the proceeds thereof are insufficient to pay all amounts to which the Secured Parties are legally entitled, the Debtors will be liable for the deficiency, together with interest thereon, at the rate of 10% per annum or the lesser amount permitted by applicable law (the "Default Rate"), and the reasonable fees of any attorneys employed by the Secured Parties to collect such deficiency. To the extent permitted by applicable law, each Debtor waives all claims, damages and demands against the Secured Parties arising out of the repossession, removal, retention or sale of the Collateral, unless due solely to the gross negligence or willful misconduct of the Secured Parties as determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction.

10. **Securities Law Provision**. Each Debtor recognizes that Agent may be limited in its ability to effect a sale to the public of all or part of the Pledged Securities by reason of certain prohibitions in the Securities Act of 1933, as amended, or other federal or state securities laws (collectively, the "Securities Laws"), and may be compelled to resort to one or more sales to a restricted group of purchasers who may be required to agree to acquire the Pledged Securities for their own account, for investment and not with a view to the distribution or resale thereof. Each Debtor agrees that sales so made may be at prices and on terms less favorable than if the Pledged Securities were sold to the public, and that Agent has no obligation to delay the sale of any Pledged Securities for the period of time necessary to register the Pledged Securities for sale to the public under the Securities Laws. Each Debtor shall cooperate with Agent in its attempt to satisfy any requirements under the Securities Laws (including, without limitation, registration thereunder if requested by Agent) applicable to the sale of the Pledged Securities by Agent.

11. **Costs and Expenses**. Each Debtor agrees to pay all reasonable out-of-pocket fees, costs and expenses incurred in connection with any filing required hereunder, including without limitation, any financing statements pursuant to the UCC, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by the Agent. The Debtors shall also pay all other claims and charges which in the reasonable opinion of the Agent is reasonably likely to prejudice, imperil or otherwise affect the Collateral or the Security Interests therein. The Debtors will also, upon demand, pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Agent, for the benefit of the Secured Parties, may incur in connection with the creation, perfection, protection, satisfaction, foreclosure, collection or enforcement of the Security Interest and the preparation, administration, continuance, amendment or enforcement of this Agreement and pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Agent, for the benefit of the Secured Parties, and the Secured Parties may incur in connection with (i) the enforcement of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, or (iii) the exercise or enforcement of any of the rights of the Secured Parties under the Notes.

12. **Responsibility for Collateral**. The Debtors assume all liabilities and responsibility in connection with all Collateral, and the Obligations shall in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Collateral or its unavailability for any reason. Without limiting the generality of the foregoing and except as required by applicable law, (a) neither the Agent nor any Secured Party (i) has any duty (either before or after an Event of Default) to collect any amounts in respect of the Collateral or to preserve any rights relating to the Collateral, or (ii) has any obligation to clean-up or otherwise prepare the Collateral for sale, and (b) each Debtor shall remain obligated and liable under each contract or agreement included in the Collateral to be observed or performed by such Debtor thereunder. Neither the Agent nor any Secured Party shall have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Agent or any Secured Party of any payment relating to any of the Collateral, nor shall the Agent or any Secured Party be obligated in any manner to perform any of the obligations of any Debtor under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by the Agent or any Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to

enforce any performance or to collect the payment of any amounts which may have been assigned to the Agent or to which the Agent or any Secured Party may be entitled at any time or times.

13. **Security Interests Absolute**. All rights of the Secured Parties and all obligations of each Debtor hereunder, shall be absolute and unconditional, irrespective of: (a) any lack of validity or enforceability of this Agreement, the Notes or any agreement entered into in connection with the foregoing, or any portion hereof or thereof, against any other Debtor; (b) any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Notes or any other agreement entered into in connection with the foregoing; (c) any exchange, release or nonperfection of any of the Collateral, or any release or amendment or waiver of or consent to departure from any other collateral for, or any guarantee, or any other security, for all or any of the Obligations; (d) any action by the Secured Parties to obtain, adjust, settle and cancel in its sole discretion any insurance claims or matters made or arising in connection with the Collateral; or (e) any other circumstance which might otherwise constitute any legal or equitable defense available to a Debtor, or a discharge of all or any part of the Security Interests granted hereby. Until the Obligations shall have been paid and performed in full (other than contingent obligations for which no claim has been made), the rights of the Secured Parties shall continue even if the Obligations are barred for any reason, including, without limitation, the running of the statute of limitations. Each Debtor expressly waives presentment, protest, notice of protest, demand, notice of nonpayment and demand for performance. In the event that at any time any transfer of any Collateral or any payment received by the Secured Parties hereunder shall be deemed by final order of a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Secured Parties, then, in any such event, each Debtor's obligations hereunder shall survive cancellation of this Agreement, and shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Agreement, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof. Each Debtor waives all right to require the Secured Parties to proceed against any other person or entity or to apply any Collateral which the Secured Parties may hold at any time, or to marshal assets, or to pursue any other remedy. Each Debtor waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

14. **Term of Agreement**. This Agreement and the Security Interests shall terminate on the date on which all payments under the Notes have been paid in full and all other Obligations (other than contingent obligations for which no claim has been made) have been paid or discharged; provided, however, that all indemnities of the Debtors contained in this Agreement (including, without limitation, Annex B hereto) shall survive and remain operative and in full force and effect regardless of the termination of this Agreement.

15. **Power of Attorney; Further Assurances**.

(a) Each Debtor authorizes the Agent, and does hereby make, constitute and appoint the Agent and its officers, agents, successors or assigns with full power of substitution, as such Debtor's true and lawful attorney-in-fact, with power, in the name of the Agent or such Debtor, to, after the occurrence and during the continuance of an Event of Default, (i) endorse any note, checks, drafts, money orders or other instruments of payment (including payments payable under

or in respect of any policy of insurance) in respect of the Collateral that may come into possession of the Agent; (ii) to sign and endorse any financing statement pursuant to the UCC or any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to the Collateral; (iii) to pay or discharge taxes, liens, security interests or other encumbrances at any time levied or placed on or threatened against the Collateral; (iv) to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; (v) to transfer any Intellectual Property or provide licenses respecting any Intellectual Property; and (vi) generally, at the option of the Agent, and at the expense of the Debtors, at any time, or from time to time, to execute and deliver any and all documents and instruments and to do all acts and things which the Agent deems necessary to protect, preserve and realize upon the Collateral and the Security Interests granted therein in order to effect the intent of this Agreement and the Notes all as fully and effectually as the Debtors might or could do; and each Debtor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Obligations shall be outstanding. The designation set forth herein shall be deemed to amend and supersede any inconsistent provision in the Organizational Documents or other documents or agreements to which any Debtor is subject or to which any Debtor is a party. Without limiting the generality of the foregoing, after the occurrence and during the continuance of an Event of Default, each Secured Party is specifically authorized to execute and file any applications for or instruments of transfer and assignment of any patents, trademarks, copyrights or other Intellectual Property with the United States Patent and Trademark Office and the United States Copyright Office.

(b) Each Debtor hereby irrevocably appoints the Agent as such Debtor's attorney-in-fact, with full authority in the place and instead of such Debtor and in the name of such Debtor, from time to time in the Agent's discretion, to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including the filing, in its sole discretion, of one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of such Debtor where permitted by law, which financing statements may (but need not) describe the Collateral as "all assets" or "all personal property" or words of like import, and ratifies all such actions taken by the Agent. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Obligations shall be outstanding.

16. **Notices**. All notices, requests, demands and other communications hereunder shall be subject to the notice provision of the Purchase Agreement.

17. **Other Security**. To the extent that the Obligations are now or hereafter secured by property other than the Collateral or by the guarantee, endorsement or property of any other person, firm, corporation or other entity, then the Agent shall have the right, in its sole discretion, to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of the Secured Parties' rights and remedies hereunder.

18. **Appointment of Agent**. If and as applicable, the Secured Parties hereby appoint George Sadler to act as their agent ("Agent") for purposes of exercising any and all rights and remedies of the Secured Parties hereunder. Such appointment shall continue until revoked in

writing by the Secured Parties, at which time the Secured Parties shall appoint a new Agent. The Agent shall have the rights, responsibilities and immunities set forth in Annex B hereto.

19. **Miscellaneous**.

(a) No course of dealing between the Debtors and the Secured Parties, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Parties, any right, power or privilege hereunder or under the Notes shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) All of the rights and remedies of the Secured Parties with respect to the Collateral, whether established hereby or by the Notes or by any other agreements, instruments or documents or by law shall be cumulative and may be exercised singly or concurrently.

(c) This Agreement, together with the exhibits and schedules hereto, contains the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into this Agreement and the exhibits and schedules hereto. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Debtors and the Secured Party, or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought.

(d) If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(e) No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

(f) This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company and the Subsidiaries may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Agent (other than by merger). Any Secured Party may assign any or all of its rights under this Agreement to any Person (as defined in the Purchase Agreement) to whom such Secured Party assigns or transfers any Obligations, provided such transferee agrees in writing to be bound, with respect to

the transferred Obligations, by the provisions of this Agreement that apply to the "Secured Parties."

(g) Each party shall take such further action and execute and deliver such further documents as may be necessary or appropriate in order to carry out the provisions and purposes of this Agreement.

(h) Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, all questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of California, without regard to the principles of conflicts of law thereof. Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, each Debtor agrees that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and the Notes (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in San Diego County. Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, each Debtor hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in San Diego County for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such proceeding is improper. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

(i) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(j) All Debtors shall jointly and severally be liable for the obligations of each Debtor to the Secured Parties hereunder.

(k) Each Debtor agrees to indemnify, pay and hold harmless the Agent and the Secured Parties and their respective assignees and affiliates and their respective officers, directors, employees, agents, consultants, auditors, and attorneys of any of them (collectively, "Indemnitees") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Purchaser Indemnitee shall be designated a party thereto) imposed on, incurred by or asserted against such Indemnitee in any way related to or arising from or alleged to arise from this Agreement or the Collateral, except any such losses, claims, liabilities, damages, penalties, suits, costs and expenses which result from the gross negligence or willful misconduct

of the Indemnitee; provided that the Debtors shall not be obligated to indemnify the Indemnitees, or have any liability, in excess of the aggregate Purchase Price (as defined in the Purchase Agreement). This indemnification provision is in addition to, and not in limitation of, any other indemnification provision in the Notes, the Purchase Agreement or any other agreement, instrument or other document executed or delivered in connection herewith or therewith.

(l) Nothing in this Agreement shall be construed to subject Agent or any Secured Party to liability as a partner in any Debtor or any if its direct or indirect subsidiaries that is a partnership or as a member in any Debtor or any of its direct or indirect subsidiaries that is a limited liability company, nor shall Agent or any Secured Party be deemed to have assumed any obligations under any partnership agreement or limited liability company agreement, as applicable, of any such Debtor or any of its direct or indirect subsidiaries or otherwise, unless and until any such Secured Party exercises its right to be substituted for such Debtor as a partner or member, as applicable, pursuant hereto.

(m) To the extent that the grant of the security interest in the Collateral and the enforcement of the terms hereof require the consent, approval or action of any partner or member, as applicable, of any Debtor or any direct or indirect subsidiary of any Debtor or compliance with any provisions of any of the Organizational Documents, the Debtors hereby represent that all such consents and approvals have been obtained.

(n) The parties hereto expressly acknowledge and agree that (i) the use, possession, cultivation, manufacture, transportation, purchase and sale of cannabis is federally illegal, (ii) the federal laws and certain states' laws regarding the use, possession, cultivation, transportation, manufacture and furnishing of cannabis (the "Industry") are in conflict; (iii) engaging in the lawful conduct of business operations in the Industry under state law may risk criminal or civil forfeiture, violation of federal law, and heightened risk of criminal or civil prosecution, crime and violence; and (iv) such inherent risks are assumed by each party hereto, and party hereto has elected to execute and fulfill this Agreement despite such risks and waives any defense to enforcement of this Agreement based on cannabis being federally illegal.

[SIGNATURE PAGE OF DEBTORS FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed on the day and year first above written.

RWB PLATINUM VAPE INC.

By:_____
Name: Brad Rogers
Title: Chief Executive Officer

VISTA PRIME MANAGEMENT, LLC

By:_____
Name:
Title:

GC VENTURES 2, LLC

By:_____
Name:
Title:

VISTA PRIME 2, INC.

By:_____
Name:
Title:

VISTA PRIME 3, INC.

By:_____
Name:
Title:

PV CBD LLC

By:_____
Name:
Title:

[SIGNATURE PAGE OF HOLDERS FOLLOWS]

[SIGNATURE PAGE OF HOLDERS TO SECURITY AGREEMENT]

Name: **George Sadler**

Signature of Authorized Signatory of Investing entity: _____

Name: **Cody Sadler**

Signature of Authorized Signatory of Investing entity: _____

ANNEX A
to
SECURITY AGREEMENT

FORM OF ADDITIONAL DEBTOR JOINDER

Security Agreement dated as of _____, 2020 made by RWB Platinum Vape Inc. and its Subsidiaries (as defined therein) party thereto from time to time, as Debtors to and in favor of the Secured Parties identified therein (the "Security Agreement").

Reference is made to the Security Agreement as defined above; capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in, or by reference in, the Security Agreement.

The undersigned hereby agrees that, upon delivery of this Additional Debtor Joinder to the Secured Parties referred to above, the undersigned shall (a) be an Additional Debtor under the Security Agreement, (b) have all the rights and obligations of the Debtors under the Security Agreement as fully and to the same extent as if the undersigned was an original signatory thereto and (c) be deemed to have made the representations and warranties set forth therein as of the date of execution and delivery of this Additional Debtor Joinder. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE UNDERSIGNED SPECIFICALLY GRANTS TO THE SECURED PARTIES A SECURITY INTEREST IN THE COLLATERAL AS MORE FULLY SET FORTH IN THE SECURITY AGREEMENT AND ACKNOWLEDGES AND AGREES TO THE WAIVER OF JURY TRIAL PROVISIONS SET FORTH THEREIN.

Attached hereto are supplemental and/or replacement Disclosure Schedules to the Security Agreement, as applicable.

An executed copy of this Joinder shall be delivered to the Secured Parties, and the Secured Parties may rely on the matters set forth herein on or after the date hereof. This Joinder shall not be modified, amended or terminated without the prior written consent of the Secured Parties.

IN WITNESS WHEREOF, the undersigned has caused this Joinder to be executed in the name and on behalf of the undersigned.

[Name of Additional Debtor]

By:_____
Name:
Title:
Address:
Dated:

ANNEX B
to
SECURITY AGREEMENT
THE AGENT

1 . **Appointment**. The Secured Parties (all capitalized terms used herein and not otherwise defined shall have the respective meanings provided in the Security Agreement to which this Annex B is attached (the "Agreement")), by their acceptance of the benefits of the Agreement, hereby designate George Sadler ("Agent") as the Agent to act as specified herein and in the Agreement. Each Secured Party shall be deemed irrevocably to authorize the Agent to take such action on its behalf under the provisions of the Agreement and any other Transaction Document (as such term is defined in the Purchase Agreement) and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. The Agent may perform any of its duties hereunder by or through its agents or employees.

2 . **Nature of Duties**. The Agent shall have no duties or responsibilities except those expressly set forth in the Agreement. Neither the Agent nor any of its partners, members, shareholders, officers, directors, employees or agents shall be liable for any action taken or omitted by it as such under the Agreement or hereunder or in connection herewith or therewith, be responsible for the consequence of any oversight or error of judgment or answerable for any loss, unless caused solely by its or their gross negligence or willful misconduct as determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction. The duties of the Agent shall be mechanical and administrative in nature; the Agent shall not have by reason of the Agreement or any other Transaction Document a fiduciary relationship in respect of any Debtor or any Secured Party; and nothing in the Agreement or any other Transaction Document (as defined in the Purchase Agreement), expressed or implied, is intended to or shall be so construed as to impose upon the Agent any obligations in respect of the Agreement or any other Transaction Document except as expressly set forth herein and therein.

3 . **Lack of Reliance on the Agent**. Independently and without reliance upon the Agent, each Secured Party, to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of the Company and its subsidiaries in connection with such Secured Party's investment in the Debtors, the creation and continuance of the Obligations, the transactions contemplated by the Transaction Documents, and the taking or not taking of any action in connection therewith, and (ii) its own appraisal of the creditworthiness of the Company and its subsidiaries, and of the value of the Collateral from time to time, and the Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Secured Party with any credit, market or other information with respect thereto, whether coming into its possession before any Obligations are incurred or at any time or times thereafter. The Agent shall not be responsible to the Debtors or any Secured Party for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith, or for the execution, effectiveness, genuineness, validity, enforceability, perfection, collectability, priority or sufficiency of the Agreement or any other Transaction Document, or for the financial condition of the Debtors or the value of any of the Collateral, or be required to make any inquiry concerning either the performance or observance

of any of the terms, provisions or conditions of the Agreement or any other Transaction Document, or the financial condition of the Debtors, or the value of any of the Collateral, or the existence or possible existence of any default or Event of Default under the Agreement, the Notes or any of the other Transaction Documents.

4. **Certain Rights of the Agent**. The Agent shall have the right to take any action with respect to the Collateral, on behalf of all of the Secured Parties. To the extent practical, the Agent shall request instructions from the Secured Parties with respect to any material act or action (including failure to act) in connection with the Agreement or any other Transaction Document, and shall be entitled to act or refrain from acting in accordance with the instructions of the Secured Party; if such instructions are not provided despite the Agent's request therefor, the Agent shall be entitled to refrain from such act or taking such action, and if such action is taken, shall be entitled to appropriate indemnification from the Secured Parties in respect of actions to be taken by the Agent; and the Agent shall not incur liability to any person or entity by reason of so refraining. Without limiting the foregoing, (a) no Secured Party shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting hereunder in accordance with the terms of the Agreement or any other Transaction Document, and the Debtors shall have no right to question or challenge the authority of, or the instructions given to, the Agent pursuant to the foregoing and (b) the Agent shall not be required to take any action that the Agent believes (i) could reasonably be expected to expose it to personal liability or (ii) is contrary to this Agreement, the Transaction Documents or applicable law.

5. **Reliance**. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, statement, certificate, telex, teletype or facsimile message, cablegram, radiogram, order or other document or telephone message signed, sent or made by the proper person or entity, and, with respect to all legal matters pertaining to the Agreement and the other Transaction Documents and its duties thereunder, upon advice of counsel selected by it and upon all other matters pertaining to this Agreement and the other Transaction Documents and its duties thereunder, upon advice of other experts selected by it. Anything to the contrary notwithstanding, the Agent shall have no obligation whatsoever to any Secured Party to assure that the Collateral exists or is owned by the Debtors or is cared for, protected or insured or that the liens granted pursuant to the Agreement have been properly or sufficiently or lawfully created, perfected, or enforced or are entitled to any particular priority.

6. **Indemnification**. To the extent that the Agent is not reimbursed and indemnified by the Debtors, the Secured Parties will jointly and severally reimburse and indemnify the Agent, in proportion to their initially purchased respective principal amounts of Notes, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Agent in performing its duties hereunder or under the Agreement or any other Transaction Document, or in any way relating to or arising out of the Agreement or any other Transaction Document except for those determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction to have resulted solely from the Agent's own gross negligence or willful misconduct. Prior to taking any action hereunder as Agent, the Agent may require each Secured Party to deposit with it sufficient sums as it determines in good faith is necessary to protect the Agent for costs and expenses associated with taking such action.

7. **Resignation by the Agent.**

(a) The Agent may resign from the performance of all its functions and duties under the Agreement and the other Transaction Documents at any time by giving 30 days' prior written notice (as provided in the Agreement) to the Debtors and the Secured Parties. Such resignation shall take effect upon the appointment of a successor Agent pursuant to clauses (b) and (c) below.

(b) Upon any such notice of resignation, the Secured Parties shall appoint a successor Agent hereunder.

(c) If a successor Agent shall not have been so appointed within said thirty (30)-day period, the Agent shall then appoint a successor Agent who shall serve as Agent until such time, if any, as the Secured Parties appoint a successor Agent as provided above. If a successor Agent has not been appointed within such thirty (30)-day period, the Agent may petition any court of competent jurisdiction or may interplead the Debtors and the Secured Parties in a proceeding for the appointment of a successor Agent, and all fees, including, but not limited to, extraordinary fees associated with the filing of interpleader and expenses associated therewith, shall be payable by the Debtors on demand.

8. **Rights with respect to Collateral**. Each Secured Party agrees with all other Secured Parties and the Agent (i) that it shall not, and shall not attempt to, exercise any rights with respect to its security interest in the Collateral, whether pursuant to any other agreement or otherwise (other than pursuant to this Agreement), or take or institute any action against the Agent or any of the other Secured Parties in respect of the Collateral or its rights hereunder (other than any such action arising from the breach of this Agreement) and (ii) that such Secured Party has no other rights with respect to the Collateral other than as set forth in this Agreement and the other Transaction Documents. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent and the retiring Agent shall be discharged from its duties and obligations under the Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of the Agreement including this Annex B shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent.

August 25, 2020

VIA SEDAR

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, British Columbia V7Y 1L2

Alberta Securities Commission Suite 600, 250–5th St. SW
Calgary, Alberta T2P 0R4

Ontario Securities Commission
20 Queen Street West
20th Floor
Toronto, Ontario M5H 3S8

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8

Government of Newfoundland and Labrador
Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities

Dear Sirs/Mesdames:

Re: Red White & Bloom Brands Inc. (the "Company")
Adding Recipient Agencies to SEDAR Filings in Connection With the Filing of a Short Form Prospectus

We wish to advise that, in connection with the filing of a short form prospectus, we are hereby adding Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador as a recipient agency to the following filings:

1. SEDAR Project #03093532 – the Company's annual information form dated August 7, 2020 (the "**Annual Information Form**") in respect of the fiscal year ended July 31, 2019;

2. SEDAR Project #03068335 – the Company's CSE Form 2A listing statement dated June 1, 2020 respecting the business combination transaction (the "**Business Combination Transaction**") involving the Company (formerly Tidal Royalty Corp. ("**Tidal**")) and MichiCann Medical Inc. ("**MichiCann**") (excluding Tidal's interim financial statements and management's discussion and analysis thereon and the pro forma financial statements) (the "**Listing Statement**");

3. SEDAR Project #02994192 – the Company's audited consolidated financial statements and the notes thereto as at and for the years ended July 31, 2019 and 2018, together with the auditor's report thereon (the "**Annual Financial Statements**");

4. SEDAR Project #00004092 – the Company's management's discussion and analysis for the years ended July 31, 2019 and 2018 (the "**Annual MD&A**");

5. SEDAR Project #03013895 – the Company's statement of executive compensation for the financial years ended July 31, 2019 and 2018;

6. SEDAR Project #03058757 – the Company's audited consolidated financial statements in respect of MichiCann and the notes thereto as at and for the years ended December 31, 2019 and 2018, together with the auditor's report thereon;

7. SEDAR Project #03058758 – the Company's management's discussion and analysis of financial conditions and operations in respect of MichiCann for the years ended December 31, 2019 and 2018;

8. SEDAR Project #03039982 – the Company's unaudited condensed interim consolidated financial statements and the notes thereto as at and for the three and six months ended January 31, 2020 and 2019;

9. SEDAR Project #03039983 – the Company's management's discussion and analysis for the six month period ended January 31, 2020 and 2019;

10. SEDAR Project #03080177 – the Company's unaudited interim financial statements in respect of MichiCann and the notes thereto as at and for the three months ended March 31, 2020 and 2019;

11. SEDAR Project #03097058 – the Company's management information circular dated August 5, 2020 respecting an annual and special meeting of shareholders of the Company;

12. SEDAR Project #03100674 **-** the material change report dated August 24, 2020 respecting: (i) the entering into by the Company on July 24, 2020 of a growing and sales agreement with Critical 39 (the "**Critical 39 Agreement**"); (ii) the entering into by the Company on August 11, 2020 of a distribution agreement with Avicanna for the exclusive distribution of Avicanna's advanced and clinically backed CBD-based cosmetic and topical products Pura H&W™ in the United States and certain other markets (the "**Avicanna Distribution Agreement**"); (iii) the Company's providing of notice to PharmaCo shareholders (the "**PharmaCo Shareholders**") on July 24, 2020 of its intent to exercise its right to acquire 100% of the issued and outstanding shares of PharmaCo pursuant to the put/call option agreement dated January 4, 2019 between MichiCann, PharmaCo and PharmaCo Shareholders (the "**PharmaCo Put/Call Agreement**"); (iv) the entering into by the Company in July 21, 2020 of a binding letter of intent to acquire 100% of the issued and outstanding shares of Platinum Vape (the "**Platinum Vape LOI**"); and (v) the appointment of CNBC Market Analyst Steven Grasso as Business Advisor;

13. SEDAR Project #03080836 – the material change report dated July 7, 2020 respecting a debt settlement subscription agreement with an arm-length investor entered into on June 30, 2020 to settle advances made by the investor to PharmaCo Inc.;

14. SEDAR Project #03069746 and Project #03070977 – the material change reports dated June 8, 2020 and June 11, 2020 respecting the Company's acquisition on June 10, 2020 of 1251881 B.C. Ltd. ("**Newco**"), being the entity holding the licensing rights for the branding of High Times® ("**High Times**") dispensaries and High Times cannabis-based CBD and THC products in the States of Michigan, Illinois and Florida and branding of High Times hemp-derived CBD products nationally in the United States carrying the Culture® brand pursuant to a retail license agreement and a product license agreement with HT (as defined below), which transactions were completed by way of a three-cornered amalgamation under the Business Corporations Act (British Columbia), whereby 1252034

B.C. Ltd., a wholly-owned British Columbia subsidiary of RWB, amalgamated with 1251881 B.C. Ltd. to form RWB Licensing Inc. ("**RWB Licensing**") in exchange for the issuance to 1252240 B.C. Ltd. (the " **Seller**"), a wholly-owned subsidiary of HT Retail Licensing, LLC ("**HT**") of: (i) 13,500,000 Common Shares issued at a deemed price of $1.50 per Common Share; and (ii) a special warrant of the Company that is exercisable into 4,500,000 additional Common Shares if the volume weighted average price of the Common Shares on the CSE, for the first 180 days following June 10, 2020 is below $1.50, all pursuant to an acquisition agreement between the Company, HT, the Seller and Newco dated June 4, 2020 (the "**RWB Licensing Acquisition**");

15. SEDAR Project #03069744 – the material change report dated June 8, 2020 respecting the resumption of trading of the Company's shares on the CSE;

16. SEDAR Project #03050500 – the material change report dated April 29, 2020 respecting the completion of the Company's Business Combination Transaction with MichiCann on April 24, 2020 whereby (i) the Company changed its name from "Tidal Royalty Corp." to "Red White & Bloom Brands Inc." and completed a 16:1 share consolidation including common shares, series I convertible preferred shares (the "**Series I Preferred Shares**"), options and warrants; (ii) the Company fixed the number of directors at five and appointed Brad Rogers, Johannes (Theo) van der Linde, Brendan Purdy, Michael Marchese and Bill Dawson; (iii) appointed Brad Rogers as Chief Executive Officer and Johannes (Theo) van der Linde as Chief Financial Officer; (iv) the Company issued Common Shares, series II convertible preferred shares (the "**Series II Preferred Shares**"), warrants and options to former holders of MichiCann common shares, warrants and options; (v) certain shareholders entered into voluntary escrow agreements; and (vi) the Company agreed to guarantee certain obligations of PharmaCo, Mid-American Growers, Inc. ("**MAG**") and RWB Illinois, Inc. (" **RWB Illinois**") pursuant to an amended and restated credit agreement with Bridging Finance Inc. ("**Bridging**") dated January 10, 2020;

17. SEDAR Project #03029041 – the material change report dated March 13, 2020 respecting the entering into of an amended and restated business combination agreement with MichiCann in respect of the Business Combination Transaction;

18. SEDAR Project #03058725 – the notice of change in corporate structure dated May 14, 2020 whereby, effective as of April 24, 2020, the Company changed its year end to December 31, 2020;

19. SEDAR Project #02917011 – The Business Combination Agreement between MichiCann Medical Inc. and Tidal Royalty Corp. and 2690229 Ontario Inc. dated of May 8, 2019, whereby the parties entered into an agreement to carry out a proposed business combination by way of a statutory amalgamation under the provisions of the OBCA;

20. SEDAR Project #03029046 – The Amended and Restated Business Combination Agreement between MichiCann Medical Inc. and Tidal Royalty Corp. and 2690229 Ontario Inc. dated as of March 12, 2020, whereby the parties entered into an amended and restated agreement to carry out a proposed business combination by way of a statutory amalgamation under the provisions of the OBCA; and

21. SEDAR Project #02881809 – The Debenture Purchase Agreement dated February 25, 2019 between Tidal Royalty Corp. and MichiCann Medical Inc. whereby Tidal Royalty Corp. advanced $15,000,000 to MichiCann Medical Inc.pursuant to a senior secured convertible debenture.

Please do not hesitate to contact me at 604.687.2038 if you require any further information and we look forward to your response.

Regards

RED WHITE & BLOOM BRANDS INC.

"Johannes van der Linde"
Per:
Johannes van der Linde
Director and Chief Financial Officer

Exhibit 99.5
EXECUTION COPY

AMENDED AND RESTATED CREDIT AGREEMENT

This Agreement dated January 10 , 2020 is made between:

RWB ILLINOIS, INC.,
MID-AMERICAN GROWERS, INC. and
PHARMACO, INC.
as Borrowers

- and –

MICHICANN MEDICAL INC.

-and-

BRIDGING FINANCE INC.
as Lender

NOW THEREFORE For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties agree as follows:

ARTICLE I - INTERPRETATION

1.01 Definitions

In this Agreement, the following words and phrases shall have the meanings set forth below: "**Acceleration Date**" means the earlier of: (i) the date on which an Insolvency Event occurs; and (ii) the date of delivery by the Lender to the Borrowers of a Demand Notice.

"**Acquisition**" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of in excess of fifty percent (50%) of the Equity Interests of any Person or otherwise causing any Person to become a Subsidiary of a Borrower, or (c) an amalgamation, plan of arrangement, merger or consolidation or any other combination with another Person.

"**Advances**" means the extension of credit by the Lender to the Borrowers pursuant to this Agreement and "Advance" shall mean any one extension by the Lender as the context requires.

"**Affiliate**" has the meaning ascribed thereto in the OBCA.

"**Agreement**" means this credit agreement (including the exhibits and schedules) as it may be amended, replaced or restated from time to time and each reference herein to "this Agreement",

"the date hereof", "the date of this Agreement" and similar references are references to this amended and restated credit agreement and not to the Original Credit Agreement.

"**Amendment Closing Date**" is defined in section 8.01

"**Approved Jurisdiction**" means an Approved Medical Cannabis Jurisdiction or an Approved Non- Medical Cannabis Jurisdiction.

"**Approved Medical Cannabis Jurisdiction**" means a Medical Cannabis Jurisdiction (i) which is approved in writing by the Lender in its discretion and (ii) if required by the Lender, is confirmed as a Medical Cannabis Jurisdiction by a legal opinion provided by the Borrowers' counsel in such jurisdiction in form and substance satisfactory to the Lender. The Lender may in its discretion from time to time (i) upon receipt of a written request by the Borrowers, designate any jurisdiction an Approved Medical Cannabis Jurisdiction provided that all above criteria have been satisfied; and (ii) revoke the designation of any jurisdiction as an Approved Medical Cannabis Jurisdiction by written notice to the Borrowers if such jurisdiction is no longer a Medical Cannabis Jurisdiction. Each of Canada and the States of Michigan, Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon, Vermont, Washington, Arizona, Arkansas, Delaware, Florida, Illinois, Montana, New Hampshire, New Mexico, Rhode Island, the District of Columbia and Guam is an Approved Medical Cannabis Jurisdiction as at the date of this Agreement.

"**Approved Non-Medical Cannabis Jurisdiction**" means a Non-Medical Cannabis Jurisdiction (i) which is approved in writing by the Lender in its discretion and (ii) if required by the Lender, is confirmed as a Non-Medical Cannabis Jurisdiction by a legal opinion provided by the Borrowers' counsel in such jurisdiction in form and substance satisfactory to the Lender. The Lender may in its discretion from time to time (i) upon receipt of a written request by the Borrowers, designate any jurisdiction an Approved Non-Medical Cannabis Jurisdiction provided that all above criteria have been satisfied; and (ii) revoke the designation of any jurisdiction as an Approved Non- Medical Cannabis Jurisdiction by written notice to the Borrowers if such jurisdiction is no longer a Non-Medical Cannabis Jurisdiction. Each of Canada and the States of Michigan, Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon, Vermont, Washington and the District of Columbia and Guam is an Approved Non-Medical Cannabis Jurisdiction as at the date of this Agreement.

"**Bank Account**" means account number 30872-620 at IC Savings Credit Union or such other account agreed to by the Lender in its sole discretion.

"**Beneficial Ownership Certification**" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"**Beneficial Ownership Regulation**" means US 31 C.F.R. § 1010.230.

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time.

"**Borrowers**" means RWB Subco, MAG and Pharmaco; and "**Borrower**" means any one of them as the context requires.

"**Breach**" means the failure of any Borrower, MichiCann or any other Company to observe, perform or comply with any of its covenants or obligations to the Lender contained in this Agreement or any other Loan Document.

"**Business Day**" means any day on which the Lender is open for business in Toronto, Ontario, excluding Saturday, Sunday and any other day that is a statutory holiday in Toronto, Ontario.

"**Canadian Dollars**" means the lawful money of Canada.

"**Cannabis**" has the meaning given to the term "cannabis" under the *Cannabis Act* and includes all dried marijuana, fresh marijuana, cannabis oil, cannabinoids and starting materials with respect thereto.

"***Cannabis Act***" means *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts*, S.C. 2018, c. 16, as amended from time to time and all Laws with respect to Medical Cannabis Jurisdictions and Non-Medical Cannabis Jurisdictions applicable to Borrowers in the United States.

"**Cannabis-Related Activities**" means any activities, including advertising or promotional activities, relating to or in connection with the importation, exportation, cultivation, production, purchase, distribution or sale of Cannabis or Cannabis-related products.

"**Cannabis Regulations**" means Cannabis Regulations under the *Cannabis Act*, as amended from time to time and all other regulations made from time to time under the *Cannabis Act* or any other statute with respect to Cannabis-Related Activities.

"**Capital Expenditures**" means expenditures which in accordance with GAAP are considered to be in respect of the acquisition or leasing of capital assets including the acquisition or improvement of Land, plant, machinery or equipment, whether fixed or removable; but excluding any expenditure which constitutes an Investment.

"**Capital Lease**" means any lease of assets which in accordance with GAAP is required to be capitalized on the balance sheet of the lessee.

"**Collateral**" means all property, assets and undertaking of the Companies encumbered by the
Security and all proceeds thereof.

"**Companies**" means the Borrowers and all Material Subsidiaries from time to time; and "**Company**" means any of them as the context requires.

"Compliance Certificate" means a certificate delivered by Pharmaco or MichiCann to the Lender in the form of Exhibit "C-1" or Exhibit "C-2" as the case may be.

"Concurrent Financing" means an equity or debt financing that may be completed by MichiCann concurrently with the closing of the RTO.

"**control**" means, in respect of any Person, the power to direct or cause the direction of management and policies of such Person, directly or indirectly, through the ownership of voting securities, contract or otherwise; and "**controlled**" has a corresponding meaning.

"**Control Agreement**" means a control agreement, in form and substance satisfactory to the Lender, executed and delivered by a U.S. Company, the Lender and the applicable securities intermediary (with respect to a securities account) or bank (with respect to a deposit account), which shall provide among other things, that upon the instruction of the Lender at any time when a Breach has occurred and is continuing such bank will forward to the Lender on a daily basis all amounts in the applicable deposit account or such securities intermediary will act only upon the instructions of the Lender with respect to the applicable securities account.

"**Controlled Group**" in respect of any U.S. Company means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with such or any of its Subsidiaries, are treated as a single employer under Section 414 of the Revenue Code.

"**Demand Notice**" means a written notice delivered to the Borrowers by the Lender declaring the Obligations to be immediately due and payable.

"**Distribution**" means any amount paid to or on behalf of the directors, officers, shareholders, partners or unitholders of any Company, or to any Related Person thereto, by way of salary, bonus, commission, management fees, directors' fees, dividends, redemption of shares, distribution of profits or otherwise, and whether payments are made to such Persons in their capacity as shareholders, partners, unitholders, directors, officers, employees, owners or creditors of any Company or otherwise, or any other direct or indirect payment in respect of the earnings or capital of any Company; provided however that the payment of reasonable salaries, bonuses and commissions from time to time to the officers and employees of a Company, and the payment of reasonable directors' fees to the directors of a Company, shall not be considered Distributions.

"**Drawdown Request**" means a notice in the form of Exhibit "A" given by either one or both
Borrowers to the Lender for the purpose of requesting an Advance hereunder.

"**ERISA**" means the *Employee Retirement Income Security Act* of 1974 (United States) as amended from time to time, or any successor statute thereto, and the rules, regulations and published interpretations thereof.

"**ERISA Affiliate**" means any Person who together with any Company or any of its Subsidiaries is treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Revenue Code or Section 4001(b) of ERISA.

"**Equity Interest**" means any share, interest, participation or other right to participate in the voting or equity ownership of a corporation and any equivalent ownership interest in any Person that is not a corporation, including any partnership or membership interest, and any warrant, option or other right which is exchangeable or convertible into any of the foregoing.

"**Equivalent Amount**" means, in relation to an amount in one currency, the amount in another currency that could be purchased by the amount in the first currency determined by reference to the applicable Exchange Rate.

"**Exchange Rate**" in connection with any amount of Canadian Dollars to be converted into another currency pursuant to this Agreement for any reason, or vice-versa, means the Bank of

Montreal's spot rate of exchange for converting Canadian Dollars into such other currency or vice- versa, as the case may be, quoted as the offering rate for wholesale transactions by the Bank of Montreal at approximately noon (Toronto time) on the effective date of such conversion.

"**Excluded Subsidiary**" means (i) any Subsidiary listed under the heading "Excluded Subsidiaries" in Schedule 5.01(b) attached hereto; and (ii) any other Subsidiary designated in writing by the Lender in its discretion.

"**Facilities**" means Facility A and Facility B and "Facility" shall mean either of them as the context may require.

"**Facility A**" has the meaning ascribed thereto in Section 2.01.

"**Facility A Limit**" means the Equivalent Amount in Canadian Dollars of Twenty Seven Million United States Dollars (USD$27,000,000.00).

"**Facility B**" has the meaning ascribed thereto in Section 3.01.

"**Facility B Borrowers**" means RWB Subco and MAG and "Facility B Borrower" shall mean either of them as the context requires.

"**Facility B Limit**" means the Equivalent Amount in Canadian Dollars of Twenty Two Million Seven Hundred Fifty Thousand United States Dollars (USD$22,750,000).

"**First-Ranking Security Interest**" in respect of any Collateral means a Lien in such Collateral which is registered where necessary or desirable to record and perfect the charges contained therein and which ranks in priority to all other Liens in such Collateral except for those Permitted Liens (if any) which have priority in accordance with applicable Law.

"**Fiscal Quarter**" in respect of any Company means a fiscal quarter of such Company, ending on the last days of March, June, September and December in each year.

"**Fiscal Year**" in respect of any Company means a fiscal year of such Company, ending on the last day of December in each year.

"**Funded Debt**" means in respect of any Person means obligations of such Person which are considered to constitute debt in accordance with GAAP, including indebtedness for borrowed money, interest-bearing liabilities, obligations secured by Purchase-Money Security Interests, capitalized interest, and the redemption price of any securities issued by such person having attributes substantially similar to debt (such as securities which are redeemable at the option of the holder), but excluding accounts payable, short term non-interest bearing liabilities, future income taxes (both current and long-term), Subordinated Debt.

"**GAAP**" means, with respect to MichiCann, generally accepted accounting principles in Canada as approved by the Canadian Institute of Chartered Accountants in effect from time to time and, with respect to any Borrower, means generally accepted accounting principles in the United States, as in effect from time to time, consistently applied.

"**Governmental Authority**" means any: (i) federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; or (iii) any quasi-governmental, judicial or administrative body exercising any regulatory, expropriation or taxing authority.

"**Guarantee**" means any agreement by which any Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes liable upon, the obligation of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person or otherwise assures any creditor of such Person against loss, and shall include any contingent liability under any letter of credit or similar document or instrument.

"**Hazardous Materials**" means any contaminant, pollutant, waste or substance that is likely to cause immediately or at some future time harm or degradation to the surrounding environment or risk to human health in contravention of Requirements of Environmental Law; and without restricting the generality of the foregoing, including any pollutant, contaminant, waste, hazardous waste or dangerous goods that is regulated by any Requirements of Environmental Law or that is designated, classified, listed or defined as hazardous, toxic, radioactive or dangerous or as a contaminant, pollutant or waste by any Requirements of Environmental Law.

"**Indemnitees**" means the Lender and its successors and permitted assignees, any agent of any of them (specifically including a receiver or receiver-manager) and the respective officers, directors and employees of the foregoing.

"**Insolvency Event**" means, in respect of any Person:

* such Person ceases to carry on its business; or commits an act of bankruptcy or becomes insolvent (as such terms are used in the BIA); or makes an assignment for the benefit of creditors, files a petition in bankruptcy, makes a proposal or commences a proceeding under Insolvency Legislation; or petitions or applies to any tribunal for, or consents to, the appointment of any receiver, trustee or similar liquidator in respect of all or a substantial part of its property; or admits the material allegations of a petition or application filed with respect to it in any proceeding commenced in respect of it under Insolvency Legislation; or takes any corporate action for the purpose of effecting any of the foregoing; or

* any proceeding or filing is commenced against such Person seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts under any Insolvency Legislation, or seeking appointment of a receiver, trustee, custodian or other similar official for it or any of its property or assets; unless (i) such Person is diligently defending such proceeding in good faith and on reasonable grounds as determined by the Lender and (ii) such proceeding does not in the reasonable opinion of the Lender materially adversely affect the ability of such Person to carry on its business and to perform and satisfy all of its obligations hereunder.

"**Insolvency Legislation**" means legislation in any applicable jurisdiction relating to reorganization, arrangement, compromise or re-adjustment of debt, dissolution or winding-up, or any similar legislation, and specifically includes for greater certainty the BIA, the *Companies' Creditors Arrangement Act* (Canada) and the *Winding-Up and Restructuring Act* (Canada) and the *United States Bankruptcy Code*.

"**Interest**" means interest on loans, stamping fees in respect of bankers' acceptances, the difference between the proceeds received by the issuers of bankers' acceptances and the amounts payable upon the maturity thereof, issuance fees in respect of letters of credit, the interest component of amounts payable under Capital Leases, and any other charges or fees in connection with the extension of credit (and for greater certainty, including capitalized interest), plus standby fees in respect of the unutilized portion of any credit facility; but for greater certainty "Interest" shall not include agency fees, arrangement fees, structuring fees, fees relating to the granting of consents, waivers, amendments, extensions or restructurings, the reimbursement of costs and expenses, and any similar amounts which may be charged from time to time in connection with the establishment, administration or enforcement of credit facilities.

"**Interim Financial Statements**" in respect of any Person means the unaudited financial statements of such Person on a consolidated basis (and also, on an unconsolidated basis if requested by the Lender) in respect of its most recently completed Fiscal Quarter (and also on a year-to-date basis in respect of such Fiscal Quarter and all previous Fiscal Quarters in the same Fiscal Year).

"**Investment**" means an Acquisition or any other investment made or held by a Person, directly or indirectly, in another Person (whether such investment was made by the first-mentioned Person in such other Person or was acquired from a third party), including a contribution of capital and including the acquisition or holding of the following: all or substantially all of the assets used in connection with a business; Equity Interests; debt obligations; partnership interests; and investments in joint ventures; provided however that if a transaction would satisfy the definition of "Capital Expenditure" herein and also the definition of "Investment" herein, it shall be deemed to constitute an Investment and not a Capital Expenditure.

"**Land**" means real property (including a leasehold interest therein) and all buildings, improvements, fixtures and plant situated thereon.

"**Laws**" means all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or any provisions of such laws, including general principles of common and civil law and equity or policies or guidelines, to the extent such policies or guidelines have the force of law, binding on the Person referred to in the context in which such word is used; and "**Law**" means any of the foregoing.

"**Leased Properties**" means all Land leased by the Companies as tenants from time to time, specifically including as at the date of this Agreement the Land described in Schedule 4.01(k) attached hereto; and "**Leased Property**" means any of the Leased Properties as the context requires.

"**Leases**" means the leases pertaining to the Leased Properties.

"**Lender**" means collectively, Bridging Finance Inc. and its successors and assigns, as agent for and on behalf of the lenders of the Facilities from time to time.

"**Lien**" means: (i) a lien, charge, mortgage, pledge, security interest or conditional sale agreement; (ii) an assignment, lease, consignment, trust or deemed trust that secures payment or performance of an obligation; (iii) a garnishment; (iv) any other encumbrance of any kind; and (v) any commitment or agreement to enter into or grant any of the foregoing.

"**Loan Documents**" means this Agreement, the Security and all other agreements, documents, instruments and assurances required or contemplated herein to be provided by any Company.

"**MAG**" means Mid-American Growers, Inc., a corporation incorporated under the laws of the state of Delaware and a wholly-owned Subsidiary of MichiCann.

"**MAG Property**" means the Owned Property owned by MAG consisting of approximately 302,000 square feet of greenhouses and approximately 100,000 square feet of processing facility located on approximately 86 acres of land and municipally described as 14240 Greenhouse Avenue, Granville, IL 61326 and as legally described in Schedule 5.01(j).

"**Material Adverse Change**" means any change or event which: (i) constitutes a material adverse change in the business, operations, financial condition or properties of the Companies taken as a whole (ii) is reasonably likely to materially impair the Companies' ability, taken as a whole, to timely and fully perform their obligations under the Loan Documents, or (iii) is reasonably likely to materially impair the ability of the Lender to enforce its rights and remedies under this Agreement or the Security; and without limiting the generality of the foregoing, the occurrence of any one or more of the following events shall be deemed to constitute a Material Adverse Change: a material Breach; an Insolvency Event; and the issuance of a Demand Notice.

"**Material Agreement**" means, in respect of any Company, an agreement made between such Company and another Person which if terminated would result in a Breach or a Material Adverse Change, specifically including, as at the date of this Agreement, each agreement listed in Schedule 4.01(n).

"**Material Permit**" means, in respect of any Company, a licence, permit, approval, registration or qualification granted to or held by such Company which if terminated would result, or would have a reasonable likelihood of resulting, in a Breach or a Material Adverse Change.

"**Material Subsidiaries**" means all Subsidiaries of the Borrowers from time to time except the Excluded Subsidiaries, and "**Material Subsidiary**" means any of the Material Subsidiaries as the context requires; and the Material Subsidiaries as at the date of this Agreement are listed in Schedule 4.01(b) under the heading "Material Subsidiaries".

"**Medical Cannabis Jurisdiction**" means any jurisdiction in which it is legal to undertake Medical Cannabis – Related Activities. Each of Canada and the States of Michigan, Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon, Vermont, Washington, Arizona, Arkansas, Delaware, Florida, Illinois, Montana, New Hampshire, New Mexico, Rhode Island and the District of Columbia and Guam is a Medical Cannabis Jurisdiction as at the date of this Agreement.

"**Medical Cannabis-Related Activities**" means any activities, including advertising or promotional activities, relating to or in connection with the importation, exportation, cultivation, production, purchase, distribution or sale of Cannabis or Cannabis-related products solely for medical purposes.

"**Minor Title Defects**" in respect of any Land means encroachments, restrictions, easements, rights-of-way, servitudes and defects or irregularities in the title to such Land which are of a minor nature and which, in the aggregate, will not materially impair the use of such Land for the purposes for which such Land is held by the owner thereof.

"**Multiemployer Plan**" means a Pension Plan covering employees of a U.S. Company that is described in Section 4001(a)(3) of ERISA to which any U.S. Company or ERISA Affiliate is making, or is accruing an obligation to make, or has accrued an obligation to make contributions within the preceding seven (7) years.

"**MichiCann**" means MichiCann Medical Inc., a corporation incorporated under the laws of the Province of Ontario.

"**Non-Medical Cannabis-Related Activities**" means Cannabis-Related Activities other than Medical Cannabis-Related Activities.

"**Non-Medical Cannabis Jurisdiction**" means any jurisdiction in which it is legal to undertake Non- Medical Cannabis-Related Activities. Each of Canada and the States of Michigan, Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon, Vermont, Washington and the District of Columbia and Guam is a Non-Medical Cannabis Jurisdiction as at the date of this Agreement.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Obligations**" means, at any time all direct and indirect, contingent and absolute obligations and liabilities of the Borrowers to the Lender under or in connection with this Agreement and the Security (specifically including for greater certainty all Guarantees provided hereunder) at such time, specifically including the Outstanding Advances, all accrued and unpaid interest thereon, and all fees, expenses and other amounts payable pursuant to this Agreement and the Security.

"**OFAC**" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"**Original Credit Agreement**" means the credit agreement made among MichiCann Medical Inc. and Pharmaco, as borrowers, and the Lender, as lender dated June 4, 2019.

"**Outstanding Advances**" means, at any time, the aggregate of the Borrowers' obligations to the Lender in respect of the Advances made under the Facilities (or any Tranche thereof if the context requires) which have not been repaid or satisfied at such time.

"**Owned Properties**" means all Land owned by the Companies from time to time; and "**Owned Property**" means any of the Owned Properties as the context requires.

"***Patriot Act***" means Title III of the Pub. L. 107-56 signed into law October 26, 2001.

"**PBGC**" means the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any Person succeeding to any or all of its functions under ERISA.

"**Pension Plan**" means (i) a "pension plan" or "plan" which is subject to the funding requirements of applicable pension benefits legislation in any jurisdiction and is applicable to employees of any Company, or (ii) any pension benefit plan or similar arrangement applicable to employees of any Company.

"**Permitted Acquisition**" means an Acquisition of shares or other equity interests in a Person (referred to herein as a "share purchase"), or an Acquisition of assets of a Person not in the ordinary course of business (referred to herein as an "asset purchase"), in either case if all of the following criteria are satisfied (except to the extent otherwise agreed in writing by the Lender in its discretion):

* the Lender has been provided with ten (10) days prior written notice of such Acquisition by the Borrowers;

* such Person is engaged in a business similar to the business conducted by the Borrowers in an Approved Jurisdiction;

* the Acquisition shall not be a hostile or unsolicited take-over;

* in the case of a share purchase, upon the completion of such Acquisition (i) all Funded Debt (except Funded Debt which will constitute Permitted Funded Debt hereunder) of such Person shall be repaid and all Liens (except Liens which will constitute Permitted Liens hereunder) affecting the assets of such Person shall be released and discharged; and (ii) such Person shall provide a Guarantee and all other Security required herein to be provided by a Subsidiary of a Borrower hereunder (including registrations, searches, legal opinions and ancillary documentation);

* in the case of an asset purchase, upon the completion of such transaction (i) all Funded Debt (except Funded Debt which will constitute Permitted Funded Debt hereunder) secured by the acquired assets shall be repaid and all Liens (except Liens which will constitute Permitted Liens hereunder) affecting such assets shall be released and discharged; and (ii) all Security required herein to be provided to the Lender in respect of such assets (including registrations, searches, legal opinions and ancillary documentation) shall be provided;

* the Acquisition does not involve the assumption of any material environmental liabilities, and all representations and warranties contained herein with respect to environmental matters shall be true and correct both immediately before and immediately after such Acquisition; and if as a result of the Acquisition any Company will acquire ownership of any Land, the Borrowers shall have provided an environmental warranty and indemnity agreement in form and substance satisfactory to the Lender in respect of such Land which evidences compliance with all such representations and warranties; and

* the Borrowers are in compliance with all covenants and representations and warranties under this Agreement and will remain in compliance after giving effect to such Acquisition; and no material Breach or Material Adverse Change shall have occurred and be continuing or would result from the completion of such Acquisition.

"**Permitted Contingent Investment**" means the acquisition of an option, warrant, right or other contingent agreement to make an Investment in a Person that is not exercisable, convertible or exchangeable unless and until (i) each jurisdiction in which such Person proposes to carry on Medical Cannabis-Related Activities becomes a Medical Cannabis Jurisdiction; and (ii) each jurisdiction in which such Person proposes to carry on Non-Medical Cannabis-Related Activities becomes a Non-Medical Cannabis Jurisdiction.

"**Permitted Funded Debt**" means, without duplication: (i) the Outstanding Advances; (iii) Funded Debt secured by Permitted Liens; (iv) Permitted Intercompany Debt; (v) Subordinated Debt and (vi) Subrogated Debt.

"**Permitted Intercompany Debt**" means indebtedness owing to any Company by any Subsidiary of a Borrower, provided that the Company holding such indebtedness has granted in favour of the Lender (i) a First-Ranking Security Interest in all of its property and assets; and (ii) if requested by the Lender, a subordination, postponement and assignment of such indebtedness and all security in respect thereof, in form and substance satisfactory to the Lender.

"**Permitted Liens" means**:

(a) Statutory Liens in respect of any amount which is not at the time overdue;

(b) Statutory Liens in respect of any amount which may be overdue but the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Lender;

(c) Liens or rights of distress reserved in or exercisable under any lease for rent not at the time overdue or for compliance with the terms of such lease not at the time in default; and security deposits given under leases not in excess of three (3) months' rent;

(d) any obligations or duties affecting any Land due to any public utility or to any municipality or government, or to any statutory or public authority, with respect to any franchise, grant, licence or permit in good standing and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on Land under government permits, leases or other grants in good standing; which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held;

(e) Liens incurred or deposits made in connection with contracts, bids, tenders or expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, public and statutory obligations, and warehousemen's, storers', repairers', carriers' and other similar Liens and deposits;

(f) security or letters of credit given to a public utility or any municipality or government or to any statutory or public authority to secure obligations incurred to such utility, municipality, government or other authority in the ordinary course of business and not at the time overdue and not then entitled to be drawn upon;

(g) Liens and privileges arising out of judgments or awards in respect of which: an appeal or proceeding for review has been commenced; a stay of execution pending such appeal or proceedings for review has been obtained; and in respect of which reserves have been established as reasonably required by the Lender;

(h) any Lien in connection with the construction or improvement of any Land or arising out of the furnishing of materials or supplies therefor, provided that such Lien secures moneys not at the time overdue (or if overdue, the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Lender), notice of such Lien has not been given to the Lender and such Lien has not been registered against title to such Land;

(i) reservations, limitations, provisos, exceptions, restrictions and conditions affecting any Land (expressed in any original grants from the Crown or otherwise) which do not materially impair the value of the said Land or materially affect the use of the said Land for the purpose for which it is being used;

(j) zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, state, municipal and other Governmental Authorities, licences, easements and/or servitudes rights-of-way, servitudes, restrictive covenants and other land use limitations and rights in the nature of easements affecting any Land (including, without limiting the generality of the foregoing, licences, easements, servitudes, rights-of-way and rights in the nature of easements and/or servitudes for railways, sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) which do not materially impair the value of the said Land or materially affect the use of the said Land for the purpose for which it is being used;

(k) servicing agreements, development agreements, site plan agreements, and other agreements with Governmental Authorities pertaining to the servicing, use or development of any Land, which do not materially impair the value of the said Land or materially affect the use of the said Land for the purpose for which it is being used;

(l) applicable municipal and other governmental restrictions, including municipal by-laws and regulations affecting the use of any Land or the nature of any structures which may be erected thereon, which do not materially impair the value of the said Land or materially affect the use of the said Land for the purpose for which it is being used;

(m) Minor Title Defects;

(n) Permitted Purchase-Money Security Interests;

(o) the Specific Permitted Liens, including any extension or renewal thereof provided that the amount secured thereby is not increased and the scope of the Lien is not increased to affect any additional property;

(p) the Security;

(q) Liens securing Subordinated Debt, Subrogated Debt or Permitted Intercompany Debt;

(r) in respect of any Leased Property, the rights of the landlord under the lease relating thereto, except to the extent any such rights have been waived in writing by such landlord; and

(s) all leases and or contracts between the Borrowers leasing or providing services for any portion of the Owned Properties and all amendments, revisions, modifications, restatements or terminations thereof;

provided that the use of the term "Permitted Liens" to describe the foregoing Liens shall mean that such Liens are permitted to exist (whether in priority to or subsequent in priority to the Security, as determined by applicable Law); and for greater certainty such Liens shall not be entitled to priority over the Security by virtue of being described in this Agreement as "Permitted Liens".

"**Permitted Purchase-Money Security Interests**" means Purchase-Money Security Interests in respect of the purchase, leasing or acquisition of capital equipment in the ordinary course of business, provided that the aggregate amount secured thereby shall not at any time exceed Five Hundred Thousand Dollars ($500,000).

"**Person**" includes an individual, corporation, partnership, trust, unincorporated association, Governmental Authority or any combination of the above.

"**Plan**" means any employee pension benefit plan other than a Multiemployer Plan covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Revenue Code that either (i) is maintained by a member of the Controlled Group for employees of a member of the Controlled Group or (ii) has at any time within the preceding seven (7) years been maintained, funded or administered for the employees of any U.S. Company or any current ERISA Affiliates.

"**Pharmaco**" means Pharmaco, Inc., a corporation incorporated under the laws of the state of Michigan.

"**Prohibited Transaction**" means any transaction set forth in Section 406 of ERISA or Section 4975 of the Revenue Code, to the extent that such transaction is not otherwise exempt by applicable Law.

"**Properties**" means the Owned Properties and the Leased Properties.

"**Purchase-Money Security Interest**" means (i) a lease of any property or asset which in substance constitutes a security interest or (ii) a Lien on any property or asset which is created, issued or assumed to secure the unpaid purchase price thereof, provided that such Lien is restricted to such

property or asset and secures an amount not in excess of the purchase price thereof and any interest and fees payable in respect thereof.

"**RTO**" means the business combination of Tidal, MichiCann and 2690229 Ontario Inc. as more particularly described in the business combination agreement dated May 8, 2019 among Tidal, MichiCann and 2690229 Ontario Inc.

"**RWB Properties**" mean collectively, the MAG Property and the Subco Property.

"**RWB Subco**" means RWB Illinois, Inc., a corporation incorporated under the laws of the state of Delaware and a wholly-owned Subsidiary of MichiCann.

"**Related Person**" in relation to any Person means a subsidiary, affiliate, associate or employee of such Person, or an associate of such employee (the terms "subsidiary", "affiliate" and "associate" having the respective meanings ascribed thereto in the OBCA).

"**Repayment**" means a repayment by a Borrower on account of the Outstanding Advances.

"**Repayment Notice**" means a notice delivered by a Borrower to the Lender committing it to make a Repayment, in the form of Exhibit "D".

"**Reportable Event**" means any of the events set forth in Section 4043 of ERISA, other than an event for which the provision of notice has been waived.

"**Requirements of Environmental Law**" means: (i) obligations under common law; (ii) requirements imposed by or pursuant to statutes, regulations and by-laws whether presently or hereafter in force; (iii) directives, policies and guidelines issued or relied upon by any Governmental Authority to the extent such directives, policies or guidelines have the force of law; (iv) permits, licenses, certificates and approvals from Governmental Authorities which are required in connection with air emissions, discharges to surface or groundwater, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation or disposal of Hazardous Materials; and (v) requirements imposed under any clean-up, compliance or other order made pursuant to any of the foregoing, in each and every case relating to environmental, occupational health or safety matters including all such obligations and requirements which relate to (A) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation and (B) exposure to Hazardous Materials.

"**Responsible Person**" means (i) an officer or director of any Company or (ii) any other Person required to hold a security clearance pursuant to the *Cannabis Act* or the Cannabis Regulations or the equivalent legislation in any Approved Jurisdiction.

"**Revenue Code**" means the United States Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto, and the regulations and published interpretations thereof.

"**Sanctioned Entity**" means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in or determined to be resident in a country, in each case, that is subject to a country sanctions program administered and enforced by the United States

government, including those administered by OFAC, or the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority with jurisdiction over the U.S. Companies and their Subsidiaries.

"**Sanctioned Person**" means a person named on the list of Specially Designated Nationals maintained by OFAC or other relevant sanctions authority with jurisdiction over a U.S. Company and its Subsidiaries.

"**Security**" means all guarantees, security agreements, mortgages, debentures and other documents mentioned in Article VI, and all other documents and agreements delivered by the Companies or other Persons to the Lender for the benefit of the Lender from time to time as security for the payment and performance of the Obligations, and the security interests, assignments and Liens constituted by the foregoing.

"**Specific Permitted Acquisitions**" means the Acquisitions described in Schedule 5.02(e) which have been approved by the Lender as of the date of this Agreement.

"**Specific Permitted Liens**" means the Liens described in Schedule 4.01(i).

"**Statutory Lien**" means a Lien in respect of any property or assets of a Company created by or arising pursuant to any applicable legislation in favour of any Person (such as but not limited to a Governmental Authority), including a Lien for the purpose of securing such Company's obligation to deduct and remit employee source deductions and goods and services tax pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and any federal or provincial legislation similar to or enacted in replacement of the foregoing from time to time.

"**Subco Property**" means the Owned Property owned by RWB Subco consisting of approximately 3,000,000 square feet of greenhouses and approximately 221,498 square feet of office and processing facility located on approximately 142 acres of land acres of land and municipally described as 14240 Greenhouse Avenue, Granville, IL 61326 and as legally described in Schedule 5.01(j).

"**Subordinated Debt**" means (A) any indebtedness of any Borrower to each other; and (B) any indebtedness of any Company to any Person in respect of which the holder thereof has entered into a subordination and postponement agreement in favour of the Lender, in form and substance satisfactory to the Lender and registered in all places where necessary or desirable to protect the priority of the Security, which shall provide (among other things) that: (i) the holder of such indebtedness may not receive payments on account of principal or interest without the prior written consent of the Lender, except to the extent set out therein (as determined by the Lender in its sole discretion); (ii) any security held in respect of such indebtedness is subordinated to the Security; and (iii) the holder of such indebtedness may not take any enforcement action in respect of any such security without the prior written consent of the Lender.

"**Subrogated Debt**" means any indebtedness of any Company to any Person in respect of which the holder thereof has entered into a subordination, postponement and assignment agreement in favour of the Lender, in form and substance satisfactory to the Lender and registered in all places where necessary or desirable to protect the priority of the Security, which shall provide (among other things) that: (i) the holder of such indebtedness may not receive payments on

account of principal or interest without the prior written consent of the Lender; (ii) any security held in respect of such indebtedness is subordinated to the Security; (iii) the holder of such indebtedness may not take any enforcement action in respect of any such security without the prior written consent of the Lender; and (iv) the holder assigns such indebtedness and security in favour of the Lender as security for the Obligations.

"**Subsidiary**" means a business entity which is controlled by another business entity (as used herein, "business entity" includes a corporation, company, partnership, limited partnership, trust or joint venture).
"**Termination Date**" means the date that is eighteen months from the Amendment Closing Date.

"**Tidal**" means Tidal Royalty Corp., a company formed under the laws of the Province of British Columbia; and its successors and assigns.

"**Tranche**" means a designated portion of a Facility which is subject to certain additional terms and conditions provided herein.

"**Tranche B-1**" has the meaning set out in Section 3.02(a).

"**Tranche B-1 Limit**" means the Equivalent Amount in Canadian Dollars of Fifteen Million One Hundred Fifty Thousand United States Dollars (USD$15,150,000).
"**Tranche B-2**" is defined in Section **Error! Reference source not found.**.

"**Tranche B-2 Limit**" means the Equivalent Amount in Canadian Dollars of Six Million Eight Thousand United States Dollars (USD$6,008,000).

"**Tranche B-3**" is defined in Section **Error! Reference source not found.**.

"**Tranche B-3 Limit**" means the Equivalent Amount in Canadian Dollars of One Million Five Hundred Ninety-Two Thousand United States Dollars ($1,592,000).

"**U.S. Companies**" means all Companies which are incorporated or organized under the laws of the United States or a state thereof.

"**Welfare Plan**" means any medical, health, hospitalization, insurance or other employee benefit or welfare plan, agreement or arrangement applicable to employees of any U.S. Company; and includes a "welfare plan" as defined in Section 3(1) of ERISA.

"**Year-end Financial Statements**" in respect of any Person means the audited financial statements of such Person on a consolidated basis (and also on an unconsolidated basis, if requested by the Lender), including the notes thereto, in respect of its most recently completed Fiscal Year.

1.02 Accounting Principles

Each Borrower hereby advises that it has elected to adopt International Financial Reporting Standards under GAAP, and hereby agrees that it will not change such election without the prior written consent of the Lender. Accordingly, each reference herein to GAAP shall refer to International Financial

Reporting Standards. Unless otherwise provided herein, all financial terms used in this Agreement shall be determined in accordance with GAAP. Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other computation is required to be made for the purpose of this Agreement, such determination or calculation shall be made in accordance with GAAP applied on a consistent basis, unless otherwise indicated. If there is a change in GAAP after the date of this Agreement which adversely affects the ability of a Borrower to comply with any financial covenant contained herein, the parties shall discuss whether they wish to amend one or more of the relevant financial covenants to reflect such accounting change. If the parties in their discretion agree to amend any one or more of the financial covenants, such amendment shall be set out in an amendment to this Agreement executed by all parties hereto, together with all ancillary documentation as may be reasonably required by the Lender. If no such amendment is executed and delivered, the financial covenants herein shall be determined in accordance with GAAP in effect as at the date of this Agreement. In such event, the Year-end Financial Statements shall be prepared in accordance with GAAP in effect on the date of such Year-end Financial Statements, and such Borrower shall concurrently deliver to the Lender a reconciliation prepared by its auditor in form and substance satisfactory to the Lender showing all adjustments made to such Year-end Financial Statements in order to determine compliance with such financial covenants on the basis of GAAP in effect on the date of this Agreement.

1.03 Currency References

All amounts referred to in this Agreement are in Canadian Dollars unless otherwise noted.

1.04 References to Statutes

Whenever in this Agreement reference is made to a statute or regulations made pursuant to a statute, such reference shall, unless otherwise specified, be deemed to include all amendments to such statute or regulations from time to time and all statutes or regulations which may come into effect from time to time substantially in replacement for the said statutes or regulations.

1.05 Extended Meanings

Terms defined in the singular have the same meaning when used in the plural, and vice-versa. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term “including” shall mean “including, without limitation”, and the term “includes” shall mean “includes, without limitation”. Any reference herein to the exercise of discretion by the Lender (including phrases such as “in the discretion of”, “in the opinion of”, “to the satisfaction of” and similar phrases) shall mean that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless otherwise expressly stated herein.

1.06 Exhibits and Schedules

The following exhibits and schedules are attached to this Agreement and incorporated herein by reference:

Exhibits

“A” Drawdown Request
“B” Repayment Notice
“C-1” MichiCann Compliance Certificate

“C-2” Pharmaco Compliance Certificate

Schedules

4.01(b) - Corporate Information
4.01(c) - Subsidiaries
4.01(d) - Pending Corporate Changes
4.01(h) - Material Permits
4.01(i) - Specific Permitted Liens
4.01(j) - Owned Properties
4.01(k) - Leased Properties
4.01(l) - Intellectual Property
4.01(n) - Material Agreements
4.01(o) - Labour Agreements
4.01(p) - Environmental Matters
4.01(q) - Litigation
4.01(t) - Guarantees
5.02(e) - Specific Permitted Acquisitions

ARTICLE II - FACILITY A

2.01 Establishment of Facility A

The Lender hereby establishes a non-revolving credit facility ("**Facility A**") for the Borrowers in a maximum principal amount equal to the Facility A Limit.

2.02 Purpose

The Advance under Facility A shall be used by the Borrowers to repay the Outstanding Advances under the Original Credit Agreement in full on the Amendment Closing Date.

2.03 Non- Revolving Nature

Facility A shall be a non-revolving facility. Subject to the satisfaction of the conditions precedent hereunder, the Borrowers shall be entitled to receive the single Advance under Facility A on the Amendment Closing Date. Any unadvanced portion of Facility A thereafter shall be cancelled.

2.04 Repayment and Prepayment

The Obligations under Facility A shall become due and payable on the earlier of (i) the Termination Date; and (ii) the Acceleration Date.

The Borrowers are permitted to prepay the whole (but not a part) of the Facilities upon thirty (30) days prior written notice to the Lender provided that such prepayment shall include the then outstanding principal amounts under the Facilities plus the equivalent of one month's Interest, provided however that such additional Interest shall not be payable hereunder if the Facilities have been outstanding for at least nine (9) months from the Amendment Closing Date.

2.05 Availment Option

Subject to the restrictions contained in this Agreement (and in particular, Sections 7.02 and 7.03); the Borrowers shall receive the single Advance hereunder.

2.06 Interest

In respect of the Advances under the Facilities, the Borrowers agree to pay to the Lender Interest at the rate of twelve percent (12%) per annum, calculated and compounded monthly, payable monthly in arrears on the last day of each and every month. The above interest rate shall be applicable prior to the Acceleration Date.

2.07 Extension Option

As long as the Acceleration Date has not occurred, the Borrowers may exercise a maximum of two extensions of the Facilities, each for a period of six (6) months (each an "**Extension**"). A fee payable of 1.0% of the total amount of the Facilities shall be payable by the Borrowers to the Lender for each Extension on the date the Borrowers advise the Lender of their intention to extend the Facilities.

Notwithstanding the foregoing, no Extension shall be effective unless the Lender shall have received from the Borrowers a certificate of a senior officer of each of them certifying that (i) as of the date of said certificate, no Breach has occurred and is continuing or will result from such Extension; and (ii) the representations and warranties made by the Borrowers in this Agreement are true and correct with the same force and effect as if made on and as of such date (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date).

ARTICLE III - FACILITY B

3.01 Establishment of Facility B

Subject to the terms and conditions of this Agreement, the Lender hereby establishes a non- revolving credit facility for the Facility B Borrowers ("**Facility B**") in the maximum principal amount equal to the Facility B Limit.

3.02 Purpose

(a) Advances under Facility B shall be used by the Facility B Borrowers for any of the following purposes;

(i) A single Advance under Facility B on the Amendment Closing Date in the maximum amount of the Tranche B-1 Limit shall be used by the Facility B Borrowers for the purpose of repaying in full the existing debt owing on the RWB Properties (such Advance being called "Tranche B-1"). Any amount not advanced under Tranche B-1 on the Amendment Closing Date shall thereafter be cancelled;

(ii) Advances under Facility B in the maximum amount of the Tranche B-2 Limit shall be used by the Facility B Borrowers/MAG for general corporate and working capital purposes (such Advances being called "Tranche B-2") as approved by the Lender in its sole discretion; and

(iii) A single Advance under Facility B on the Amendment Closing Date in the maximum amount of the Tranche B-3 Limit shall be used by the Facility B Borrowers for the purpose of paying the fees set out herein (such Advances being called "Tranche B-3"). Any amount not advanced under Tranche B-3 on the Amendment Closing Date shall thereafter be cancelled.

3.03 Non- Revolving Nature; Advances

Facility B is a non-revolving facility, and any Repayment under Facility B may not be reborrowed. Tranche B-2 is a non-revolving, reducing Tranche. Each Advance under Tranche B-2 shall be subject to the satisfaction of all applicable conditions precedent as set out herein and the aggregate amount of all Advances under Tranche B-2 shall not exceed the Tranche B-2 Limit at any time.

3.04 Repayment and Prepayment

The Obligations under Facility B shall become due and payable on the earlier of (i) the Termination Date; and (ii) the Acceleration Date.

The Borrowers are permitted to prepay the whole (but not a part) of the Facilities upon thirty (30) days prior written notice to the Lender provided that such prepayment shall include the outstanding principal amount under the Facilities plus the equivalent of one month's Interest, provided however that such additional Interest shall not be payable hereunder if the Facilities have been outstanding for at least nine (9) months from the Amendment Closing Date.

3.05 Availment Option

Subject to the restrictions contained in this Agreement (and in particular, Sections 7.02 and 7.03); the Borrowers shall receive Advances under Facility B as set out above.

ARTICLE IV - GENERAL CONDITIONS

4.01 Matters relating to Interest

(a) Unless otherwise indicated, interest on any outstanding principal amount shall be calculated monthly and shall be payable monthly in arrears on the last day of each and every month. If the last day of a month is not a Business Day, the interest payment due on such day shall be made on the next Business Day, and interest shall continue to accrue on the said principal amount and shall also be paid on such next Business Day. Interest shall accrue from and including the day upon which the Advance is made or is deemed to have been made, and ending on but excluding the day on which the Advance is repaid or satisfied.

(b) Unless otherwise stated, in this Agreement if reference is made to a rate of interest, fee or other amount "per annum" or a similar expression is used, such interest, fee or other amount shall be calculated on the basis of a year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be. If the amount of any interest, fee or other amount is determined or expressed on the basis of a period of less than one year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be, the equivalent yearly rate is equal to the rate so determined or expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.

(c) Notwithstanding any other provisions of this Agreement, if the amount of any interest, premium, fees or other monies or any rate of interest stipulated for, taken, reserved or extracted under the Loan Documents would otherwise contravene the provisions of section 347 of the *Criminal Code* (Canada), section 4 or section 8 of the *Interest Act* (Canada) or any successor or similar legislation, or would exceed the amounts which the Lender is legally entitled to charge and receive under any Law to which such compensation is subject, then such amount or rate of interest shall be reduced to such maximum amount as would not contravene such provision; and to the extent that any excess has been charged or received the Lender shall apply such excess against the Outstanding Advances and refund any further excess amount.

4.02 Notice Periods

(a) Facility B Borrowers shall provide two (2) Business Days' written notice before 10:00 a.m. Toronto time to the Lender in respect of a in respect of an Advance under Tranche B-2;

(b) The Borrowers shall provide two (2) Business Days' written notice before 10:00 a.m. Toronto time to the Lender in respect of a Repayment.

(c) Notice of any Repayment referred to in paragraph (b) above shall be given in the form of a Repayment Notice, attached hereto as Exhibit "B". All such notices shall be given to the Lender at its address set out in Section 10.07(c).

4.03 Place of Advances, Repayments

(a) The Advance to the Borrowers shall be made by the Lender to the Borrowers as may be directed by the Borrowers; and all payments of principal, interest and other amounts to be made by the Borrowers to the Lender pursuant to this Agreement shall be made at such location or such other location in Canada as the Lender may direct in writing from time to time. All such payments received by the Lender on a Business Day before 12:00 noon Toronto time shall be treated as having been received by the Lender on that day; and payments made after such time on a Business Day shall be treated as having been received by the Lender on the next Business Day.

(b) Whenever any payment shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day. Interest shall continue to accrue and be payable thereon as provided herein, until the date on which such payment is received by the Lender.

4.04 Evidence of Obligations (Noteless Advances)

The Lender shall open and maintain, in accordance with its usual practice, accounts evidencing the Obligations; and the information entered in such accounts shall constitute conclusive evidence of the Obligations absent manifest error. The Lender may, but shall not be obliged to, request the Borrowers to execute and deliver from time to time such promissory notes as may be required as additional evidence of the Obligations.

4.05 Determination of Equivalent Amounts

Whenever it is necessary or desirable in this Agreement to determine the Equivalent Amount in Canadian Dollars of an amount expressed in U.S. Dollars, or vice-versa, the Equivalent Amount shall be determined by reference to the applicable Exchange Rate.

4.06 Withholding Tax Gross-Up

Except as otherwise required by law, all payments made by the Borrowers to the Lender hereunder shall be made without withholding for or on account of any present or future taxes imposed by or within the jurisdiction in which the Borrowers are domiciled, any jurisdiction from which the Borrowers make any payment or any other jurisdiction, or (in each case) any political subdivision or taxing authority thereof or therein (other than taxes in respect of the net income, assets, capital of the Lender, or franchise taxes imposed upon the Lender). If any such withholding is required by law, the Borrowers

shall make the withholding, pay the amount withheld to the appropriate Governmental Authority before penalties attach thereto or interest accrues thereon and forthwith pay to the Lender such additional amount as may be necessary to ensure that the net amount actually received by the Lender (after

payment of such taxes including any taxes on such additional amount paid) is equal to the amount which it would have received if no amounts had been withheld. The Borrowers' obligations under this Section shall survive the termination of this Agreement. Notwithstanding the foregoing, however, the Borrowers shall have no obligation to pay any additional amount under this Section to any assignee of the Lender if the assignment to such assignee was made by the Lender in contravention of its obligations under Section 10.11(d).

4.07 Increased Costs

If in respect of any change in or introduction of any law, regulation, order, rule, request or directive (whether or not having the force of law but of a kind which is intended to be generally complied with by banks) or in the interpretation thereof by any authority charged with the administration thereof or by any court of competent jurisdiction:

(a) the Lender incurs a cost (which it would not otherwise have incurred), becomes subject to a tax, or becomes liable to make a payment (calculated with reference to the amount outstanding or available under the Facilities) with respect to continuing to provide or maintain the Facilities (other than a tax imposed on the income of the Lender);

(b) any reserve, special deposit or similar requirement is imposed or increased with respect to the Facilities increasing the cost thereof to the Lender; or

(c) the Lender suffers or will suffer a reduction in the rate of return on its overall capital (other than a reduction by reason of an income tax referred to in (a) above) as a result of the amount of the capital that the Lender is required to maintain being increased or of any change in the manner in which the Lender is required to allocate its resources;

then the Borrowers shall, upon receipt of written notice from the Lender, pay to the Lender such amount as will compensate the Lender for and will indemnify the Lender against such increases in cost or reductions of rate of return accruing after the date of receipt of such notice. The Lender shall provide the Borrowers with a photocopy of the relevant law, regulation, order, rule or directive and provide the Borrowers with a certificate of a duly authorized representative of the Lender setting out the amount and basis for the amount of such additional compensation and basis of calculation thereof, which shall be conclusive and binding absent manifest error.

4.08 Illegality

The obligation of the Lender to make the Advance hereunder shall be suspended if and for so long as it is unlawful or impossible for the Lender to maintain the Facilities hereunder as a result of (i) the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Lender with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency or (ii) the Borrower or any Affiliate becoming subject to any civil or criminal prosecution, enforcement, asset forfeiture or any other civil or criminal enforcement action or proceeding brought by any agency or instrumentality of the United States federal government with respect to an alleged breach of U.S. federal Cannabis Law or by any U.S. state government or local government with respect to any alleged breach of U.S. state or local Cannabis Law.

4.09 Fees

The Borrowers hereby agree to pay the following fees:

(a) a work fee payable to the Lender equal to the Equivalent Amount in Canadian Dollars of One Million Four Hundred Ninety-Two Thousand Five Hundred United States Dollars (USD$1,492,500), plus any applicable taxes on the Amendment Closing Date;

(b) an administrative fee payable to the Lender equal to the Equivalent Amount in Canadian Dollars of One Thousand United States Dollars (USD$1,000), plus any applicable taxes on the Amendment Closing Date; and

(c) an Advance fee payable to the Lender equal to One Thousand Dollars ($1,000), plus any applicable taxes concurrently with each Advance.

ARTICLE V - REPRESENTATIONS AND WARRANTIES

5.01 Representations and Warranties

Each Borrower hereby represents and warrants to the Lender, as each statement relates to it, as follows:

(a) Corporate Status - Each Company has been duly formed and organized and is validly subsisting under the laws of its jurisdiction of formation and is up-to-date in respect of all material corporate filings.

(b) Corporate Information - Schedule 4.01(b) attached hereto contains the following information in respect of each Company: its corporate history (including all prior names and predecessor corporations), governing jurisdiction, registered office, principal place of business, all locations at which it has a place of business or owns material assets (other than Owned Properties and Leased Properties in respect of which it is the owner or tenant) all Approved Medical Cannabis Jurisdictions and Approved Non-Medical Cannabis Jurisdictions and all locations therein, the number and classes of its issued and outstanding shares, and a list of all shareholders including the number and class of shares held by each.

(c) Subsidiaries - The Companies have no Subsidiaries other than those listed in Schedule 4.01(c) attached hereto. Schedule 4.01(c) identifies those Subsidiaries which as at the date of this Agreement are Material Subsidiaries and those which are not.

(d) No Pending Corporate Changes - Except as disclosed in Schedule 4.01(d), no Person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, warrants or convertible obligations of any nature, for the purchase of any properties or

assets of any Company out of the ordinary course of business or for the purchase, subscription, allotment or issuance of any debt or equity securities of any Company.

(e) No Conflicts under Material Agreements or Material Permits - The execution and delivery by each Company of those Loan Documents to which it is a party, and the performance of its obligations thereunder, will not conflict with, result in a breach of or require any approval or consent under any Material Agreement or Material Permit, other than consents or approvals which have been obtained without imposition of any material conditions.

(f) No Conflict with Charter Documents - There are no provisions in the charter documents or by-laws of any Company or in any unanimous shareholder agreement affecting any of them which restrict or limit its powers to borrow money, issue debt obligations, guarantee the payment or performance of the obligations of others, or otherwise encumber all or any of its property, now owned or subsequently acquired.

(g) Loan Documents - Each Borrower has the corporate capacity, power, legal right and authority to borrow from the Lender, perform its obligations under this Agreement and provide the Security required to be provided by it hereunder. The execution and delivery of the Loan Documents by the Companies and the performance of their respective obligations therein have been duly authorized by all necessary corporate action. This Agreement and the other Loan Documents constitute legal, valid and binding obligations of the Companies, enforceable against them in accordance with the terms and provisions thereof, subject to laws of general application affecting creditors' rights and the discretion of the court in awarding equitable remedies.

(h) Conduct of Business; Material Permits - Each Company is in compliance in all material respects with all applicable Laws (other than U.S. federal Cannabis Laws) of each jurisdiction in which it carries on business and is duly licensed, registered and qualified to do business and is in good standing in each jurisdiction in which the nature of the business conducted by it or the property owned or leased by it make such qualification necessary (except to the extent that the absence of any such qualification has no adverse effect on the Companies or their respective businesses); and all such licences, registrations and qualifications are valid and subsisting and in good standing. Attached hereto as Schedule 4.01(h) is a true and complete list of all Material Permits as at the Amendment Closing Date. Without limiting the generality of the foregoing:

(i) the Companies do not own assets or carry on business in any jurisdiction which is not an Approved Jurisdiction;

(ii) the Companies do not own assets or carry on any Medical Cannabis-Related Activities in any jurisdiction which is not an Approved Medical Cannabis Jurisdiction; and

(iii) the Companies do not own assets or carry on any Non-Medical Cannabis-Related Activities in any jurisdiction which is not an Approved Non-Medical Cannabis Jurisdiction.

(i) Ownership of Assets; Specific Permitted Liens - Each Company owns, possesses and has a good and marketable title to its undertaking, property and assets, free and clear of any and all Liens except for Permitted Liens. No Company has any commitment or obligation (contingent or otherwise) to grant any Liens except for Permitted Liens. No event has occurred which constitutes, or which with the giving of notice, lapse of time or both would constitute, a material default under any Permitted Lien. Schedule 4.01(i) attached hereto contains a true and complete list of the Specific Permitted Liens.

(j) Owned Properties - Schedule 4.01(j) attached hereto contains a true and complete list of the Owned Properties.

(k) Leased Properties - Schedule 4.01(k) attached hereto contains a true and complete list of the Leased Properties and the Leases relating thereto, including in respect of each lease: the names of the parties; the description of the Leased Property; the approximate aggregate annual amount of rent and other amounts payable under the lease; and the term and all renewal options available.

(l) Intellectual Property - Each Company owns, licences or otherwise has the right to use all licenses, franchises, permits, registrations, patents, patent rights, trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights, copyrights and other forms of intellectual property material to the conduct of its business (in the manner in which it is currently used in the conduct of its business), each of which is in good standing in all material respects; and to its knowledge has the right to use such intellectual property without violation of any rights of others with respect thereto. Attached hereto as Schedule 4.01(l) is a list of all such material intellectual property, including a description of the nature of such rights.

(m) Insurance - The Companies have placed insurance, including property, boiler and machinery, business interruption and liability insurance, in appropriate amounts and for appropriate risks as would be considered commercially reasonable for similar businesses.

(n) Material Agreements - Schedule 4.01(n) attached hereto contains a true and complete list of all Material Agreements to which the Companies are party, including a description of the nature of each Material Agreement. Each said Material Agreement is in good standing and in full force and effect; and the Companies and to its knowledge the other parties thereto are not in material breach of any of the terms or conditions contained therein.

(o) Labour Agreements - Schedule 4.01(o) attached hereto contains a true and complete list of all collective agreements presently in effect between the Companies and any labour union or employee association. Except as listed in Schedule 4.01(o), the Companies are not under any obligation to assume any such contracts to or conduct negotiations with any labour union or employee association with respect to any future agreements, and it is not aware of any current attempts to organize or establish any such labour union or employee association.

(p) Environmental Laws - Except to the extent disclosed in Schedule 4.01(p) attached hereto:

(i) each Company and its business, operations, assets, equipment, property, leaseholds and other facilities is in compliance in all material respects with all Requirements of Environmental Law, specifically including all Requirements of Environmental Law concerning the storage and handling of Hazardous Materials;

(ii) each Company holds all Material Permits, licenses, certificates and approvals from Governmental Authorities which are required in connection with air emissions, discharges to surface or groundwater, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation or disposal of Hazardous Materials and all other Requirements of Environmental Law;

(iii) to the best of their knowledge, there has been no material emission, spill, release, or discharge into or upon the air, soils (or any improvements located thereon), surface water or groundwater or the sewer, septic system or waste treatment, storage or disposal system servicing the premises, of any Hazardous Materials at or from any of the Properties;

(iv) no complaint, order, directive, claim, citation, or notice from any Governmental Authority or any other Person has been received by any Company with respect to any of the Properties in respect of air emissions, spills, releases, or discharges to soils or improvements located thereon, surface water, groundwater or the sewer, septic system or waste treatment, storage or disposal systems servicing any of the Properties, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation, or disposal of Hazardous Materials or other Requirements of Environmental Law affecting the Properties;

(v) there are no legal or administrative proceedings, investigations or claims now pending, or to the Borrowers' knowledge, threatened, with respect to the presence on or under, or the discharge, emission, spill, radiation or disposal into or upon any of the Properties, the atmosphere, or any watercourse or body of water, of any Hazardous Material; nor are there any material matters under discussion between any Company and any Governmental Authority relating thereto; and there is no factual basis for any such proceedings, investigations or claims; and

(vi) the Companies have no material indebtedness, obligation or liability, absolute or contingent, matured or not matured, with respect to the storage, treatment, cleanup or disposal of any Hazardous Materials, including without limitation any such indebtedness, obligation, or liability under any Requirements of Environmental Law regarding such storage, treatment, cleanup or disposal.

(q) Litigation - Except as disclosed in Schedule 4.01(q) attached hereto, there are no actions, suits or proceedings now pending, or to the Borrowers' knowledge, threatened, against any Company in any court or before or by any federal, provincial, municipal or other Governmental Authority which if determined against any Company could reasonably be expected to result in a Material Adverse Change.

(r) Pension Plans - The Companies have not established any Pension Plans.

(s) Financial Statements - The most recent Year-end Financial Statements and Interim Financial Statements of each Company and MichiCann delivered to the Lender have been prepared in accordance with GAAP on a basis which is consistent with the previous fiscal period, and present fairly:

(i) its assets and liabilities and financial condition as at the dates therein specified;

(ii) its sales, earnings and results of its operations during the periods covered thereby; and

(iii) in the case of the Year-end Financial Statements, its changes in financial position;

and no Material Adverse Change has occurred since the dates of the said Year-end Financial Statements and Interim Financial Statements, as the case may be.

(t) No Guarantees - No Guarantees have been granted by any Company except for Guarantees which comprise part of the Security, Guarantees in respect of Permitted Funded Debt incurred by any Companies; and the Guarantees listed in Schedule 4.01(t) attached hereto.

(u) Tax Returns - Each Company has duly and timely filed all tax returns required to be filed by it, and has paid all taxes which are due and payable by it. Each Company has also paid all other taxes, charges, penalties and interest due and payable under or in respect of all assessments and re-assessments of which it has received written notice. There are no actions, suits, proceedings, investigations or claims pending (or to the knowledge of any Company, threatened) against any Company in respect of taxes, governmental charges or assessments or any material matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such Governmental Authority.

(v) Statutory Liens - Each Company has remitted on a timely basis all amounts required to have been withheld and remitted (including withholdings from employee wages and salaries relating to income tax, employment insurance and Canada Pension Plan contributions), goods and services tax and all other amounts which if not paid when due could result in the creation of a Statutory Lien against any of its property, except for Permitted Liens.

(w) No Breach, etc. - No Breach has occurred and is continuing and no Material Adverse Change has occurred since the date of the Original Credit Agreement.

(x) Full Disclosure - There are no facts known to the Borrowers which could materially adversely affect the Companies' ability to observe and perform their respective obligations under this Agreement and the Security.

5.02 Additional Representations and Warranties re U.S. Companies

Each Borrower hereby represents and warrants to the Lender as follows with respect to itself and each other U.S. Company:

(a) Margin Stock - It is not engaged in the business of purchasing or carrying margin stock, or extending credit to others for the purpose of purchasing or carrying margin stock, in violation of any of the provisions of Regulations T, U or X of the Board of Governors of the U.S. Federal Reserve System, and no part of the proceeds of any Advance or any other extension of credit made hereunder will be used to purchase or carry any such margin stock or to extend credit to others for the purpose of purchasing or carrying any such margin stock.

(b) Investment Company - It is not an "investment company" nor a company "controlled" by an "investment company," nor is it required to register as an "investment company" within the meaning of the *Investment Company Act* of 1940, as amended.

(c) ERISA - Compliance by the U.S. Companies with the provisions hereof and the credit events contemplated hereby will not involve any prohibited transactions within the meaning of ERISA or Section 4975 of the Revenue Code. With respect to each Plan, it and each other member of its Controlled Group has fulfilled its obligations under the minimum funding standards of and is in compliance in all material respects with ERISA and the Revenue Code to the extent applicable to it and has not incurred any liability to the PBGC or under Title IV of ERISA, other than a liability to the PBGC for premiums under Section 4007 of ERISA; and it does not have any contingent liabilities with respect to any post-retirement benefits under a Welfare Plan, other than liability for continuation coverage described in article 6 of Title I of ERISA or as required under U.S. State law requirements for health continuation coverage. Neither a Reportable Event nor a Prohibited Transaction has occurred and is continuing with respect to any Plan; no notice of intent to terminate a Plan has been filed, nor has any Plan been terminated; no circumstances exist which constitute grounds entitling the PBGC to institute proceedings to terminate, or appoint a trustee to administer, a Plan, nor has the PBGC instituted any such proceedings; neither it nor any member of its Controlled Group has completely or partially withdrawn from a Multiemployer Plan; it and all members of its Controlled Group have met their minimum funding requirements under ERISA with respect to all of their Plans and the present value of all vested benefits under each Plan exceeds the fair market value of all Plan assets allocable to such benefits, as determined on the most recent valuation date of the Plan and in accordance with the provisions of ERISA; and neither it nor any member of its Controlled Group has incurred any liability to the PBGC under ERISA, in each case, which could reasonably be expected to result in a Material Adverse Change.

(d) OFAC – It is not in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC. No Borrower nor any other Company (i) is a Sanctioned Person or a Sanctioned Entity, (ii) has any assets located in a country or territory subject to sanctions administered and enforced by OFAC, or (iii) except where such restrictions conflict with applicable Canadian laws, knowingly derives any revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. Except where such restrictions conflict with applicable Canadian laws, no proceeds of any Advance made under this Agreement will knowingly be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

(e) *Patriot Act* – To the extent applicable, it is in compliance with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and the *Patriot Act*. No part of the proceeds of the loans made hereunder will be used by any U.S. Companies or any of their Affiliates, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the *United States Foreign Corrupt Practices Act* of 1977, as amended.

(f) *Foreign Corrupt Practices Act*. Each of the U.S. Companies and each of its Subsidiaries is in compliance in all material respects with the United States *Foreign Corrupt Practices Act* of 1977, as amended and the U.S. Companies and each Subsidiary has procedures and internal controls reasonably designed to ensure compliance with the United States *Foreign Corrupt practices Act* of 1977, as amended. No part of the proceeds of the loans made hereunder will be used by the Borrowers, any U.S. Company or any of their Affiliates, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States *Foreign Corrupt Practices Act* of 1977, as amended.

(g) Beneficial Ownership. The information included in the Beneficial Ownership Certification of each Borrower most recently provided to the Lender is true and correct in all respects.

5.03 Additional Representations re Owned Properties of the Borrowers

Each Borrower hereby represents and warrants to the Lender as follows with respect to each Owned Property owned by it:

(a) each Owned Property has both physical and legal access to a publicly dedicated right of way, either directly or by an easement benefitting such Owned Property;

(b) each Owned Property has peaceful and undisturbed title and title to such Owned Property has never been disputed or questioned, nor are there any facts by reason of which title to, or possession of such Owned Property might be disputed or questioned, or by reason of which any claim to such Owned Property or any portion thereof might be adversely asserted;

(c) it has no notice of any improvements on any Owned Property that encroach over any building or record setback lines, easements or property lines, nor that the improvements by neighbours to any Owned Property encroach over any property lines;

(d) there are no pending land division applications and there have been no recent land divisions affecting any Owned Property; and

(e) it has access to any utility services located on any of the Owned Properties.

5.04 Survival of Representations and Warranties

The Borrowers acknowledge that the Lender is relying upon the foregoing representations and warranties in connection with the establishment and continuation of the Facilities. Notwithstanding any investigations which may be made by the Lender, the said representations and warranties shall survive the execution and delivery of this Agreement until full and final payment and satisfaction of the Obligations.

ARTICLE VI - COVENANTS

6.01 Positive Covenants

Each Borrower hereby covenants and agrees with the Lender that it will, and will cause each of the other Companies to:

(a) Prompt Payment - pay all principal, interest and other amounts due hereunder at the times and in the manner specified herein;

(b) Preservation of Corporate Existence - maintain its corporate existence in good standing, continue to carry on its business, preserve its rights, powers, licences, privileges, franchises and goodwill, exercise any rights of renewal or extensions of any Leases, licences, concessions, franchises or any other rights whatsoever which are material to the conduct of its business, maintain all qualifications to carry on business in each jurisdiction in which such qualifications are required (except to the extent that the failure to obtain any such qualification would have no adverse effect on the Companies or their respective businesses) and carry on and conduct its business in a proper and efficient manner so as to protect its property and income; and not materially change the nature of its business;

(c) Compliance with Laws - comply in all material respects with all applicable Laws (other than U.S. federal Cannabis Laws but specifically including, for greater certainty, all applicable Requirements of Environmental Law), use the proceeds of the Advance hereunder for legal and proper purposes, and obtain and maintain in good standing all material Leases, licences, permits and approvals from any and all Governmental Authorities required in respect of its business and operations; and without limiting the generality of the foregoing, the Borrowers shall and shall cause each other Company to:

(i) manage and operate its business in all material respects in accordance with all applicable Laws;

(ii) engage in Medical Cannabis-Related Activities only in Approved Medical Cannabis Jurisdictions, and in accordance with all applicable Laws therein;

(iii) engage in Non-Medical Cannabis-Related Activities only in Approved Non- Medical Cannabis Jurisdictions, and in accordance with all applicable Laws therein;

(iv) ensure that all activities of the Companies relating to the sale of Cannabis and Cannabis-related products occur solely in facilities licensed by Governmental Authorities in Approved Jurisdictions;

(d) Payment of Taxes, etc. - pay when due all material rents, taxes, rates, levies, assessments and governmental charges, fees and dues lawfully levied, assessed or imposed in respect of its property and deliver to the Lender upon request receipts evidencing such payments; except for any such amounts being contested in good faith and in respect of which reserves have been established as reasonably required by the Lender; if the Lender determines, acting reasonably, that a Borrower is not paying when due all amounts owing to any Governmental Authority, the Lender may establish an escrow account and collect such amounts on behalf of the Borrowers and remit such amounts to the appropriate Governmental Authority;

(e) Maintain Records - maintain adequate books, accounts and records in accordance with GAAP;

(f) Maintenance of Properties - keep its property and assets in good repair and working condition;

(g) Inspection - permit the Lender and its employees and agents upon reasonable notice to the Borrowers to enter upon and inspect its properties, assets, books and records from time to time during normal business hours and make copies of and abstracts from such books and records, and discuss its affairs, finances and accounts with its officers, directors, accountants and auditors; and without limiting the generality of the foregoing it will permit the Lender and its agents to conduct environmental investigations of its properties and assets from time to time at the expense of the Borrowers; and it agrees to execute and deliver all consents and further assurances as may be necessary in order for the Lender or its agents to obtain information from Government Authorities, other third parties (including without limitation directors and officers of the Borrowers), which may from time to time be held by such Governmental Authorities, officers and/or directors of the Borrowers and other third parties on behalf of the Borrowers in respect of all matters, including its books, records and any environmental matters;

(h) Insurance Coverage - obtain from financially responsible insurance companies and maintain liability insurance, all-risks property insurance on a replacement cost basis (less a reasonable deductible not to exceed amounts customary in the industry for similar businesses and properties), business interruption insurance and insurance in respect of such other risks as the Lender may reasonably require from time to time; all of which policies of insurance shall be in such amounts as may be reasonably required by the Lender and shall include a standard mortgage clause approved by the Insurance Bureau of Canada in respect of property insurance; and the Lender's interest shall be noted as an additional insured on all liability insurance policies and as first mortgagee and loss payee on all other insurance policies; and the Lender shall be provided with certificates of insurance and certified copies of such policies from time to time upon request;

(i) Perform Obligations - fulfil all covenants and obligations required to be performed by it under those Loan Documents to which it is a party and any other agreement or undertaking now or hereafter made between it and the Lender in respect of the Facilities;

(j) Notice of Certain Events - provide prompt notice to the Lender of: (i) the occurrence of any material Breach or Material Adverse Change; (ii) the incorrectness of any representation or warranty contained herein in any material respect; (iii) any material contravention of or non-compliance by any Company with any terms and conditions of any Loan Document; (iv) any Material Adverse Change; (v) any material litigation affecting any Company; (vi) any material labour dispute affecting any Company; (vii) any notice of a payment default or other material default in respect of any Funded Debt of any Company; (viii) any notice in respect of the termination or suspension of, or a material default under, any Material Agreement or Material Permit; or (ix) any changes in the identity of any Responsible Persons, together with satisfactory evidence of security clearances for such Responsible Persons under the *Cannabis Act* or the Cannabis Regulations or any other applicable Laws; and any rejection notice for new or renewal security clearance applications for each Responsible Person;

(k) RTO – use all proceeds of the Concurrent Financing, if any, received by MichiCann up to the Facility A Limit and Facility B Limit to be held in trust by MichiCann in the Bank Account and applied towards the repayment the Obligations hereunder;

(l) ERISA - in the case of the U.S. Companies, promptly pay and discharge all obligations and liabilities arising under ERISA of a character which if unpaid or unperformed might result in the imposition of a Lien against any of its properties; promptly notify the Lender of (i) any Borrower becoming aware of the occurrence of any Reportable Event with respect to a Plan, (ii) receipt of any notice from the PBGC of its intention to seek termination of any Plan or appointment of a trustee therefor, (iii) its intention to terminate or withdraw from any Plan, and (iv) the occurrence of any event with respect to any Plan which would result in the incurrence by it or any Subsidiary of any material liability, fine or penalty, or any material increase in its contingent liability with respect to any post-retirement Welfare Plan benefit; and

(m) Further Assurances - provide the Lender with such further information, financial data, documentation and other assurances as the Lender may reasonably require from time to time in order to ensure ongoing compliance with the terms of this Agreement and to achieve the spirit and intent of this Agreement.

6.02 Negative Covenants

Each Borrower hereby covenants and agrees with the Lender that it will not, and will ensure that each of the other Companies does not, without the prior written consent of the Lender (which consent may be withheld in the sole discretion of the Lender):

(a) Funded Debt - create, incur or assume any Funded Debt, except Permitted Funded Debt;

(b) Liens - grant or suffer to exist any Liens in respect of any of its property, except Permitted Liens. For clarity, amendments, revisions, modifications, restatements or terminations of

any leases and or contracts between Borrowers leasing or providing services for any portion of the Owned Properties do not require the written consent of the Lender;

(c) Disposition of Assets - directly or indirectly sell or otherwise dispose of any of its assets, except assets, excluding Owned Properties (but including the real property municipally known as 20481/20477 Schaefer Highway, Detroit, Michigan, United States) may be sold in the ordinary course of business; and any amounts received by the Borrowers in connection with the sale of such real property or assets sold in the ordinary course of business may be retained by the Borrowers;

(d) Guarantees - become obligated under Guarantees (other than Guarantees which comprise part of the Security);

(e) Investments, Capital Expenditures and Distributions - make or acquire any Investments, make or incur Capital Expenditures, make any Distributions, except that if no Breach or Material Adverse Change has occurred and is continuing or would occur as a result of any proposed Investment, Capital Expenditure or Distribution (as applicable):

(i) Investments may be made by any Company in any Person which was already a Company immediately prior to such Investment, provided that the Company in which the Investment is made has provided all Security required to be provided by it hereunder; or

(ii) the Companies may make Distributions to each other; or

(iii) the Companies may make Permitted Contingent Investments (provided that such Permitted Contingent Investment must be in an Approved Jurisdiction); or

(iv) any Company may make a Permitted Acquisition; or

(v) any Company may make a Specific Permitted Acquisition set out in Schedule 5.02(e);

provided however, if the Borrowers provide written request for consent to an Investment which is not permitted hereunder and the Borrowers do not receive a written response from the Lender within the three (3) Business Days immediately proceeding receipt by the Lender of such written request, the Lender shall have been deemed to consent to such Investment;

(f) Subordinated Debt and Subrogated Debt – make any payment in respect of principal, interest, fees or any other amounts in respect of Subordinated Debt or Subrogated Debt or agree or consent to any material amendment in respect of the terms and conditions thereof; in each case except if immediately before each such payment no Breach or Material Adverse Change has occurred and is continuing and no Breach or Material Adverse Change would occur as a result of such payment, and then only to the extent permitted under the subordination and postponement agreement relating thereto;

(g) Corporate Changes – not materially change the nature of its business, maintain a place of business or any material assets in any jurisdiction other than the Province of Ontario, and

the States of Michigan and Illinois, enter into any transaction whereby all or a substantial portion of its undertaking, property and assets would become the property of any other Person, whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise, in each case without the prior written consent of the Lender in its sole discretion;

(h) Fiscal Year - change its Fiscal Year (which for greater certainty presently ends on the last day of December in each year);

(i) Auditors – change its auditors from a firm that is not a nationally recognized auditing firm, except with the prior written consent of the Lender which shall not be unreasonably withheld;

(j) Use of Advance - use the proceeds of any Advance for any purposes other than those expressly contemplated in this Agreement;

(k) Developer Fees – pay any developer fees in respect of the RWB Properties, provided that the Facility B Borrowers may pay management fees in the normal course which have been approved by the Lender in its sole discretion;

(l) Dealing with Related Persons - enter into any contract with any Related Person unless all terms and conditions thereof (specifically including the price) are commercially reasonable; or

(m) Hedging Agreements - enter into or be a party to any hedging agreement with any Person.

6.03 Reporting Requirements

Each Borrower shall deliver to the Lender the following financial and other information, applicable to such Borrower, at the times indicated below:

(a) revenue reports from Pharmaco generated by Bio Track THC and QuickBooks for each location in which Pharmaco operates its business by the fifteenth (15th) day after the end of each calendar month (including all supporting documentation and calculations to support such reports);

(b) certified bank statements for each calendar month from the Borrowers by the 15th day after the end of each Fiscal Quarter;

(c) the Interim Financial Statements of Pharmaco and Michicann by the 45th day after the end of each Fiscal Quarter in each year (for greater certainty Interim Financial statements will also be required at the end of the fourth Fiscal Quarter) accompanied by a Compliance Certificate certified by the Chief Financial Officer of each of Pharmaco and MichiCann or other senior officer of each of Pharmaco and MichiCann acceptable to the Lender in the form set out in Exhibit “A” attached hereto;

(d) the Year-end Financial Statements of the Pharmaco and Michicann by the 120th day after the end of each Fiscal Year accompanied by a Compliance Certificate certified by the Chief Financial Officer of each of Pharmaco and MichiCann or other senior officer of each of

Pharmaco and MichiCann acceptable to the Lender in the form set out in Exhibit "A" attached hereto; and

(e) such other additional information and documents as the Lender may reasonably require from time to time.

ARTICLE VII - SECURITY

7.01 Security

The Borrowers agree to provide (or cause to be provided) the security listed below as continuing security for the payment and performance of all present and future, direct and indirect, indebtedness and obligations of the Companies to the Lender, specifically including the Obligations:

(a) a Guarantee from each Company in respect of all present and future, direct and indirect, indebtedness and obligations of the Borrowers to the Lender, each such Guarantee to be in an unlimited amount except to the extent set out in Section 6.02 below or otherwise agreed by the Lender;

(b) a general security agreement from each Company, creating a First-Ranking Security Interest in respect of all its property, assets and undertaking;

(c) a mortgage or deed of trust from Pharmaco creating a First- Ranking Security Interest in respect of each Owned Property, each in a maximum principal amount of not less than Twenty-Seven Million United States Dollars (USD$27,000,000) as security for all Obligations arising under or in connection with the Facilities;

(d) a mortgage from RWB Subco creating a First- Ranking Security Interest in respect of the Subco Property in a maximum principal amount of not less than Forty Nine Million Seven Hundred Fifty Thousand United States Dollars (USD$49,750,000), as security for all Obligations arising under or in connection with the Facilities;

(e) a mortgage from MAG creating a First- Ranking Security Interest in respect of the MAG Property in a maximum principal amount of not less than Forty Nine Million Seven Hundred Fifty Thousand United States Dollars (USD$49,750,000), as security for all Obligations arising under or in connection with the Facilities;

(f) a general assignment of rents and leases from RWB Subco creating a First-Ranking Security Interest in respect of all rents, leases, tenancies, agreements to lease, offers to lease, etc., in respect of the Subco Property;

(g) a general assignment of rents and leases from MAG creating a First- Ranking Security Interest in respect of all rents, leases, tenancies, agreements to lease, offers to lease, etc., in respect of the MAG Property;

(h) if requested by the Lender from time to time, debentures, mortgages or deeds of trust or other forms of security required by the Lender from each other Company to create a First- Ranking Security Interest over all Land in which it has a freehold or leasehold interest;

(i) an environmental warranty and indemnity agreement from Pharmaco in respect of the Owned Properties owned by it;

(j) an environmental warranty and indemnity agreement from the Facility B Borrowers and MichiCann in respect of the RWB Properties;

(k) if requested by the Lender from time to time, a specific assignment by each Company of all rights and benefits arising under each Material Agreement to which it is a party, accompanied by a consent agreement from the other contracting party thereto in form and substance satisfactory to the Lender;

(l) security agreements creating an assignment and First-Ranking Security Interest in respect of each Company's rights to and interest in intellectual property; and the Borrowers agree to use commercially reasonable efforts to obtain any necessary consents from other Persons which may be required in connection with the granting of such assignment and security interest in any intellectual property considered by the Lender to be material;

(m) a Control Agreement in respect of each bank account and securities account maintained by any U.S. Company;

(n) an assignment by each Company of its interest in all policies of insurance in which it may have an interest; and

(o) such other security and further assurances as the Lender may reasonably require from time to time.

7.02 Limitations on Guarantees from U.S. Subsidiaries

Each Guarantee provided by a U.S. Company shall be limited to the largest amount that would not render the obligations such U.S. Company thereunder subject to avoidance as a fraudulent transfer or conveyance under the *United States Bankruptcy Code*, 11 U.S.C. §548 or any applicable provisions of comparable state law.

7.03 Security to be Provided by Others

The Borrowers agree to provide, or cause to be provided to the Lender, from time to time:

(a) a limited recourse Guarantee in respect of the Obligations from each shareholder of Pharmaco (except Oakshire Holdings Limited), together with a security agreement from such shareholder creating a First-Ranking Security Interest in respect of all present and after-acquired shares in the capital of Pharmaco held by such shareholder (the Lender's recourse under such Guarantee being limited to enforcement of the said security interest);

(b) a Guarantee from MichiCann in respect of all present and future, direct and indirect, indebtedness and obligations of the Borrowers to the Lender, in an unlimited amount or as otherwise agreed to by the Lender;

(c) a general security agreement from MichiCann, creating a First-Ranking Security Interest in respect of all its property, assets and undertaking, including without limitation, a pledge of all issued and outstanding shares in the capital of the Facility B Borrowers as security for its Guarantee;

(d) a security agreement from MichiCann creating an assignment and First-Ranking Security Interest in the senior secured convertible debenture dated January 4, 2019 by Pharmaco as the company, and MichiCann, as the holder;

(e) an environmental warranty and indemnity agreement from the Facility B Borrowers and MichiCann in respect of the RWB Properties;

(f) a subordination and postponement agreement from each holder of any indebtedness which is intended to constitute Subordinated Debt, including, without limitation, Tidal;

(g) a subordination, postponement and assignment agreement from MichiCann;

(h) a subordination, postponement and assignment agreement from each holder of any indebtedness which is intended to constitute Subrogated Debt; and

(i) upon completion of the RTO, MichiCann and Tidal shall jointly and severally provide a non-recourse “carve-out” Guarantee in respect of the Obligations of the Borrowers. Such Guarantee shall provide that each of MichiCann and Tidal shall be liable for any losses incurred by the Lender in respect of, among other things, fraud, misappropriation of funds, waste, environmental risk, gross negligence, wilful misconduct, change of control of any Borrower without Lender consent; improper assignment of the credit facilities and any violation of Cannabis Laws. Notwithstanding the foregoing, should an Insolvency Event occur in respect of any Borrower, the Guarantee shall become full recourse.

7.04 Security to be Provided by Future Material Subsidiaries

The Borrowers agree to cause each corporation which becomes a Material Subsidiary after the date of this Agreement to provide in favour of the Lender all Guarantees and Security of the same nature described in Section 7.01 within thirty (30) days after becoming a Material Subsidiary.

7.05 General Provisions re Security; Registration

The Security shall be in form and substance satisfactory to the Lender in its sole discretion. The Lender may require that any item of Security be governed by the laws of the jurisdiction where the property subject to such item of Security is located. The Security shall be registered by the Borrowers where necessary or desirable to record and perfect the charges contained therein, as determined by the Lender in its sole discretion.

7.06 Opinions re Security

The Borrowers shall cause to be delivered to the Lender the opinions of the solicitors for the Companies and MichiCann regarding their corporate or partnership status (as applicable), the due authorization, execution and delivery of the Security provided by them, all registrations in respect of the

Security and the enforceability of such Security; all such opinions to be in form and substance satisfactory to the Lender.

7.07 After-Acquired Property, Further Assurances, Filing Authorization

Each Borrower shall execute and deliver from time to time, and cause each of its Material Subsidiaries to execute and deliver from time to time, all such further documents and assurances as may be reasonably required by the Lender from time to time in order to provide the Security contemplated hereunder, specifically including: supplemental or additional security agreements, intellectual property security agreements, and assignments and pledge agreements which shall include lists of specific assets to be subject to the security interests required hereunder. For greater certainty, if MichiCann and Pharmaco become Affiliates at any time, the Lender may require that MichiCann provide an environmental warranty and indemnity agreement in form and substance satisfactory to the Lender in respect of all Owned Property of Pharmaco at such time.

Each Company hereby authorizes the Lender or its counsel to file, and if requested will deliver to the Lender or its counsel, all financing statements and other documents and take such other actions as may from time to time be requested by the Lender in order to maintain a first perfected security interest in the Collateral. Any financing statement filed by the Lender may be filed in any filing office in any relevant jurisdiction and may (i) indicate the Collateral (1) as all assets of such Company or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC or such jurisdiction, or (2) by any other description which reasonably approximates the description contained in this Security Agreement, and (ii) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including whether such Company is an organization, the type of organization and any organization identification number issued to the grantor.

7.08 Insurance Proceeds

If insurance proceeds become payable in respect of loss of or damage to any property owned by a Company:

(a) on the Acceleration Date, the Lender shall apply all such proceeds against the Obligations;

(b) before the Acceleration Date, if such proceeds are less than Five Hundred Thousand Dollars ($500,000), the Lender agrees to consent to the payment of such proceeds to such Company if:

  (i) such property has been repaired or replaced and the proceeds will reimburse the Company for payments it has made for such purpose; or

  (ii) the Company confirms in writing to the Lender that it will forthwith use such proceeds to repair or replace such property; and

(c) if the Acceleration Date has not occurred, and such proceeds are equal to or greater than Five Hundred Thousand Dollars ($500,000), the Lender shall apply such proceeds against the Obligations unless the Lender has agreed in writing, in its sole discretion, that such proceeds shall be used to replace the property.

ARTICLE VIII - CONDITIONS PRECEDENT

8.01 Conditions Precedent to Amendment

The amendments to the Original Credit Agreement reflected in this Agreement shall not become effective until the date on which all of the following conditions have been satisfied (the "**Amendment Closing Date**"), in each case to the satisfaction of the Lender in its sole discretion:

(a) all conditions precedent set out in section 8.02 shall have been satisfied;

(b) the Lender shall have completed and shall be satisfied with its due diligence in respect of the Facility B Borrowers and the RWB Properties; and without limiting the generality of the foregoing the Lender shall be satisfied with:

(i) the Facility B Borrowers' proposed financial, operating and quality management systems, including evidence that such systems will satisfy all applicable requirements of Governmental Authorities;

(ii) the terms and conditions of all Material Agreements of the Facility B Borrowers;

(iii) the terms and conditions of all Material Permits in respect of the Facility B Borrowers and the RWB Properties, specifically including Material Permits in respect of (A) cultivation; (B) manufacturing; and (C) the operation of provisioning centres, ;

(iv) a copy of MAG's licence under applicable Cannabis Regulations, together with copies of all material correspondence exchanged between MAG and Governmental Authorities relating thereto;

(v) reasonably satisfactory evidence that all required zoning is in place in respect of the RWB Properties to permit the operations of MAG, including without limitation, copies of all municipal and county approvals;

(vi) reasonably satisfactory evidence of the income generated by the RWB Properties;

(vii) reasonably satisfactory evidence that there are no arrears of property tax with respect to any Owned Properties, including the RWB Property;

(viii) a fully-executed copy of the agreement of purchase and sale of each RWB Property;

(ix) the Lender shall have conducted and be satisfied with a site visit of the Owned Properties, including the RWB Properties if desired;

(c) the Lender shall have received reasonably detailed financial projections from the Facility B Borrowers showing all anticipated costs to be incurred by Facility B Borrowers in respect of the RWB Properties and Facility B Borrowers' anticipated repayment plan for such costs;

(d) the Lender shall have received evidence of all costs incurred up to the Amendment Closing Date in respect of the RWB Properties, including copies of all invoices relating thereto;

(e) the Lender shall have received copies of all tax returns from the Borrowers and MichiCann in respect of the most recent three (3) Fiscal Years, to the extent available;

(f) the Lender shall have received the Year-End Financial Statements in respect of the three (3) most recent Fiscal Years of the Borrowers and MichiCann and the Interim Financial Statements in respect of the three previous Fiscal Quarters, to the extent available;

(g) the Lender shall have received revenue reports from Pharmaco generated by Bio Track THC and QuickBooks for each location in which Pharmaco operates its business (either in excel or portable document format (PDF));

(h) no Material Adverse Change shall have occurred since the date of the Original Credit Agreement;

(i) the Lender shall have received an ALTA survey in respect of each RWB Property indicating its dimensions and boundaries, the location of all building thereon and all encroachments, easements and rights-of-way, together with a surveyor's certificate in form and substance satisfactory to the Lender;

(j) the Lender shall have received an up-to-date appraisal in respect each RWB Property by an AACI appraiser in form and substance satisfactory to the Lender, together with a transmittal letter from such appraiser addressed to the Lender permitting the Lender to relying thereon;

(k) the Lender shall have received a satisfactory phase 1 environmental site assessment report (and also, if recommended in such report, a phase 2 environmental site assessment report) in respect of each RWB Property, completed by an environmental engineer satisfactory to the Lender and, together with a transmittal letter signed by such engineer which permits the Lender to rely thereon;

(l) the Lender shall have received a copy of the ownership chart of the Borrowers;

(m) the Lender shall have received copies of all Leases in respect of the RWB Properties;

(n) the Lender shall have received a report of an insurance consultant confirming that the Borrowers maintain satisfactory insurance as required herein;

(o) the Lender shall have received evidence that the Facilities do not as of the Amendment Closing Date exceed 50% of the Lender's estimate of value of the Owned Properties and the business and operations of the Borrowers;

(p) the Lender shall have received evidence that at least Thirty Five Million Dollars ($35,000,000) in equity has been injected into MichiCann;

(q) the Lender shall have received an officer's certificate and certified copies of resolutions of the board of directors of each Borrower and MichiCann concerning the due

authorization, execution and delivery of the Loan Documents to which it is a party, and such related matters as the Lender may reasonably require;

(r) no litigation is pending or threatened in writing against one or more of the Companies that, if decided adversely, could constitute a Material Adverse Change;

(s) all Security required to be provided prior to the Amendment Closing Date shall have been executed and delivered, all registrations necessary or desirable in connection therewith shall have been made, and all legal opinions and other documentation required by the Lender in connection therewith shall have been executed and delivered, all in form and substance satisfactory to the Lender;

(t) the Companies shall have no Funded Debt except Permitted Funded Debt;

(u) he Lender shall have received satisfactory evidence that there are no Liens affecting the Facility B Borrowers or their assets except Permitted Liens; and the Lender shall have received particulars of all Permitted Liens, specifically including the assets encumbered thereby, the amounts due thereunder, and if requested by the Lender, confirmation from the holders thereof that the terms thereof are being complied with;

(v) any necessary governmental, regulatory and third party approvals necessary in connection with this Agreement and the transactions contemplated therein shall have been given unconditionally and without containing any onerous terms;

(w) the Facility B Borrowers shall have satisfied all requirements of the Lender under anti- money laundering and know-your-client Laws;

(x) a good standing, status or compliance certificate (as applicable) for each Borrower and MichiCann shall have been provided each dated as of the date no earlier than three (3) days prior to the Amendment Closing Date from the applicable government office in the jurisdiction of its incorporation and each jurisdiction in which it is qualified to do business;

(y) the Lender shall have received opinions from the solicitors for each Borrower and MichiCann regarding its corporate status, the due authorization, execution, delivery and enforceability of the Loan Documents provided by it, and such other matters as the Lender may reasonably require, in form and substance satisfactory to the Lender;

(z) the Lender shall have received a title opinion in respect of each RWB Property containing such matters as are typical for a financing of this type; or title insurance may be obtained in lieu thereof;

(aa) the Borrowers shall have paid to the Lender all fees and expenses (including the Lender's reasonable legal expenses) relating to this Agreement;

(bb) no third party demand or garnishment order for payment to any Governmental Authority shall have been received by the Lender in respect of any Company unless the amount of such demand or order is not material and arrangements satisfactory to the Lender have been established to avoid any loss of priority with respect to the Security; and

(cc) the Lender shall have received such additional evidence, documents or undertakings as it may reasonably require to complete the transactions contemplated hereby in accordance with the terms and conditions contained herein.

8.02 Conditions Precedent to all Advances

The Lender shall have no obligation to make the first Advance or any subsequent Advance unless at the time of each such Advance, the following terms and conditions shall have been satisfied:

(a) the applicable Borrower shall have given a Drawdown Request to the Lender in accordance with the notice requirements provided herein;

(b) the representations and warranties in Section 6.01 shall be true and correct in all material respects on the date of the Advance as if made on that date; and

(c) no Breach or Material Adverse Change shall have occurred and be continuing nor will the making of the Advance result in a Breach or Material Adverse Change.

ARTICLE IX - DEFAULT AND REMEDIES

9.01 Acceleration; Additional Interest

The Lender may demand immediate payment of the Obligations at any time in its sole discretion, by Demand Notice to the Borrowers. In addition, the Obligations shall become immediately due and payable upon the occurrence of an Insolvency Event, without the necessity of any Demand Notice to the Borrowers by the Lender. After notice of a Breach that has occurred and is continuing has been sent to the Borrowers and after any reasonable cure periods provided for in such notice have passed, all Outstanding Advances shall bear interest or fees at the rates otherwise applicable plus five percent (5%) per annum in order to compensate the Lender for the additional risk.

9.02 Application of Monies

Upon the occurrence and during the continuation of a Breach, the Lender may apply any proceeds of realization of the Security against any portion or portions of the Obligations, and the Borrowers may not require any different application. The taking of a judgment or any other action or dealing whatsoever by the Lender in respect of the Security shall not operate as a merger of any of the Obligations hereunder or in any way affect or prejudice the rights, remedies and powers which the Lender may have, and the foreclosure, surrender, cancellation or any other dealing with any Security or the said obligations shall not release or affect the liability of the Borrowers or any other Person in respect of the remaining portion of the Obligations.

9.03 No Further Advances

The Lender shall not be obliged to make any further Advances from and after the earliest to occur of the following: (i) delivery by the Lender to the Borrowers of a Demand Notice or a Breach has occurred and is continuing and that as a result thereof no further Advances will be made (whether or not such notice also requires immediate repayment of the Obligations); (ii) the occurrence of an Insolvency Event; or (iii) receipt by the Lender of any garnishment notice, notice of a Statutory Lien or other notice of similar

effect in respect of any Company pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada) or any similar notice under any other statute unless the amount of such demand or order is not material and arrangements satisfactory to the Lender have been established to avoid any loss of priority with respect to the Security.

9.04 Judgment Currency

If for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement it becomes necessary for the Lender to convert into the currency of such jurisdiction (in this Section called the "Judgment Currency") any amount due to the Lender by a Borrower hereunder in any currency other than the Judgment Currency, then conversion shall be made at the Exchange Rate prevailing on the Business Day before the day on which judgment is given. In the event that there is a change in the Exchange Rate prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, such Borrower will, on the date of payment, pay such additional amounts (if any) or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which when converted at the Exchange Rate prevailing on the date of payment is the amount then due under this Agreement in such other currency. Any additional amount due by such Borrower under this Section will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement.

9.05 Remedies Cumulative

All of the rights and remedies granted to the Lender in this Agreement, and any other documents or instruments in existence between the parties or contemplated hereby, and any other rights and remedies available to the Lender at law or in equity, shall be cumulative. The exercise or failure to exercise any of the said remedies shall not constitute a waiver or release thereof or of any other right or remedy, and shall be non-exclusive.

9.06 Performance of Covenants by Lender

If any Borrower fails to perform any covenant or obligation to be performed by it pursuant to this Agreement, the Lender may in its sole discretion, after written notice to such Borrower, perform any of the said obligations but shall be under no obligation to do so; and any amounts expended or advanced by the Lender for such purpose shall be payable by such Borrower upon demand together with interest at the highest rate then applicable to the Facilities.

ARTICLE X - GENERAL

10.01 Waivers

The failure or delay by the Lender in exercising any right or privilege with respect to the non-compliance with any provisions of this Agreement by the Borrowers and any course of action on the part of the Lender, shall not operate as a waiver of any rights of the Lender unless made in writing by the Lender. Any such waiver shall be effective only in the specific instance and for the purpose for which it is given and shall not constitute a waiver of any other rights and remedies of the Lender with respect to any other or future non-compliance.

10.02 Lender's Expenses

Whether or not the transactions contemplated by this Agreement are completed or the Advance has been made, the Borrowers agree to pay on demand by the Lender all reasonable out-of-pocket expenses incurred by it, including reasonable legal expenses and other direct out-of-pocket expenses, in connection with this Agreement, the Security and all documents contemplated hereby, specifically including: reasonable expenses incurred by the Lender in respect of due diligence, appraisals, insurance consultations, credit reporting and responding to enquiries made by any Governmental Authority; reasonable legal expenses in connection with the preparation and interpretation of this Agreement and the Security and the administration of the Facilities generally, including the preparation of waivers and partial discharges of Security; and all reasonable legal expenses in connection with the protection and enforcement of the Security.

10.03 General Indemnity

In addition to any other liability of the Borrowers hereunder, the Borrowers hereby jointly and severally agree to indemnify and save harmless the Indemnitees from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (including reasonable legal fees on a solicitor and his own client basis) of any kind or nature whatsoever (but excluding any consequential damages and damages for loss of profit) which may be imposed on, incurred by or asserted against the Indemnitees (except to the extent arising from the negligence or wilful misconduct of such Indemnitees) which relate or arise out of or result from:

(a) any failure by the Borrowers to pay and satisfy their obligations hereunder including, without limitation, any costs or expenses incurred by reason of the liquidation or re- employment in whole or in part of funds required by the Lender to fund or maintain the Facilities or as a result of any Borrower's failure to take any action on the date required hereunder or specified by it in any notice given hereunder;

(b) any investigation by Governmental Authorities or any litigation or other similar proceeding related to any use made or proposed to be made by the Borrowers of the proceeds of any Advance; and

(c) any instructions given to the Lender to reverse any wire transfer or other transaction initiated by the Lender at the request of a Borrower.

10.04 Environmental Indemnity

In addition to any other liability of the Borrowers hereunder, the Borrowers hereby jointly and severally agree to indemnify and save harmless the Indemnitees from and against:

(a) any losses suffered by the Indemnitees for, in connection with, or as a direct or indirect result of, the failure of any Company to comply with all Requirements of Environmental Law;

(b) any losses suffered by the Indemnitees for, in connection with, or as a direct or indirect result of, the presence of any Hazardous Material situated in, on or under the Properties; and

(c) any and all liabilities, losses, damages, penalties, expenses (including reasonable legal fees) and claims which may be paid, incurred or asserted against the Indemnitees for, in connection with, or as a direct or indirect result of, any legal or administrative proceedings with respect to the presence of any Hazardous Material on or under on or under the Properties, or the discharge, emission, spill, radiation or disposal by any Company of any Hazardous Material into or upon any Land, the atmosphere, or any watercourse or body of water; including the costs of defending and/or counterclaiming or claiming against third parties in respect of any action or matter and any cost, liability or damage arising out of a settlement entered into by the Indemnitees of any such action or matter;

except to the extent arising from the negligence or wilful misconduct of such Indemnitees; and also in the case of paragraphs (b) and (c) above, except to the extent that the Borrowers establish that the Hazardous Materials in question were placed on such Property by Persons other than the Companies after the Companies no longer have any freehold, leasehold or other interest therein. The Lender shall endeavour to provide written notice to the Borrowers of any claim or potential claims of which the Lender becomes aware which are likely to result in the Indemnitees becoming entitled to assert a claim for indemnity under this Section 9.04, as soon as reasonably possible after becoming aware of any such matter; provided however that any failure of the Lender to provide such notice shall not result in any liability to the Lender whatsoever and shall not diminish or affect in any way the Borrowers' obligation to indemnify the Indemnitees pursuant to this Section 9.04.

10.05 Survival of Certain Obligations despite Termination of Agreement

The termination of this Agreement shall not relieve the Borrowers from their obligations to the Lender arising prior to such termination, such as but not limited to obligations arising as a result of or in connection with any breach of this Agreement, any failure to comply with this Agreement or the inaccuracy of any representations and warranties made or deemed to have been made prior to such termination, and obligations arising pursuant to all indemnity obligations contained herein. Without limiting the generality of the foregoing, the obligations of the Borrowers to the Lender arising under or in connection with Sections 9.04 and 9.05 of this Agreement shall continue in full force and effect despite any termination of this Agreement.

10.06 Interest on Unpaid Costs and Expenses

If the Borrowers fail to pay when due any expenses or other amounts paid by the Lender hereunder (other than principal or interest on any Advance), the Borrowers agree to pay interest on such unpaid amount from the time such amount is due until paid at the rate equal to the highest rate of interest then applicable under the Facilities.

10.07 Notice

Without prejudice to any other method of giving notice, all communications provided for or permitted hereunder shall be in writing and delivered to the addressee by prepaid private courier or sent by electronic mail to the applicable address and to the attention of the officer of the addressee as follows:

(a) to the Facility B Borrowers:

8820 Jane Street Concord,

Ontario L4K 2M9
Canada

Attention: Michael Marchese, President
email: **(REDACTED)**

(b) to Pharmaco:

33493 W 14 Mile Rd, Suite 100,
Farmington Hills, MI 48331
USA

Attention: Fernando DiCarlo
email: **(REDACTED)**

(c) to the Lender:

77 King Street West, Suite 2925
P.O Box 322
Toronto, ON M5K 1K7
Canada

Attention: **(REDACTED)**
email: **(REDACTED)**

Any communication transmitted by prepaid private courier shall be deemed to have been validly and effectively given or delivered on the Business Day after which it is submitted for delivery. Any communication transmitted by electronic mail shall be deemed to have been validly and effectively given or delivered on the day on which it is transmitted, if transmitted on a Business Day on or before 5:00 p.m. (local time of the intended recipient), and otherwise on the next following Business Day. Any party may change its address for service by notice given in the foregoing manner.

10.08 Severability

Any provision of this Agreement which is illegal, prohibited or unenforceable in any jurisdiction, in whole or in part, shall not invalidate the remaining provisions hereof; and any such illegality, prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.09 Further Assurances

The Borrowers shall from time to time at their own expense promptly execute and deliver or cause to be executed and delivered to the Lender all such other and further documents, agreements, opinions, certificates and instruments which may be requested by the Lender if necessary or desirable to more fully record or evidence the obligations intended to be entered into herein, or to make any recording, file any notice or obtain any consent.

10.10 Time of the Essence

Time shall be of the essence of this Agreement.

10.11 Assignment and Participation

(a) The Borrowers may not assign any of their rights or obligations under this Agreement without the prior written consent of the Lender.

(b) The Lender may grant participations in all or any portion of its rights under this Agreement from time to time without notice to or obtaining the prior written consent of the Borrowers; provided that the Lender shall remain responsible for the performance of its obligations hereunder, and the Borrowers shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement; and the Lender shall retain the sole right and responsibility to enforce the obligations of the Borrowers hereunder including the right to approve any amendment, modification or waiver of any provision of this Agreement.

(c) If a Breach has occurred and is continuing and notice of such Breach has been sent to the Borrowers, the Lender may from time to time assign all or any portion of the Facilities hereunder, together with all of its rights and obligations incidental thereto, to any other Person without notice to or obtaining the prior written consent of the Borrowers.

(d) If no Breach has occurred and is continuing, the Lender may from time to time assign all or any portion of the Facilities hereunder, together with all of its rights and obligations incidental thereto to one or more lenders that are not non-residents of Canada for the purposes of the *Income Tax Act* (Canada).

(e) If the Lender assigns all or any portion of its rights and obligations under this Agreement to an assignee in accordance with the provisions of this Section, and if such assignee executes and delivers to the Borrowers and the Lender a written agreement in form and substance satisfactory to the Borrowers, acting reasonably, to assume and be bound by all or the assigned portion of the Lender's obligations hereunder, then immediately upon the said delivery of such agreement the Lender's said obligations hereunder shall automatically be released to the extent so assumed by such assignee.

(f) The Borrowers acknowledge that the Lender is entitled to charge a processing and recording fee to any assignee in connection with each assignment hereunder.

(g) The Borrowers agree, at the Lender's cost to co-operate fully with the Lender in connection with any assignment or participation pursuant to this Section, and agree to execute and deliver from time to time in favour of the Lender and any such assignee or participant such documents and assurances as may be reasonably required by the Lender or the assignee or participant in connection with such assignment or participation.

10.12 Tombstone Marketing

For the purpose of "tombstone marketing", each Borrower hereby authorizes and consents to the reproduction, disclosure and use by the Lender of its name, identifying logo and the Facilities to enable the Lender to publish promotional "tombstones", provided that such information shall exclude any

reference to the size of the Facilities (unless the Borrowers provide their written consent). The Borrowers acknowledge and agree that the Lender shall be entitled to determine, in its discretion, whether to use such information; that no compensation will be payable by the Lender in connection therewith; and that the Lender shall have no liability whatsoever to any Borrower or any of its employees, officers, directors, affiliates or shareholders in obtaining and using such information as contemplated in this Section 9.12. The Lender agrees to consult with the Borrowers prior to the publication of any such promotional “tombstones”.

10.13 Amendment and Restatement

This Agreement amends the Original Credit Agreement and restates the Original Credit Agreement as so amended, provided that nothing contained herein shall be considered to constitute or to effect a novation thereof. Any provision hereof which differs from or is inconsistent with any provision contained the Original Credit Agreement shall constitute an amendment thereto, with such amendment being effective as and from the date hereof. The provisions of the Original Credit Agreement as amended hereby have been consolidated and restated in this Agreement. This Agreement will not discharge or constitute a novation of any debt, obligation, covenant or agreement contained in the Original Credit Agreement or in any security, agreements, certificates and other documents executed and delivered by or on behalf of any Person in respect thereof or in connection therewith, all of which shall remain in full force and effect except to the extent amended by the provisions of this Agreement. All representations and warranties set out in this Agreement are freshly made on the date hereof. Each Borrower and MichiCann hereby represents, warrants, acknowledges and agrees with the Lender that all Security Documents executed and delivered by it to the Lender prior to the date of this Agreement continues in full force and effect and remains valid and enforceable in accordance with its terms. Any reference to the Original Credit Agreement in any Security Document delivered pursuant to the Original Credit Agreement shall be a reference to this Agreement.

10.14 Discussion Papers Superseded; Entire Agreement

This Agreement and any other documents or instruments contemplated herein or therein shall constitute the entire agreement and understanding between the Borrowers and the Lender relating to the subject-matter hereof. For greater certainty and without limiting the generality of the foregoing, this Agreement supersedes all discussion papers previously issued by the Lender relating to the proposed establishment of the Facilities, which have no force or effect.

10.15 Inconsistencies with Security

To the extent that there is any inconsistency between a provision of this Agreement and a provision of any document constituting part of the Security, the provision of this Agreement shall govern. For greater certainty, a provision of this Agreement and a provision of the Security shall be considered to be inconsistent if: (i) both relate to the same subject-matter and the provision in the Security imposes more onerous obligations or restrictions than the corresponding provision in this Agreement; or (ii) the provision in the Security creates a default in circumstances which do not constitute a Breach under this Agreement, in which case such default in the Security shall not apply.

10.16 Confidentiality

The Lender agrees that all documentation and other information made available by the Borrowers to it under or in connection with this Agreement shall (except to the extent such documentation or other

information is publicly available or hereafter becomes publicly available other than by action of the Lender, or was theretofore known or hereinafter becomes known to the Lender independently of any disclosure by the Companies) be held in confidence by the Lender and used solely in the evaluation, administration and enforcement of the Advances and all matters related to this Agreement and the Security and the transactions contemplated hereby and thereby, and in the prosecution of defence of legal proceedings arising in connection herewith and therewith. Notwithstanding the foregoing, nothing contained herein shall be construed to prevent the Lender from:

(a) making disclosure of any information (i) if required to do so by applicable law or regulation, (ii) to any Governmental Authority having authority to regulate or oversee any aspect of the business of the Lender or the Companies in connection with the exercise of such authority and that compels or requires the Lender to disclose such information, (iii) pursuant to any subpoena or if otherwise compelled in connection with any litigation or administrative proceeding, (iv) to any prospective participant or assignee of all or any portion of the Lender's rights and obligations hereunder provided that such prospective assignee executes and delivers to the Borrowers a confidentiality agreement in form and substance acceptable to the Borrowers, acting reasonably, (v) to the extent that the Lender or its counsel deems necessary or appropriate, acting reasonably, to effect or preserve its Security or to enforce any remedy provided in this Agreement or the Security or otherwise available by law;

(b) making disclosure of any information regarding the Companies to affiliates of the Lender; or

(c) making such disclosures as the Lender reasonably deems necessary or appropriate to its legal counsel, accountants or other advisers, agents or representatives (including outside auditors).

10.17 Governing Law

This Agreement shall be interpreted in accordance with the laws of the Province of Ontario. Without prejudice to the right of the Lender to commence any proceedings with respect to this Agreement in any other proper jurisdiction, the parties hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Ontario.

10.18 Execution by Fax, PDF and Counterparts

This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original and which counterparts together shall constitute one and the same Agreement. This Agreement may be executed by facsimile or portable document format (PDF), and any signature contained hereon by facsimile or PDF shall be deemed to be equivalent to an original signature for all purposes.

10.19 Binding Effect

This Agreement shall be binding upon and shall enure to the benefit of the parties and their respective successors and permitted assigns; "successors" includes any corporation resulting from the amalgamation of any party with any other corporation

10.20 U.S. Federal Cannabis Laws

The parties hereto agree and acknowledge that no party makes, will make or shall be deemed to make or have made any representation or warranty of any kind regarding the compliance of this agreement with any U.S. Federal Cannabis Laws. No party hereto shall have any right of rescission or amendment arising out of or relating to any non-compliance with Federal Cannabis Laws unless such non- compliance also constitutes a violation of applicable U.S. state laws, rules or regulations, and no party shall seek to enforce the provisions hereof in federal court unless and until the parties have reasonably determined that the applicable state laws, rules and regulations are fully compliant with Federal Cannabis Laws. In this agreement, "U.S. Federal Cannabis Laws" shall mean any U.S. federal laws, statutes, codes, ordinances, decrees, orders, rules and regulations which apply to the production, trafficking, distribution, processing, extraction, possession, use, and/or sale of marijuana (cannabis) and related substances; provided, however, that Federal Cannabis Laws shall not include any provision of the United States Internal Revenue Code of 1986, as amended (the "Code"), including, without limitation, Section 280E of the Code.

[The remainder of this page is intentionally blank, signature page follows]

RWB ILLINOIS, INC.

By: "Michael Marchese "
Name: Michael Marchese
Title: President

By: _____
Name: _____
Title: _____

MID-AMERICA GROWERS, INC.

By: "Michael Marchese "
Name: Michael Marchese
Title: President

By: _____
Name: _____
Title: _____

PHARMACO, INC.

By: " Fernando DiCarlo"
Name: Fernando DiCarlo
Title: Vice President

By: _____
Name: _____
Title: _____

MICHICANN MEDICAL INC.

By: "Michael Marchese "
Name: Michael Marchese
Title: President

By: _____
Name: _____
Title: _____

BRIDGING FINANCE INC.

By: " Lekan Temidire"
Name: Lekan Temidire
Title: Managing Director

By: _____
Name: _____
Title: _____

EXHIBIT "A" – DRAW REQUEST

To: Bridging Finance, Inc., as agent (the "**Lender**")

This Draw Request is delivered pursuant to the amended and restated credit agreement dated December ___, 2019 made among the Lender, as agent for and on behalf of the lenders from time to time, RWB Illinois, Inc. ("**RWB**"), Mid-American Growers, Inc. ("**MAG**") and Pharmaco, Inc. ("**Pharmaco**" and collectively with RWB and MAG, the "**Borrowers**"), as borrowers and MichiCann Medical, Inc., as a guarantor (as it may be amended, restated, renewed or replaced from time to time, the "**Credit Agreement**"). Terms used herein as defined terms shall have the respective meanings ascribed in the Credit Agreement.

1. The Borrowers hereby request an Advance as follows:

    a. Facility: _____

    b. Date of Advance: _____

    c. Amount of Advance: _____

2. The Borrowers hereby certify that as of the date hereof:

    a. the representations and warranties contained in the Credit Agreement are true and correct in all material respects; and

    b. No Breach or Material Adverse Change has occurred and is continuing and the making of the Advance will not result in a Breach or Material Adverse Change.

[remainder of page is intentionally blank, signature page follows]

MID-AMERICAN GROWERS, INC.

by: _____
name:
title:

by: _____
name:
title:

RWB ILLINOIS, INC.

by: _____
name:
title:

by: _____
name:
title:

PHARMACO, INC.

by: _____
name:
title:

by: _____
name:
title:

EXHIBIT "B" – REPAYMENT NOTICE

To: Bridging Finance, Inc., as agent (the "**Lender**")

This Repayment Notice is delivered pursuant to the amended and restated credit agreement dated December ___, 2019 made among the Lender, as agent for and on behalf of the lenders from time to time, and RWB Illinois, Inc. ("**RWB**"), Mid-American Growers, Inc. ("**MAG**") and Pharmaco, Inc. ("**Pharmaco**" and collectively with RWB and MAG, the "**Borrowers**"), as borrowers and MichiCann Medical, Inc., as a guarantor (as it may be amended, restated, renewed or replaced from time to time, the "**Credit Agreement**"). Terms used herein as defined terms shall have the respective meanings ascribed in the Credit Agreement.

The Borrowers hereby irrevocably commit to make the Repayment of the Facilities in full on _____.

RWB ILLINOIS, INC.

by: _____
name:
title:

by: _____
name:
title:

MID-AMERICAN GROWERS, INC.

by: _____
name:
title:

by: _____
name:
title:

PHARMACO, INC.

by: _____
name:
title:

by: _____
name:
title:

EXHIBIT "C - 1" – MICHICANN

COMPLIANCE CERTIFICATE

This Compliance Certificate is furnished by MichiCann Medical, Inc. ("**MichiCann**") to Bridging Finance Inc., as lender (the "**Lender**"), pursuant to the amended and restated credit agreement dated as of December __, 2019 entered into between RWB, Illinois Inc., Mid-American Growers, Inc. and Pharmaco, Inc., as borrowers, MichiCann., as a guarantor and the Lender, as agent for and on behalf of the lenders from time to time (as may be amended, restated, renewed or replaced from time to time, the "**Credit Agreement**"). Capitalized terms used but not defined herein have the meaning assigned to such terms in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES FOR AND ON BEHALF OF RWB THAT:

1. I am the duly appointed _____ of MichiCann.

2. I have reviewed the terms of t h e Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of RWB, Illinois Inc. and Mid- American Growers, Inc. and have made such inquiries as are sufficient to enable me to make an informed statement herein.

3. The examination described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Breach or a Material Adverse Change, except as set forth in a separate attachment, if any, to this Compliance Certificate. The attachment shall describe in detail, the nature of the condition or event, the period during which it has existed and the action which the applicable Borrower has taken, is taking, or proposes to take with respect to each such condition or event.

4. The financial statements attached hereto (if required) and being presented concurrently with this Compliance Certificate are complete and present fairly the financial position of the Borrowers as of the dates and for the periods covered thereby.

5. The representations and warranties made under the Credit Agreement are true and correct in all material respects as at the date hereof, except to the extent that any such representation or warranty specifically relates to a different date, in which case such representation and warranty was true and correct in all material respects as of such date.

The foregoing certifications, together with the computations set forth in the attachments hereto and the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered this _____ day of _____, _____.

MICHICANN MEDICAL, INC.

Per: _____

_____

Name:
Title:
I have the authority to bind the corporation

EXHIBIT "C - 2" – PHARMACO COMPLIANCE CERTIFICATE

This Compliance Certificate is furnished by Pharmaco, Inc. ("**Pharmaco**") to Bridging Finance Inc., as lender (the "**Lender**"), pursuant to the amended and restated credit agreement dated as of December _, 2019 entered into between RWB, Illinois Inc., Mid-American Growers, Inc. and Pharmaco, Inc., as borrowers, MichiCann Medical, Inc., as a guarantor and the Lender, as agent for and on behalf of the lenders from time to time (as may be amended, restated, renewed or replaced from time to time, the "**Credit Agreement**"). Capitalized terms used but not defined herein have the meaning assigned to such terms in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES FOR AND ON BEHALF OF PHARMACO THAT:

1. I am the duly appointed _____ of Pharmaco.

2. I have reviewed the terms of t h e Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of Pharmaco and have made such inquiries as are sufficient to enable me to make an informed statement herein.

3. The examination described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Breach or a Material Adverse Change, except as set forth in a separate attachment, if any, to this Compliance Certificate. The attachment shall describe in detail, the nature of the condition or event, the period during which it has existed and the action which the applicable Borrower has taken, is taking, or proposes to take with respect to each such condition or event.

4. The financial statements attached hereto (if required) and being presented concurrently with this Compliance Certificate are complete and present fairly the financial position of the Borrowers as of the dates and for the periods covered thereby.

5. The representations and warranties made under the Credit Agreement are true and correct in all material respects as at the date hereof, except to the extent that any such representation or warranty specifically relates to a different date, in which case such representation and warranty was true and correct in all material respects as of such date.

The foregoing certifications, together with the computations set forth in the attachments hereto and the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered this _____ day of _____, _____.

PHARMACO, INC.

Per: _____

_____

Name:
Title:
I have the authority to bind the corporation

Schedule 5.01(b)
Corporate
Information

1. RWB Illinois, Inc.

Prior Names:	N/A
Governing Jurisdiction:	Delaware
Registered Office:	c/o Michicann Medical Inc. 8820 Jane Street Concord, ON L4K 2M9
Principal Place of Business	8820 Jane Street Concord, ON L4K 2M9
Approved Medical Cannabis Jurisdictions:	N/A
Approved Non-Medical Cannabis Jurisdictions:	N/A
Number and Classes of issued and outstanding shares:	100 Common Shares
Shareholders:	1

2. Mid-American Growers, Inc.

Prior Names:	N/A
Governing Jurisdiction:	Delaware
Registered Office:	c/o Michicann Medical Inc. 8820 Jane Street Concord, ON L4K 2M9
Principal Place of Business	8820 Jane Street Concord, ON L4K 2M9
Approved Medical Cannabis Jurisdictions:	Illinois
Approved Non-Medical Cannabis Jurisdictions:	Illinois
Number and Classes of issued and outstanding shares:	267.8571 Common Shares
Shareholders:	1

3. Pharmaco, Inc.

Prior Names:	N/A
Governing Jurisdiction:	Michigan
Registered Office:	1009 Bruce, Cottrellville, Michigan 48039
Principal Place of Business	1009 Bruce, Cottrellville, Michigan 48039
Approved Medical Cannabis Jurisdictions:	Michigan
Approved Non-Medical Cannabis Jurisdictions:	Michigan

Number and Classes of issued and outstanding shares:	48,320 common shares
Shareholders:	[REDACTED]

4. Pharmaco Resource Organization, LLC

Prior Names:	N/A
Governing Jurisdiction:	Michigan
Registered Office:	1009 Bruce, Cottrellville, Michigan 48039
Principal Place of Business	1009 Bruce, Cottrellville, Michigan 48039
Approved Medical Cannabis Jurisdictions:	N/A
Approved Non-Medical Cannabis Jurisdictions:	N/A
Number and Classes of issued and outstanding shares:	N/A
Membership Interest	Pharmaco, Inc. holds a 100% interest.

Schedule 5.01(c)
Material
Subsidiaries

1. RWB Illinois, Inc. a. None

2. Mid-American Growers, Inc. a. None

3. Pharmaco, Inc.
a. Pharmaco Resource Organization, LLC

Schedule 5.01(d)
Pending Corporate
Changes

1. RWB Illinois, Inc.
   a. Real Estate Purchase Agreement, dated as of the date hereof, between RWB Illinois, Inc. and VW Properties, LLC.

2. Mid-American Growers, Inc.
   a. Agreement and Plan of Merger, dated as of October 9, 2019, among Mid-American Growers, Inc., RWB Acquisition Sub, Inc., Arthur VanWingerden and Kenneth VanWingerden, as amended by that certain Amendment No. 1 to Agreement and Plan of Merger, dated as of November 1, 2019, and as further amended by that certain Amendment No. 2 to Agreement and Plan of Merger, dated as of the date hereof.

3. Pharmaco, Inc.
   a. None.

Schedule 5.01 (h)
Material Permits

1. RWB Illinois, Inc. – None.

2. Mid-American Growers, Inc. a. State Licenses:
    i. Industrial Hemp Grower License No. 1200-149 issued by the Illinois Dept. of Agriculture
    ii. Industrial Hemp Processor License No. 1204-37 issued by the Illinois Dept. of Agriculture
    iii. Federally Enforceable Operating Permit No. 07020030 (the "FESOP") issued by the Illinois Environmental Protection Agency ("IL EPA")

3. Pharmaco, Inc.
    a. State Licenses:
        i. 5 & Dime – 20561 Dwyer Street, Detroit
        ii. Dank on Arrival (DOA) – 3650 Patterson Road, Bay City
        iii. Remedii – 160 E. Columbia Avenue, Battle Creek
        iv. LevelUp (Shake N Bake) – 20477 Schaefer Highway, Detroit, MI
        v. 1680 Marquette Avenue, Bay City (Grow)
        vi. Roots – 3557 Wilder Road, Bay City
        vii. Remedii (State Line) – 989 E. Main Street, Morenci viii. Motown Meds – 18334 W. Warren Avenue, Detroit ix. 302 E. Huron, Vassar, Michigan

    b. Municipal Licenses:
        i. 5 & Dime – 20561 Dwyer Street, Detroit
        ii. Dank on Arrival (DOA) – 3650 Patterson Road, Bay City (Grow, Process, Provisioning Center)
        iii. Remedii – 160 E. Columbia Avenue, Battle Creek
        iv. LevelUp (Shake N Bake) – 20477 Schaefer Highway, Detroit, MI
        v. Roots – 3557 Wilder Road, Bay City
        vi. Remedii (State Line) – 989 E. Main Street, Morenci vii. Motown Meds – 18334 W. Warren Avenue, Detroit
        viii. The Remedii Station – 302 East Huron, Vassar, Michigan ix. 6-4315 Clio Road, Mount Morris (Grow)
        x. 420 West – 16433 West 8 Mile Road, Detroit xi. 420 East – 11999 Gratiot Avenue, Detroit

    c. Conditional Permits (not Operating):
        i. No Name – 110 Arbor Street, Battle Creek
        ii. No Name – 314 Emmett Street, Battle Creek
        iii. 301 W. Laketon Avenue, Muskegon
        iv. 6-4315 Clio Road, Mount Morris

Schedule 5.01(i)
Specific Permitted Liens

1. RWB Illinois, Inc.
    a. None

2. Mid-American Growers, Inc.
    a. None

3. Pharmaco, Inc.
    a. Lien previously granted by Pharmaco, Inc. to MichiCann Medical Inc. pursuant to that certain Debenture Purchase Agreement dated January 4, 2019.

Schedule 5.01(j)
Owned Properties

1. RWB Illinois, Inc.
   a. See Attachment 5.01(j)(1)

2. Mid-American Growers, Inc.
   a. See Attachment 5.01(j)(2)

3. Pharmaco, Inc.
   a. 18334 West Warren, Detroit, MI
   b. 3650 Patterson, Bay City, MI
   c. 20562 Dwyer, Detroit, MI
   d. 60 East Columbia, Battle Creek, MI
   e. 989 East Main, Morenci, MI
   f. 301 Laketon, Muskegon, MI
   g. 110 Arbor Street, Battle Creek, MI
   h. 1272 W. Maple Road, Walled Lake, MI
   i. 314 Emmett Street, Battle Creek, MI
   j. 22000 Northwestern Hwy, Southfield, MI
   k. 20561 Dwyer Street, Detroit, MI
   l. 4315 Clio Road, Mt. Morris, MI
   m. 7223 Rosemont Avenue, Detroit, MI
   n. 156 E. Columbia, Battle Creek, MI (parking lot next to 160 E. Columbia provisioning center);
   o. 302 E. Huron, Vassar, MI
   p. 17600 Mt. Elliott, Detroit, MI
   q. 11991 Gratiot, Detroit, MI (parking lot next to 11999 Gratiot provisioning center);
   r. 11999 Gratiot, Detroit, MI
   s. 6400 Epworth, Detroit, MI
   t. 1020 N. Johnson, Detroit, MI
   u. 2050 Dryer, AuGres, MI
   v. 2030 Dryer, AuGres, MI (parking lot next to 2050 Dryer).

Attachment 5.01(j)(1)
Legal Description of Subco Property

14240 Greenhouse Avenue, Granville, IL 61326

TRACT 4:

THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST; AND ALL THAT PART OF THE SOUTHWEST QUARTER OF SAID SECTION 35 WHICH LIES NORTH OF THE NORTH EDGE OF THE RIGHT OF WAY OF THE PUBLIC HIGHWAY RUNNING EASTERLY AND WESTERLY OVER AND ACROSS SAID SOUTHWEST QUARTER, PURSUANT TO PLAT OF SURVEY THEREOF BY E. H. WHITAKER, SURVEYOR, DATED JANUARY 22, 1908, RECORDED IN THE RECORDER'S OFFICE OF PUTNAM COUNTY, ILLINOIS, ON JUNE 16, 1908, IN BOOK 65, PAGE343, BUT EXCEPTING FROM ALL OF THE ABOVE DESCRIBED PREMISES THAT PORTION CONVEYED BY JOHN RICHARDSON, ET AL TO JOSEPH ZAETTA BY WARRANTY DEED DATED APRIL 30, 1947, AND RECORDED IN BOOK100 AT PAGE 127 ON MAY 3, 1947, IN THE RECORDER'S OFFICE OF PUTNAM COUNTY, ILLINOIS, AND FURTHER EXCEPTING FROM THE PREMISES HEREINABOVE CONVEYED, THAT PORTION THEREOF WHICH LIES WITHIN THE BOUNDARIES OF TRACTS 1, 2 AND 3 AS SHOWN AND MORE FULLY DESCRIBED ON SURVEY PLAT DATED MAY 10,1973, BY JAMES J. GIORDANO, ILLINOIS LAND SURVEYOR, #1850, UNDER THE DIRECTION OF CHAMLIN AND ASSOCIATES, INC., AND RECORDED IN THE LAND RECORDS OF PUTNAM COUNTY, ILLINOIS IN PLAT BOOK 3, PAGE 215, EXCEPT THE COAL AND FIRECLAY UNDERLYING THE SURFACE OF SAID LAND AND ALL RIGHTS AND EASEMENTS IN FAVOR OF THE ESTATE OF SAID COAL AND FIRECLAY, SITUATED IN PUTNAM COUNTY, ILLINOIS.

TRACT 5:

THAT PART OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 35; THENCE NORTH 87 DEGREES 44 MINUTES 41 SECONDS EAST 532.11 FEET ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 35; THENCE SOUTH 01 DEGREES 22 MINUTES 11 SECONDS EAST 1152.14 FEET; THENCE SOUTH 89 DEGREES 30 MINUTES 14 SECONDS WEST 200.00 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 01 DEGREES 36 MINUTES 06 SECONDS EAST 307.45 FEET; THENCE SOUTH 64 DEGREES 12 MINUTES 04 SECONDS EAST 260.54 FEET; THENCE SOUTH 23 DEGREES 24 MINUTES 04 SECONDS EAST 29.83 FEET; THENCE SOUTH 23 DEGREES 24 MINUTES 04 SECONDS EAST 193.77 FEET; THENCE NORTH 88 DEGREES 26 MINUTES 46 SECONDS EAST 1224.46 FEET; THENCE SOUTH 01 DEGREES 37 MINUTES 59 SECONDS EAST 845.72 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF AND EAST-WEST TOWNSHIP ROAD; THENCE SOUTH 88 DEGREES 14 MINUTES 36 SECONDS WEST 1340.28 FEET ALONG SAID NORTHERLY RIGHT OF WAY LINE; THENCE NORTH 03 DEGREES 15 MINUTES 13 SECONDS WEST 613.12 FEET; THENCE NORTH 02 DEGREES 13 MINUTES 29 SECONDS EAST 269.53 FEET; THENCE NORTH 14 DEGREES 34 MINUTES 43 SECONDS EAST 154.59 FEET TO THE POINT OF BEGINNING CONTAINING 26.521 ACRES MORE OR LESS AND ALL SITUATED IN THE TOWNSHIP OF GRANVILLE, PUTNAM COUNTY, ILLINOIS.

TRACT 6 SIGN EASEMENT INTEREST:

SIGN EASEMENT OVER THE PROPERTY DESCRIBED BELOW FOR THE BENEFIT OF MID- AMERICAN GROWERS, INC. FOR CONSTRUCTION, REPAIR, REPLACEMENT AND THE UPKEEP OF SIGNAGE AND LANDSCAPING ON THE BELOW DESCRIBED PROPERTY, AND FOR INGRESS AND EGRESS OVER AND ACROSS THE PROPERTY DESCRIBED HEREIN TO AND FROM PUBLIC ROADWAYS ADJOINING THE SAME FOR THE PURPOSES AND USES DESCRIBED HEREIN AS RESERVED IN THE DEED RECORDED SEPTEMBER 8, 2014 AS DOCUMENT 14-626 DESCRIBED AS

FOLLOWS:

THAT PART OF THE NORTHWEST QUARTER OF SECTION 35 AND THAT PART OF THE EAST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 34 BOTH IN TOWNSHIP 33
NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 35; THENCE NORTH 87 DEGREES 44 MINUTES 41 SECONDS EAST 532.11 FEET ALONG THE NORTH LINE OF THE NORTHWEST
QUARTER OF SAID SECTION 35; THENCE SOUTH 01
DEGREES 22 MINUTES 11 SECONDS EAST 1152.14 FEET; THENCE SOUTH 89 DEGREES 30
MINUTES 14 SECONDS WEST 200.00 FEET; THENCE SOUTH 01 DEGREES 36 MINUTES 06
SECONDS EAST 307.45 FEET; THENCE SOUTH 64 DEGREES 12 MINUTES 04 SECONDS EAST
260.54 FEET; THENCE SOUTH 23 DEGREES 24 MINUTES 04 SECONDS EAST 29.83 FEET; THENCE SOUTH 14 DEGREES 34 MINUTES 43 SECONDS WEST 154.59 FEET; THENCE SOUTH 02 DEGREES 13 MINUTES 29 SECONDS WEST 269.53 FEET; THENCE SOUTH 03 DEGREES 15MINUTES 13 SECONDS EAST 613.12 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF AN EAST-WEST TOWNSHIP ROAD; THENCE SOUTH 88 DEGREES 14 MINUTES 36 SECONDS WEST 348.15 FEET ALONG SAID NORTHERLY RIGHT OF WAY LINE TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 88 DEGREES 14 MINUTES 36 SECONDS WEST 155.68 FEET
ALONG SAID NORTHERLY RIGHT OF WAY LINE TO A POINT ON THE EASTERLY RIGHT OF WAY
LINE OF ILLINOIS ROUTE 89 (S.A. RT 3 A); THENCE NORTH 17 DEGREES 58 MINUTES 56
SECONDS WEST 285.00 FEET ALONG SAID EASTERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE 89; THENCE NORTH 88 DEGREES 14 MINUTES 36 SECONDS EAST 91.29 FEET; THENCE SOUTH 17 DEGREES 58 MINUTES 56 SECONDS EAST 137.84 FEET; THENCE SOUTH 38 DEGREES 30
MINUTES 21 SECONDS EAST 176.35 FEET TO THE POINT OF BEGINNING CONTAINING 0.678
ACRES MORE OR LESS AND ALL SITUATED IN THE TOWNSHIP OF GRANVILLE, PUTNAM COUNTY,
ILLINOIS.

TRACT 7:

A PART OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF TRACT 3 AS SHOWN ON A PLAT OF VANWINGERDEN FARM PROPERTY AS PREPARED BY CHAMLIN AND ASSOCIATES, INC., SIGNED BY JAMES GIORDANO, ILLINOIS REGISTERED LAND SURVEYOR NO. 1850 AND RECORDED IN BOOK 3, PAGE 215 OF THE PUTNAM COUNTY RECORDER'S OFFICE; THENCE SOUTH 01
DEGREES 33 MINUTES 47 SECONDS WEST PERPENDICULAR TO THE SOUTH LINE OF SAID TRACT 3 FOR 25.00 FEET TO THE CENTERLINE OF A TOWNSHIP ROAD SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH 88 DEGREES 26 MINUTES 13 SECONDS EAST 1844.05 FEET ON THE CENTERLINE OF THE TOWNSHIP ROAD ALSO BEING 25.00 FEET SOUTH OF THE SOUTH LINE OF SAID TRACT 3; THENCE ON A CURVE BEARING TO THE RIGHT, TANGENT TO THE AFOREMENTIONED COURSE HAVING AN ARC LENGTH OF 295.92 FEET AND A RADIUS OF 604.00 FEET ON THE CENTERLINE OF THE TOWNSHIP ROAD; THENCE ON A CURVE BEARING TO THE LEFT TANGENT WITH THE AFOREMENTIONED CURVE HAVING AN ARC LENGTH OF 203.47 FEET AND A RADIUS OF 590.31 FEET ON THE CENTERLINE OF THE TOWNSHIP ROAD; THENCE SOUTH 80 DEGREES 06 MINUTES 52 SECONDS EAST 245.49 FEET ON THE CENTERLINE OF THE TOWNSHIP ROAD; THENCE SOUTH 1 DEGREE 33 MINUTES 47
SECONDS WEST 30.20 FEET; THENCE NORTH 88 DEGREES 26 SECONDS 13 MINUTES WEST 2558.91 FEET TO THE EAST RIGHT OF WAY OF ILLINOIS RT. #89; THENCE NORTH 3 DEGREES 24
MINUTES 35 SECONDS WEST 66.07 FEET ON THE EAST RIGHT OF WAY OF ILLINOIS RT. #89;
THENCE NORTH 6 DEGREES 20 MINUTES 35 SECONDS WEST 135.47 FEET ON THE EAST RIGHT
OF WAY OF ILLINOIS RT. # 89 TO THE CENTERLINE OF THE TOWNSHIP ROAD; THENCE SOUTH 88 DEGREES 26 MINUTES 13 SECONDS EAST 19.77 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 10.322 ACRES MORE OR LESS AND ALL BEING SITUATED IN THE GRANVILLE TOWNSHIP, PUTNAM COUNTY, ILLINOIS.

Attachment 5.01(j)(2)
Legal Description of MAG Property

14240 Greenhouse Avenue, Granville, IL 61326

TRACT 1:

FOURTEEN (14) ACRES OFF THE SOUTH END OF FORTY-TWO (42) ACRES OFF THE WEST SIDE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN, PUTNAM COUNTY, ILLINOIS.

TRACT 2:

THAT PART OF THE NORTHEAST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 35; THENCE SOUTH 89 DEGREES 52 MINUTES 44 SECONDS EAST 660.88 FEET ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 35; THENCE SOUTH 00 DEGREES 37 MINUTES 42 SECONDS EAST 2559.49 FEET; THENCE SOUTH 89 DEGREES 22 MINUTES 18 SECONDS WEST 659.90 FEET TO A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 35; THENCE NORTH 00 DEGREES 38 MINUTES 56 SECONDS WEST 2568.11 FEET ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 35 TO THE POINT OF BEGINNING, CONTAINING 38.866 ACRES MORE OR LESS AND ALL SITUATED IN GRANVILLE TOWNSHIP, PUTNAM COUNTY, ILLINOIS.

TRACT 3:
PARCEL I:

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 35; THENCE NORTH 00 DEGREES 16 MINUTES 17 SECONDS WEST 2157.00 FEET ON THE WEST LINE OF SAID SECTION 35 TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 00 DEGREES 16 MINUTES 17 SECONDS WEST 330.03 FEET ON SAID WEST LINE; THENCE NORTH 88 DEGREES 45 MINUTES 08 SECONDS EAST 2591.54 FEET; THENCE NORTH 01 DEGREES 14 MINUTES 52 SECONDS WEST 30.20 FEET TO A POINT ON THE CENTERLINE OF A TOWNSHIP ROAD; THENCE SOUTH 83 DEGREES 27 MINUTES 43 SECONDS EAST 44.83 FEET ON SAID CENTERLINE TO A POINT ON THE EAST LINE OF THE SAID SOUTHWEST QUARTER; THENCE SOUTH 00 DEGREES 34 MINUTES 10 SECONDS EAST 352.88 FEET ON SAID EAST LINE; THENCE SOUTH 88 DEGREES 45 MINUTES 08 SECONDS WEST 2637.40 FEET TO THE POINT OF BEGINNING CONTAINING 20.000 ACRES MORE OR LESS, ALL SITUATED IN THE TOWNSHIP OF GRANVILLE, PUTNAM COUNTY, ILLINOIS. PURSUANT TO SURVEY OF J. WILLIAM SHAFER, ILLINOIS PROFESSIONAL LAND SURVEYOR, NO. 2213, DATED SEPTEMBER 6,2000.

AND ALSO
PARCEL II:

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1
WEST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 35, THENCE NORTH 00 DEGREES 16'17" WEST 1450.49 FEET ALONG THE WEST LINE OF THE SAID SOUTHWEST QUARTER TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 00 DEGREES 16'17" WEST 706.51 FEET ALONG SAID WEST LINE; THENCE NORTH 88 DEGREES 45'08" EAST 2637.40 FEET TO A POINT ON THE EAST LINE OF THE SAID SOUTHWEST QUARTER; THENCE SOUTH 00 DEGREES 34'10" EAST 706.45 FEET ALONG SAID EAST LINE; THENCE SOUTH 88 DEGREES 45'08" WEST 2641.08 FEET TO THE POINT OF BEGINNING, ALL SITUATED IN GRANVILLE TOWNSHIP, PUTNAM COUNTY, ILLINOIS,
EXCEPTING FROM SAID PARCELS I AND II THE FOLLOWING DESCRIBED PARCEL TO-WIT: THAT PART OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SAID SECTION 35; THENCE NORTH 00 DEGREES 16 MINUTES 17 SECONDS WEST 2487.03 FEET ALONG THE WEST LINE OF SAID SECTION 35; THENCE NORTH 88 DEGREES 45 MINUTES 08 SECONDS EAST 1462.66 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 88 DEGREES 45 MINUTES 08 SECONDS EAST 1128.88 FEET; THENCE NORTH 01 DEGREES 14 MINUTES 52 SECONDS WEST 30.20 FEET TO A POINT ON THE CENTERLINE OF A TOWNSHIP ROAD; THENCE SOUTH 83 DEGREES 27 MINUTES 43 SECONDS EAST 44.83 FEET ALONG SAID CENTERLINE TO A POINT ON THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 35; THENCE SOUTH 00 DEGREES 34 MINUTES 10 SECONDS EAST 1059.34 FEET ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 35; THENCE SOUTH 88 DEGREES 45 MINUTES 08 SECONDS WEST 1178.41 FEET; THENCE NORTH 00 DEGREES 16 MINUTES 17 SECONDS WEST 1036.54 FEET TO THE POINT OF BEGINNING, CONTAINING 28.00 ACRES MORE OR LESS ALL BEING SITUATED IN GRANVILLE TOWNSHIP, PUTNAM COUNTY, ILLINOIS.

Schedule 5.01(k)
Leased Properties

1. RWB Illinois, Inc. a. None

2. Mid-American Growers, Inc.
    a. 14240 Greenhouse Ave., Granville, IL

3. Pharmaco, Inc.
    a. 3557 Wilder, Bay City, MI
    b. 20477 Schaeffer Highway, Detroit, MI
    c. 1680B Marquette, Bay City, MI

Schedule 5.01(l)
Intellectual Property

1. RWB Illinois, Inc. a. None

2. Mid-American Growers, Inc.
   a. Common law trademark rights to the name “Mid-American Growers”
   b. Mid-American Growers, Inc. licenses certain OPP software pursuant to that certain Transition Services Agreement, dated as of October 23, 2019, between Mid-American Growers, Inc. and Color Point, LLC (the “Transition Services Agreement”).

3. Pharmaco, Inc.
   a. None

Schedule 5.01(n)
Material Agreements

1. RWB Illinois, Inc.
    a. None.

2. Mid-American Growers, Inc.
    a. The Transition Services Agreement; and
    b. Commercial Ground Lease with Lessee between Mid-American Growers, Inc. and VW Properties, LLC dated July 29, 2019.

3. Pharmaco, Inc.
    a. Debenture Purchase Agreement dated January 4, 2019 between MichiCann Medical Inc. and Pharmaco, Inc.

Schedule 5.01(o)
Labour Agreements

1. RWB Illinois, Inc.
    a. None

2. Mid-American Growers, Inc.
    a. None

3. Pharmaco, Inc.
    a. None

Schedule 5.01(p)
Environmental Matters
[REDACTED]

Schedule 5.01(q)
Litigation
[REDACTED]

Schedule 5.01(t)
Guarantees

1. RWB Illinois, Inc.
    a. None

2. Mid-American Growers, Inc.
    a. None

3. Pharmaco, Inc.
    a. None

Schedule 6.02(e) Specific
Permitted Acquisitions
[REDACTED]

DISTRIBUTION AGREEMENT

August 11, 2020

THIS DISTRIBUTION AGREEMENT is entered into effective as of August 11, 2020 ("**Effective Date**"), by and between Avicanna Inc. ("**Avicanna**") and Red White & Bloom Brands Inc. ("**RWB**"). In consideration of the mutual promises contained herein the Parties agree as follows:

1 Definitions

Capitalized terms appearing in this Agreement which are not otherwise defined shall have the following meaning:

"**Adjustments**" means refunds issued or returns accepted by Avicanna to Customers in respect of Pura H&W Products purchased through the Avicanna E-Commerce Platform.

"ADRIC" has the meaning ascribed thereto in Section 17.1.

"Affected Obligations" has the meaning ascribed thereto in Section 9.6.

"**Affiliate**" shall mean (a) any corporation directly or indirectly controlling, controlled by, or under common control with a Party or (b) any partnership, joint venture or other entity directly or indirectly controlled by, controlling, or under common control with a Party, but in each case only for so long as such ownership or control shall continue.

"**Agreement**" means this distribution agreement, including all schedules hereto, as the same may be amended, supplemented, restated and/or otherwise modified from time to time in accordance with the terms hereof.

"Announcement" has the meaning ascribed thereto in Section 18.1.

"**Applicable Laws**" means (i) any domestic or applicable foreign statute, law (including the common and civil law and equity), constitution, code, ordinance, rule, regulation, restriction, regulatory policy or guideline having the force of law, by-law (zoning or otherwise) or order, (ii) any consent, exemption, approval or licence of any Governmental Authority, and (iii) any policy, practice, guidance document or guideline of, or contract with, any Governmental Authority.

"Arbitration" has the meaning ascribed thereto in Section 17.2.

"Avicanna E-Commerce Platform" has the meaning ascribed thereto in Section 3.8.

"**Business Day**" means any day of the week, other than a Saturday or Sunday or day on which Canadian chartered banks in Toronto, Ontario are authorized or obligated by law to close or are generally closed.

"CBD" means cannabidiol.

"Certificate of Analysis" means, with respect to any Product, the certificate of analytical testing issued by a laboratory for the purposes of testing marijuana in accordance with validated methods.

"Change of Law" has the meaning ascribed thereto in Section 9.6.

"Change of Law Amendment" has the meaning ascribed thereto in Section 9.7.

"Change of Law Notice" has the meaning ascribed thereto in Section 9.6.

"Change Period" has the meaning ascribed thereto in Section 9.7.

"Confidential Information" has the meaning ascribed thereto in Section 12.

"Customers" has the meaning ascribed thereto in Section 2.1

"Default" has the meaning ascribed thereto in Section 11.3.

"Defaulting Party" has the meaning ascribed thereto in Section 11.3.

"Designated Representatives" has the meaning ascribed thereto in Section 9.7

"Discloser" has the meaning ascribed thereto in Section 12.

"Effective Date" has the meaning ascribed thereto in the recitals.

"Encumbrance" means any security interest, pledge, hypothecation, mortgage, lien (including environmental and tax liens), violation, charge, lease, license, encumbrance, adverse claim, reversion, restrictive covenant, or condition or restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership.

"End Users" has the meaning ascribed thereto in Section 2.1.

"Exclusivity Fee" has the meaning ascribed thereto in Section 6.1

"**Export Permit**" means a permit or license, consent or authorization authorizing Avicanna to export Products to RWB issued by any applicable Governmental Authority.

"**FCA**" has the meaning ascribed to it under Incoterms® 2015.

"**Good Manufacturing Practices**" means those good manufacturing practices and quality system standards pursuant to Applicable Laws, which for greater clarity includes the Applicable Laws of a country to which Products are to be exported.

"**Governmental Authority**" means (i) any court, judicial body, tribunal or arbitral body, (ii) any domestic or foreign government whether multinational, national, federal, provincial, territorial, state, municipal or local and any governmental agency, governmental authority, governmental tribunal or governmental commission of any kind whatever, (iii) any subdivision or authority of any of the foregoing, (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above, (v) any supranational or regional body such as the World Trade Organization, and (vi) any stock exchange.

"**Import Permit**" means a permit or license, consent or authorization authorizing RWB to import Products from Avicanna issued by the relevant Governmental Authority.

"Indemnified Party" has the meaning ascribed thereto in Section 16.

"Indemnifying Party" has the meaning ascribed thereto in Section 16.

"Independent Internet Site" has the meaning ascribed thereto in Section 2.5.

"Insolvency Event" has the meaning ascribed thereto in Section 11.3(a)(ii).

"International Packaging" has the meaning ascribed thereto in Section 9.3.

"Litigious Dispute" has the meaning ascribed thereto in Section 17.1.

"Marketing Activities" has the meaning ascribed thereto in Section 3.10.

"Marketing Report" has the meaning ascribed thereto in Section 3.10.

"Marks" means the trade names, trademarks, servicemarks and other trade designations identified in Exhibit G applied to or used in conjunction with a Pura H&W Product.

"Minimum Purchase Requirements" has the meaning ascribed thereto in Section 7.

"MSRP" has the meaning ascribed thereto in Section 5.2.

"Non-Defaulting Party" has the meaning ascribed thereto in Section 11.3.

"Notice of Dispute" has the meaning ascribed thereto in Section 17.1.

"Notice of Offer" has the meaning ascribed thereto in Section 10.1.

"Online Reseller" has the meaning ascribed thereto in Section 2.5.

"Order" has the meaning ascribed thereto in Section 5.3.

"Parties" means Avicanna and RWB collectively, and individually each referred to as **"Party".**

"Price" has the meaning ascribed thereto in Section 5.1.

"Products" means the White Label Products and the Pura H&W Products.

"Public Documents" means RWB's current public disclosure record available on its profile on www.sedar.com.

"Pura H&W Products" has the meaning ascribed thereto in Section 2.1

"Pura H&W Territory" has the meaning ascribed thereto in Section 2.1

"Recipient" has the meaning ascribed thereto in Section 12.

"Renewal Term" has the meaning ascribed thereto in Section 11.1.

"Resellers" has the meaning ascribed thereto in Section 2.1

"Rules" has the meaning ascribed thereto in Section 17.2

"Sub-Distributor" has the meaning ascribed thereto in Section 2.3.

"Term" has the meaning ascribed thereto in Section 11.1.

"Territory" means the Pura H&W Territory and the White Label Territory, collectively.

"White Label Products" means the Avicanna products set out in Exhibit B hereto.

"White Label Territory" has the meaning ascribed thereto in Section 2.3

2 Appointment.

2.1 **Distribution of Pura H&W Products.** Subject to the terms and conditions of this Agreement, Avicanna hereby appoints RWB as Avicanna's exclusive distributor of the Pura H&W Products identified in Exhibit A (the "**Pura H&W Products**") to customers for resale ("**Resellers**") or customers for end use ("**End Users**," collectively with Resellers, "**Customers**"), in each case, in the United States of America (the "**Pura H&W Territory**"), and RWB hereby accepts such appointment. In connection with the foregoing, Avicanna hereby grants to RWB a fully-paid, royalty-free, non-exclusive license to use the Marks and any literature and marketing collateral from Avicanna regarding the Pura H&W Products in the Pura H&W Territory solely for the offering for sale, sale and marketing of the Pura H&W Products by RWB, provided such use is at all times consistent with Avicanna's then-current usage guidelines in the form provided to RWB by Avicanna from time-to-time.

2.2 RWB agrees to promote, market, distribute, and sell the Pura H&W Products only within the Pura H&W Territory. The Parties, each acting reasonably, shall mutually agree in writing to (a) revising Exhibit A to delete obsolete products or to add products that Avicanna deems appropriate in its reasonable discretion for sale and distribution by RWB within the Pura H&W Territory; and (b) making changes modifications, enhancements or alterations to the Pura H&W Products, which will then replace the prior Pura H&W Product for purposes of this Agreement (each, a "**Pura H&W Products Change**"). In connection with the foregoing, the Parties, each acting reasonably, shall mutually agree in writing to a launch date of any Pura H&W Products subject to a Pura H&W Products Change. In the event of a Pura H&W Products Change, Avicanna will, by mutual agreement with RWB, (i) repurchase the impacted Pura H&W Product from RWB at the wholesale price paid by RWB for such Pura H&W Product, plus reasonable costs incurred by RWB as a result of the Pura H&W Products Change, or (ii) permit RWB to sell off the Pura H&W Product impacted by the Pura H&W Products Change. Subject to mutual agreement between the Parties, not to be unreasonably withheld by either Party, RWB may be entitled to continue to carry as a White Label Product any Pura H&W Product impacted by a Pura H&W Products Change. For the avoidance of doubt, the amount of any repurchase and associated costs shall not count towards the limitation of liability set out in Section 15.5.

2.3 **Distribution of White Label Products.**

(a) Subject to the terms and conditions of this Agreement, Avicanna hereby appoints RWB as Avicanna's exclusive distributor of the White Label Products to Customers in the United States of America and as Avicanna's non-exclusive distributor of White Label Products to Customers in the United Kingdom, and Colombia (collectively, the "**White Label Territory**"). RWB hereby accepts such appointment

and agrees to promote, market, distribute, and sell the White Label Products only within the White Label Territory. In connection with the foregoing, Avicanna hereby grants to RWB a fully-paid, royalty-free, non-exclusive license to use any literature and marketing collateral from Avicanna regarding the White Label Products in the White Label Territory solely for the offering for sale, sale and marketing of the White Label Products by RWB, provided such use is at all times consistent with Avicanna's then current usage guidelines in the form provided to RWB by Avicanna from time-to-time.

(b) The Parties, each acting reasonably, shall mutually agree in writing to (i) revising Exhibit B to delete obsolete products or to add products that Avicanna deems appropriate in its reasonable discretion for sale and distribution by RWB within the White Label Territory; and (ii) making changes modifications, enhancements or alterations to the White Label Products, which will then replace the prior White Label Product for purposes of this Agreement (each, a "**White Label Products Change**"). In connection with the foregoing, the Parties, each acting reasonably, shall mutually agree in writing to a launch date of any White Label Products subject to a White Label Products Change In the event of a White Label Products Change, Avicanna will. by mutual agreement with RWB, (i) repurchase the impacted White Label Product from RWB at the wholesale price paid by RWB for such White Label Product, plus reasonable costs incurred by RWB as a result of the White Label Products Change, or (ii) permit RWB to sell off the White Label Product impacted by the White Label Products Change. For the avoidance of doubt, the amount of any repurchase and associated costs shall not count towards the limitation of liability set out in Section 15.5. Notwithstanding a White Label Products Change and this Section 2.3(b), RWB shall be entitled to continue to carry a White Label Product otherwise impacted by a White Label Products Change.

(c) In connection with the foregoing, RWB shall brand, market, and sell the White Label Products within the White Label Territory under a brand name owned and/or controlled by RWB, and any branding or marketing materials of the White Label Products shall refer to Avicanna as the developer of such products in a manner that is mutually agreeable to both Parties acting reasonably.

2.4 Expansion of Territory. The Parties agree that their common objective is to maximize sales of Products on a worldwide basis and they agree to work together in good faith to assist each other in achieving this objective. RWB is aware that Avicanna is currently in negotiations with several third parties to establish sales channels for the sale of Pura H&W Products and Products sold on a white-label or private-label basis worldwide. RWB will actively promote the White Label Products to big box retailers and celebrity endorsers who are likely to want the ability to sell White Label Products on a global basis, and Avicanna agrees to exercise good

faith judgement and reasonable discretion in supporting RWB in this regard. Avicanna shall grant RWB a right of first negotiation to sell White Label Products in countries outside of the Territory in which Avicanna is not in negotiations with third parties for the sale of Products. In countries that are outside of the Territory in which Avicanna has commenced negotiations for the sale of Products or has established contracts for the sale of Products, the Parties shall in good faith negotiate terms, if any additional terms may be required as determined by the Parties, acting reasonably, for the sale of Products in those countries, which may include the payment of additional fees by RWB to Avicanna.

2.5 **Sub-Distributors and Online Sales.** RWB shall not, without Avicanna's prior written consent, with such consent not to be unreasonably withheld, (i) appoint an entity for further distribution ("**Sub-Distributor**") of Product; (ii) sell to Resellers for sale or other disposition of the Product by Reseller on, over or through the internet ("**Online Reseller**"); or (iii) sell or otherwise dispose of Product to Customers on, over or through internet sites not owned and operated by RWB (e.g., Ebay.com) ("**Independent Internet Site**"), with the exception of Amazon.com, for which RWB shall be entitled to sell, resell, or otherwise dispose of Product pursuant to the conditions outlined in Section 2.6. Upon Avicanna's written consent of RWB's appointment or use of or sale to a Sub-Distributor, Online Reseller or Independent Internet Site, such Sub-Distributor, Reseller or Independent Internet Site shall be listed in Exhibit F attached hereto. For clarity, the foregoing shall not prevent RWB or major retail corporations (such as Walmart, Kroger, Walgreens, or Nordstrom) from selling Product to End Users on a website owned and operated by RWB or the major retail corporations, respectively. RWB shall enter into written purchase agreements with Resellers restricting Reseller from selling or otherwise disposing of Product on, over or through the internet. RWB shall remain responsible and liable for performance of all of RWB's obligations under this Agreement, including any duty(ies) or obligation(s) under this Agreement delegated, expressly or by implication, by RWB to any Sub-Distributor. RWB shall be directly responsible to Avicanna for any violation of this Agreement by any Sub-Distributor. Under no circumstances shall Avicanna have any obligations or liabilities to or associated with RWB's appointment of any Sub-Distributor or to or associated with RWB's sale to a Reseller and no Sub-Distributor or Reseller shall have any relationship with or rights or privileges with respect to or against Avicanna.

2.6 **Sales through Amazon.com.** RWB shall ensure that Products sold by RWB through Amazon.com shall comply with Applicable Laws and the policies of Amazon.com. RWB shall not, without the prior consent of Avicanna, sell Pura H&W Products for less than 75% of the applicable Avicanna E-Commerce Retail Price. Any sales where the price of the Products is less than the Avicanna E-Commerce Retail Price, shall only be for short term promotions where such short term

promotions shall not extend for longer than a one (1) month period during any quarter, unless otherwise agreed to by the Parties in writing.

2.7 **Exclusivity re. Distribution.** Subject to the terms and conditions of this Agreement, RWB will be Avicanna's exclusive distributor for the Pura H&W Products in the Territory during the Term. However, in the event that RWB fails to meet the obligations set out in Section 6.1, or meet the Minimum Purchase Requirements, Avicanna shall be permitted, in its sole discretion, to appoint additional distributors for the Products in the Territory for the remainder of the Term and any renewals thereof.

3 General Obligations of RWB.

3.1 **Compliance.** Avicanna and RWB shall comply with all Applicable Laws relevant to this Agreement and the subject matter hereof and each Party shall actively assist the other in its compliance with same. RWB shall immediately cease distribution of any Pura H&W Product and any other activity under this Agreement with respect to such Pura H&W Product upon written notice by Avicanna if Avicanna, acting reasonably, so requests as part of Avicanna's efforts to cooperate or comply with any actual or potential government action relevant to a Pura H&W Product; provided, however, that upon Avicanna's request to RWB to cease distribution of any Pura H&W Product or any other activity under this Agreement with respect to such Pura H&W Product, Avicanna shall promptly purchase all affected Pura H&W Products from RWB at the same price as the price charged to RWB when first sold to RWB by Avicanna, and reimburse RWB the reasonable costs incurred by RWB arising from such request by Avicanna. In the event of a request by Avicanna pursuant to this Section 3.1, RWB's Minimum Purchase Requirements shall be reduced proportionately to the extent of such request, for a period of two (2) quarters.

3.2 Avicanna may propose, for RWB's agreement, each acting reasonably, that the Parties not sell Products to certain entities which Avicanna believes is in competition with Avicanna, to the detriment of this Agreement, and/or has been penalized or sanctioned by a Governmental Authority for non-compliance with Applicable Laws ("**DNS List**"). Subject to RWB's ability to complete any then-existing agreement with an entity on the DNS List, neither Party shall sell Products to any entity on the DNS List. Avicanna covenants and agrees that it shall cause the prohibition against sales to entities on the DNS List to apply equally to, and be enforced equally against, itself and all third parties authorized by Avicanna to sell Products.

3.3 Avicanna shall promptly notify RWB in writing of any actual or potential third-party claim that the sale or offer for sale of any Product may infringe or misappropriate the intellectual property of a third party. In the event of such notification, after consultation with RWB, Avicanna shall promptly, at Avicanna's option, (a) procure for RWB the right to continue selling or offering for sale the impacted Product, or (b) promptly purchase all affected Products from RWB at the same price as the price charged to RWB when first sold to RWB by Avicanna, and reimburse RWB the reasonable costs incurred by RWB arising from such notification. In the event of a repurchase of Products by Avicanna pursuant to Section 3.3(b), RWB's Minimum Purchase Requirements shall be reduced proportionately to the extent of such repurchase, for a period of two (2) quarters. For the avoidance of doubt, the amount of any repurchase and associated costs shall not count towards the limitation of liability set out in Section 15.5.

3.4 **Modifications.** Avicanna does not convey any license, expressly or by implication, to manufacture, duplicate or otherwise copy or reproduce any of the Products. RWB shall not make any changes, alterations, modification or additions to the Products. RWB further agrees that Avicanna shall have any and all right, title and interest in and to any such suggested modification, design change or improvement without payment of additional consideration therefor either to RWB or its employees, agents or customers.

3.5 **Customer Service and Fulfillment.**

(a) RWB shall be primarily responsible for providing customer service and order fulfillment services to Customers, including the fulfillment of orders placed by Customers using the Avicanna E-Commerce Platform. Avicanna shall refer to RWB customer service requests from Customers using the Avicanna E-Commerce Platform and RWB agrees to respond to same. Avicanna shall provide to RWB, together with the customer service request, all Customer information collected by Avicanna in respect of such Customer, less the Customer's payment method information, for RWB's use responding to the customer service request and then-current and future marketing efforts.

(b) In referring RWB such customer service requests, Avicanna will comply with all Applicable Laws and Avicanna shall be solely responsible for obtaining and maintaining all necessary consents to provide RWB with the Customer information and customer service requests as required for RWB to provide customer service and order fulfilment services to Customers as set out in this Agreement.

(c) To the extent customer service and order fulfillment is provided for orders placed using the Avicanna E-Commerce Platform, Avicanna shall pay RWB for such

services as described in Section 4.3. The Parties shall cooperate in good faith to establish an electronic data interface to facilitate RWB's efforts to track and fulfill orders placed on Avicanna's website. Customer service and order fulfillment services shall be provided by RWB in a commercially reasonable manner consistent with current industry standards. The allocation of responsibility and costs shall be more fully set forth in a "Framework" document as agreed to and modified by the Parties from time-to-time during the Term.

(d) RWB acknowledges and agrees that Avicanna may assume responsibility for fulfillment, customer service in respect of all orders placed on Avicanna's website upon not less than ninety (90) days prior written notice to RWB in the event that RWB repeatedly fails to respond to such customer service requests.

3.6 Recalls or returns.

(a) If any of the Products are the subject of any order or requirement pursuant to Applicable Laws requiring either RWB or Avicanna to recall, replace or otherwise take back all or any part of the Products, or if either Party reasonably determines that it is necessary to effect a voluntary recall prior to any such order or requirement (in each case, a "**Recall**"), then RWB shall effect such Recall. This section shall survive the termination of this Agreement.

(b) Unless a Recall for Products is caused by the negligence or other wrongdoing of RWB, Avicanna shall promptly reimburse RWB for all reasonable out-of-pocket costs and expenses incurred by RWB. Recall handling costs, communication costs, re-work costs, re-stocking fees and notifications shall be reimbursed on the basis as agreed to by RWB and Avicanna in advance in so far as reasonably practicable. In the event of a Recall pursuant to this Section 3.6(b), RWB's Minimum Purchase Requirements shall be reduced proportionately to the extent of such Recall, for a period of two (2) quarters. A Recall or any Recalls pursuant to this Section 3.6(b) which impact fifteen percent (15%) or more of the aggregate number of Products purchased by RWB under this Agreement shall be deemed to be an uncured Default pursuant to Section 11.3, and in the event that RWB terminates this Agreement for such Default, at RWB's option, Avicanna shall repurchase from RWB all Products as at the date of termination. For the avoidance of doubt, the amount of any repurchase and associated costs shall not count towards the limitation of liability set out in Section 15.5.

(c) If a Recall for Products sold by RWB is caused by the negligence or other wrongdoing of RWB, RWB shall be responsible for all reasonable out-of-pocket costs and expenses of the Recall.

(d) In the event of any Recall, the Parties shall work together to prepare any report, summary or record reasonably required by Applicable Laws, and successor legislation or Applicable Laws, and such report, summary or record.

3.7 Reports and Records. RWB shall submit a detailed resale and inventory report segregated by Product type to Avicanna no later than five (5) days after the end of each full calendar quarter. The report shall identify the months covered and shall provide: the total quantity of each Product sold in such period, the identity of any Sub-Distributor, the quantity of each Product sold to each Sub-Distributor, and information for any customer returns or complaints. RWB shall maintain records of its sales of Product by serial number for all sales to Customers for resale (which, for clarity, includes sales to retail Customers and Sub-Distributors) and, upon Avicanna's reasonable request and provision of a serial number to RWB, RWB shall promptly provide Avicanna with the name, order size, and order history of such Customer that purchased the Product with such serial number; provided however, that nothing herein shall be construed to obligate RWB to provide the identity of Customers not purchasing Product for resale or re-distribution. RWB shall keep Avicanna informed of relevant market trends, customer needs, competitive activity and economic and regulatory conditions affecting the Products and shall, subject to payment of a fee to RWB in an amount to be agreed from time-to-time, provide Avicanna with a written report with respect to the foregoing matters upon request. RWB shall accurately maintain all records as necessary or appropriate to satisfy Applicable Laws or to establish RWB's compliance with the provisions of this Agreement or as otherwise reasonably requested by Avicanna, and shall provide Avicanna and its representatives with reasonable access to same (including the right to make copies of such records) during and after the term hereof; provided, however, that nothing herein shall be construed to obligate RWB to make available to Avicanna any information relating to Avicanna's competitors, competing products and other valuable competitive information without the payment, to RWB, of monetary consideration in an amount to be agreed by the Parties, and subject always to RWB's compliance with all non-disclosure and similar agreements restricting RWB's rights to share any particular information with third parties.

3.8 Relevant Licences. RWB shall ensure that it seeks and maintains all relevant and necessary licence(s), authorizations, approvals, and/or certifications by the regulatory authorities in the Territory required for the import, if required, distribution and sale of the Products.

3.9 Avicanna E-Commerce Platform. RWB is aware that Avicanna owns and operates websites through which it sells Pura H&W Products in countries outside of the Pura H&W Territory. Avicanna intends on expanding its global e-commerce

platform and payments reconciliation system for the sale of Pura H&W Products (the "**Avicanna E-Commerce Platform**") to include sale of the Pura H&W Products in the Territory.

(a) RWB will pay Avicanna within five (5) Business Days of the Effective Date twenty five thousand Canadian dollars (CAD$25,000) that shall be applied towards the development and implementation of the expansion of the Avicanna E-Commerce Platform.

(b) Any purchase of Pura H&W Products by consumers in the Pura H&W Territory shall be fulfilled by RWB from RWB's inventory of Pura H&W Products and RWB shall be responsible for all costs and expenses related to such fulfillment pursuant to Section 3.3 and subject to a payment to RWB, as outlined in Section 4.3.

(c) Subject to Applicable Laws, Avicanna shall provide RWB as frequently as possible but no less frequent than every quarter with consumer data, buying patterns, emails and other relevant consumer data so that RWB can build better programs to target these users, understand its consumers, created targeted emails and accumulate a user database.

3.10 Marketing Budget. RWB shall spend a minimum of [redacted] US dollars [redacted] in cash each month during the Term, and any Renewal Term, on marketing activities as discussed with and approved by Avicanna that promote the Pura H&W Products in the Pura H&W Territory, which activities may include social media advertising, business intelligence, product placement, listing fees and retailer costs (the "**Marketing Activities**"). RWB shall provide Avicanna with a quarterly report detailing the efforts undertaken for the Marketing Activities, and such report shall include a breakdown of the expenses incurred and the measures taken for the Marketing Activities (the "**Marketing Report**"). Avicanna shall rely upon each Marketing Report as supporting evidence that RWB is meeting its obligation to spend a minimum of [redacted] US dollars [redacted] each month on Marketing Activities.

3.11 Supply of CBD for use in the manufacture of the Products. RWB may supply Avicanna with the CBD for use in the manufacture of the Products at prices and quality standards set by Avicanna, at its own discretion.

3.12 Storage of Products. RWB shall store, and shall advise Resellers to store, Products as follows:

(a) lids shall be kept on Products when not in use;

(b) Products shall not be punctured or incinerated;

(c) Products shall be stored in a dry, cool (but not freezing) place indoors and away from direct sunlight or sources of heat; and

(d) Products shall not be stored at temperatures above 86 degrees Fahrenheit (30 degrees Celsius).

4 General Obligations of Avicanna

4.1 Manufacturing Standards. Avicanna shall ensure that the Products are manufactured in accordance with Good Manufacturing Practices and all Applicable Laws.

4.2 Use of CBD in the manufacture of the Products. Avicanna shall make best efforts to source the CBD for use in the manufacture of the Products from American sources, including the CBD supplied by RWB, provided that the prices and quality standards of the CBD meet Avicanna's specifications.

4.3 Pura H&W E-Commerce Sales Fulfillment Payment to RWB.

(a) Avicanna shall collect payments from consumers who purchase Pura H&W Products through the Avicanna E-Commerce Platform. Avicanna shall pay RWB a fee (the "**RWB E-Commerce Payment**") for customer services and fulfillment of sales of Pura H&W Product made through the Avicanna E-Commerce Platform. The RWB E-Commerce Payment shall be the difference between (i) the price at which the Pura H&W Product is sold by Avicanna on the Avicanna E-Commerce Platform (the "**Avicanna E-Commerce Retail Price**"), and (ii) the Price plus ten percent (10%) of the Avicanna E-Commerce Retail Price. For greater clarity, the calculation of the RWB E-Commerce Payment shall be the Avicanna E-Commerce Retail Price minus (0.1 x Avicanna E-Commerce Retail Price + Price). For the purpose of clarity, the Avicanna E-Commerce Retail Price shall be at least equal to the MSRP for the applicable Pura H&W Product, plus or minus a 10% deviation, except in the instance of any short term promotional offers of no longer than a one (1) month period in any quarter for the applicable Product, provided that the Avicanna E-Commerce Retail Price shall never be less than 200% of the Price for the applicable Pura H&W Product.

(b) Avicanna shall pay the RWB E-Commerce Payment to RWB on a quarterly basis commencing from forty-five (45) days after Avicanna's first fiscal quarter following the Effective Date. In addition to the information that Avicanna shall provide to RWB pursuant to Section 3.5 and Section 3.9, Avicanna shall provide RWB with sufficient data relating to the sale of Pura H&W Products to Customers through the Avicanna E-Commerce Platform to enable RWB to determine the RWB E-Commerce Payment on a quarterly basis.

(c) Subject to Sections 2.2, 3.3, 3.6(a) and 3.6(b), in the event that Avicanna issues an Adjustment, the Parties agree to each be responsible for fifty percent (50%) of the actual, direct, third party costs (excluding, for clarity, the Price of the applicable Pura H&W Product(s)) of fulfilling such Adjustment and RWB shall refund to Avicanna the portion of the RWB E-Commerce Payment applicable to the Pura H&W Product(s) impacted by such Adjustment. Avicanna shall invoice RWB, on a quarterly basis, for all such refunds for Adjustments issued in the preceding quarter, and RWB shall pay Avicanna within thirty (30) days of receipt of any such invoice for refunds. In addition to the information that Avicanna will provide to RWB pursuant to Section 3.5 and Section 3.9, Avicanna shall provide RWB with sufficient data relating to the sale of Pura H&W Products to Customers through the Avicanna E-Commerce Platform to enable RWB to determine the direct costs of fulfilling an Adjustment and associated refunds as set out in this Section 4.3(c).

(d) If the number of Adjustments in a given quarter exceeds 3% of the aggregate number of sales through the Avicanna E-Commerce Platform in such quarter, the Parties shall promptly meet to discuss efforts to decrease the number of Adjustments.

4.4 Relevant Licenses. Avicanna shall ensure that it and its Affiliates, as may be required under Applicable Laws, seek and maintain all relevant and necessary licence(s), authorizations, approvals, and/or certifications by the regulatory authorities in the Territory required for the manufacture and distribution of the Products, including but not limited to the Export Permits, if required.

4.5 Certifications. Avicanna shall ensure that all Products will meet the necessary manufacturing and quality requirements under Applicable Laws and will be accompanied by the necessary documentation, including but not limited to a Certificate of Analysis.

4.6 Exports/Imports. Subject to Applicable Laws and to the best of its abilities, Avicanna shall cooperate with RWB in managing and facilitating the import of the Products to any applicable Territory, Avicanna shall provide RWB with any and all information required for such import permits and shall use commercially reasonable efforts to assist RWB with any required applications or authorizations for such import permits. In addition, Avicanna shall also provide any other required documentation necessary for RWB to successfully import the Products into any country in the Territory. For the purposes of clarity, RWB acknowledges any such import permits will be granted to RWB and Avicanna will, to the best of its abilities, manage and facilitate the import of Products into the Territory in cooperation with RWB.

5 Prices, Purchase Orders, Delivery, Risk of Loss, and Payment.

5.1 Price List and Resale Prices. The price per unit for Products purchased by RWB will be as set forth in Avicanna's current distributor pricing schedule ("**Price**"), the current version of which is attached hereto as Exhibit C. The Price includes transportation expenses. Avicanna shall have the right, in its sole discretion, to change any Price once per year via written notice to RWB, provided that Avicanna may not change any Price by more than 2% without the prior written consent of RWB. Avicanna agrees that any Prices offered to RWB shall be at least as favourable to prices offered to any other distributor of the Products in the Territory.

5.2 MSRP. RWB and Avicanna shall agree on retail prices and conditions for the Products ("**MSRP**") for RWB's recommendation to Resellers. The MSRPs as at the Effective Date are set out in Exhibit D and the Parties shall cooperate to update the MSRPs from time to time. The agreement on retail prices for the Products is intended to prevent any cannibalizing of potential market share between the Parties for Pura H&W Products and as between Pura H&W Products and White Label Products.

5.3 Purchase Orders and Delivery. All orders for Products by RWB shall be initiated by written purchase order delivered by e-mail to Avicanna requesting a delivery date during the term of this Agreement (each such purchase order, an "**Order**"). No Order for the Products shall become effective unless and until Avicanna accepts such Order in writing, which Avicanna may provide or withhold at its sole discretion.

(a) Each Party shall designate one or more representatives (each a "**Designated Representative**") to communicate, discuss, revise, and accept Orders, as the case may be. The Designated Representatives for each Party are included below. Any change to or appointment of Designated Representatives shall be made in writing by e-mail between the contact persons listed in Section 19.7:

i. Aras Azadian, for Avicanna
ii. Dave Sohi, for Avicanna
iii. Brad Rogers, , for RWB
iv. Tommy Tassiopoulos, for RWB

(b) Upon receipt of an Order, Avicanna shall have five (5) Business Days to accept such Order by advising RWB in writing of such acceptance, failing which such Order shall be deemed to be rejected by Avicanna. Avicanna may advise RWB of

any required revisions to the Order, in which case Avicanna shall have five (5) Business Days to accept the revised Order.

(c) Each Order will designate the desired delivery dates, which date shall be for a date that may be up to four (4) months after an Order is accepted by Avicanna in the future, for the Products, subject to whether a new batch of Product must be manufactured by the manufacturer. In this regard, the Parties acknowledge the importance of forecasting to ensure timely and seamless supply of the Products to account for consumer demand. Avicanna also acknowledges that its adherence to the delivery dates set out for each Order is equally important to ensure timely and seamless supply of the Products to Customers. If Avicanna terminates this Agreement pursuant to Section 11.3(a)(i), Avicanna shall have the option of (i) fulfilling any Order made by RWB before the date of termination; or (ii) reimbursing RWB for any funds paid in advance for an Order made by RWB before the date of termination.

(d) Following Avicanna's acceptance of an Order, RWB shall use best efforts to obtain the Import Permit for the Order, if required, and Avicanna shall use its best efforts to obtain a corresponding Export Permit, if required.

(e) Provided that the Export Permit and Import Permit have been issued, if required, and provided that RWB has provided all of the required information required for the Order, Avicanna shall deliver the Products to RWB in accordance with the applicable Order, unless otherwise mutually agreed in writing by the Parties. Avicanna shall cause such Products to be delivered FCA (Destination) at the port of entry designated by RWB in Illinois. All shipments shall be in accordance with the requirements of the Export Permit, Import Permit and other Applicable Laws. RWB shall handle all logistics and fulfillment of Orders at its own cost from and after the delivery by Avicanna of the Products to the port of entry designated by RWB.

(f) In the event that an Export Permit or Import Permit is required but has not been issued, Avicanna shall store the Products specified in the applicable Order with due care and free of any cost to RWB in accordance with good industry production practices, Good Manufacturing Practices (as applicable) and Applicable Laws, consistent with the same practices and procedures used by Avicanna in respect of its own operations, and shall deliver such Products to RWB within ten (10) Business Days of receiving the Export Permit or Import Permit conditional upon RWB having paid the first 50% of the invoiced price for such Order in accordance with Section 5.4. If the Export Permit or Import Permit is not obtained within two (2) months following the applicable Order, through no fault of Avicanna or RWB,

as the case may be, the Order will be cancelled and the Products re-allocated to other customers at no liability to Avicanna or RWB.

(g) Avicanna will prepare each Product for transportation with due care in accordance with the same practices and procedures used by Avicanna in respect of its own operations and its other supplier relationships, which practices and procedures shall, at a minimum, comply with all Applicable Laws.

5.4 **Invoices, Payment.** Avicanna shall provide RWB with an invoice immediately upon acceptance of an Order. RWB shall pay 50% of such invoiced amount immediately upon receipt of such invoice and shall pay the remaining 50% of such invoiced amount within sixty (60) days of delivery in full of the applicable Order. A late fee in an amount of one-half percent (0.5%) shall accrue for each thirty (30) day period of any undisputed unpaid amounts due to Avicanna unless a waiver is granted by Avicanna. For the purpose clarity, RWB may dispute amounts owed for any one Order if RWB did not receive the amount of Products specified in the Order or if the Products received by RWB are damaged or otherwise do not conform to the specifications set out by Avicanna or Applicable Laws. All payments made to Avicanna shall be made payable in American dollars. All Prices are to be understood FCA (Destination) at the port of entry designated by RWB in Illinois.

5.5 **Tax.** All payments under this Agreement shall be exclusive of sales or applicable value added tax. Any payments under this Agreement shall be paid in full without any deduction or withholding of taxes, except to the extent required by Applicable Laws. If any taxes are required to be deducted or withheld by RWB pursuant to legal requirements, RWB will (i) pay the taxes to the taxing authority, and (ii) send proof of such payment to Avicanna and provide Avicanna with an indemnity associated therewith. Each Party agrees to use commercially reasonable efforts to assist the other Party in claiming any legal exemptions from the respective obligation to deduct or withhold tax.

5.6 **Insurance.** Each of the Parties shall procure and maintain, in full force and effect, a comprehensive general liability insurance policy or policies with personal injury liability blanket coverage, contractual liability and completed operations liability insurance endorsements with such insurers and with a minimum limit of $5,000,000.00 per occurrence, and a minimum aggregate limit of $10,000,000.00 or such higher limit as they may agree from time to time. Each such policy shall name the other Party, its Affiliates and their respective directors, officers and employees as additional insureds and shall provide that thirty (30) days' written notice shall be given prior to any material change to or cancellation of such policy. Each Party shall provide a certificate of such policy to the other party evidencing compliance with its insurance obligations pursuant to this Section.

6 Exclusivity Fee

6.1 **Fee.** As consideration for Avicanna appointing RWB as the exclusive distributor of Pura H&W Products in the Territory, RWB shall pay Avicanna an upfront fee of two hundred fifty thousand Canadian dollars (REDACTED) which shall be paid in cash (the "**Exclusivity Fee**"). In addition to the Exclusivity Fee, and notwithstanding the Minimum Purchase Requirements set out in Exhibit E, RWB guarantees, as consideration for Avicanna appointing RWB as the exclusive distributor of Pura H&W Products in the Territory, to purchase two hundred fifty thousand US dollars (REDACTED) worth of Products within the first six (6) months of the Term of this Agreement.

(a) The Exclusivity Fee shall be payable by the earlier of (i) sixty (60) days following the Effective Date or (ii) the closing of RWB's next upcoming round of financing.

7 Minimum Purchase Requirements

7.1 RWB agrees to purchase a minimum number of units in regular time periods (the "**Minimum Purchase Requirements**"), as set out in Exhibit E, to maintain its status as the exclusive distributor of the Products in the Territory, as set out in this Agreement. Such Minimum Purchase Requirements, as set out in Exhibit E and as such quantity may be amended by the Parties upon mutual written consent from time to time, shall apply to the Term and any Renewal Term. The Parties shall set Minimum Purchase Requirements in advance of any Renewal Term.

7.2 In the event that RWB fails to meet the Minimum Purchase Requirements for any two consecutive quarters in the Term or any Renewal Term, Avicanna shall be permitted, in its sole discretion, to appoint additional distributors for the Products in the Territory for the remainder of the Term and any Renewal Term, at which point RWB shall no longer be the exclusive distributor of the Pura H&W Products in the Territory.

8 Minimum Order Quantities

8.1 RWB acknowledges that each order for Products is subject to a minimum order quantity of three hundred (300) litres per Product, or, in the case of Products which are soaps or bath bombs, ten thousand (10,000) units per Product. Avicanna agrees to notify RWB forthwith of the applicable minimum order quantities and any changes of the minimum order quantities. In the event RWB provides Avicanna with an Order for Products, and Avicanna rejects the Order because it does not meet the set minimum order quantities, RWB shall have two (2) Business Days to revise any such Order before Avicanna rejects such Order.

9 Regulatory Matters

9.1 Avicanna will be responsible, at its sole expense, for obtaining all regulatory approvals, as required, including the Export Permit, for the export of the Products, if required, including the costs of obtaining the Export Permit.

9.2 RWB will be responsible, at its sole expense, for ensuring that it has obtained all approvals, licenses and certificates required under Applicable Laws in the Territory, including the Import Permit, if required, for the import of the Products. Upon written request, RWB will forthwith provide any information that may be required for this purpose by a Governmental Authority in the Territory.

9.3 RWB may require that Avicanna include certain testing, labelling or packaging elements on the Products, in order to comply with the Applicable Laws of the Territory, and in such event RWB shall provide the necessary information to Avicanna and shall provide reasonable assistance to Avicanna in order to modify the packaging so that it conforms with Applicable Laws of the Territory (the "**International Packaging**").

9.4 RWB shall be responsible for the incremental costs related to modifying the original packaging to International Packaging subject to cost being approved by RWB.

9.5 RWB agrees that it will not operate where it is not legally allowed to operate under Applicable Laws. RWB agrees it will not transact with a party when it is not legally allowed to transact with such party under Applicable Laws.

9.6 The Parties acknowledge and confirm that the business of Avicanna, RWB and the Products are and will be subject to extensive regulation and Applicable Laws. The Parties have attempted to structure their relationship pursuant to this Agreement in compliance with all Applicable Laws. However, if, at any time during the Term, there is any change in Applicable Laws with which a Party is required to comply, or any other change in the application or administration of Applicable Laws whether affecting a Party specifically or affecting all businesses of a similar nature to those of the Party, and, as a result of such compliance, such Party is no longer able to comply with one or more provisions of this Agreement (each such change, a "**Change of Law**") the affected Party shall promptly notify the other Party in writing (a "**Change of Law Notice**") of the Change of Law and any such notice shall contain a description of the Change of Law and the exact obligations under this Agreement which the affected Party is delayed or prevented from performing and/or the manner in which such Party's obligations are performed as a result of such Change of Law (the "**Affected Obligations**").

9.7 Upon delivery of a Change of Law Notice, the respective Chief Executive Officers of the Parties, or their designates ("**Designated Representatives**") will meet within three (3) calendar days and, in good faith, use their commercially reasonable efforts to agree on amendments to this Agreement necessary and appropriate to take account of the Change of Law, so that this Agreement may continue in force (a "**Change of Law Amendment**"). All Change of Law Amendments shall be agreed to by the Designated Representatives of the Parties no later than five (5) calendar days from the date of the Change of Law Notice, or such later date as the Designated Representatives may mutually agree in writing (the "**Change Period**"). Without limiting the generality of the foregoing, where a Change of Law Amendment would result in additional costs being incurred disproportionately by one Party, the Parties shall negotiate in good faith to ensure that the contractual arrangements remain beneficial to both Parties.

9.8 During the Change Period the obligation of the affected Party to perform the Affected Obligations shall be suspended and the affected Party shall not suffer or incur any liability to the non-affected Party or other person in connection with its delayed, modified and/or non-performance of the Affected Obligations, as the case may be; provided, however, that the affected Party has used and continues to use its good faith, commercially reasonable efforts to minimize the impact of its delay, modified and/or non-performance of the Affected Obligations, including cooperating and collaborating with the non-affected Party to impose interim procedures and/or workarounds to minimize the impact of its delay, modification and/or non-performance of the Affected Obligations.

10 Right of First Refusal.

10.1 **Right of First Refusal.** If during the term of this Agreement, Avicanna receives a bona fide offer in good faith, from a third party dealing at arm's length, to purchase or otherwise acquire the Pura H&W™ product line, which bona fide offer Avicanna would accept, then before accepting such bona fide offer, Avicanna shall give notice in writing to RWB (the "**Notice of Offer**"), within ten (10) days after receiving such bona fide offer, stating that Avicanna desires to sell or otherwise dispose of the Pura H&W product line and stating the terms, conditions and price of such bona fide offer including the date, manner and times at which such transaction shall be completed and the price or instalments thereof are to be paid, and whether the third-party purchaser desires to maintain RWB as the distributor of the Pura H&W Products. RWB so notified shall then have the right, option and privilege to exercise by notice in writing given to Avicanna within thirty (30) days of the receipt of the Notice to Offer, to purchase or otherwise acquire the Pura H&W product line at the price and on the terms and conditions set out in the Notice of Offer.

10.2 Acceptance by RWB. If RWB so notified elects to purchase the Pura H&W product line within the time prescribed in Section 10.1, then RWB shall acquire the Pura H&W product line so offered for sale by Avicanna at the price and on the same terms and conditions specified in the Notice of Offer.

10.3 Refusal by RWB. If RWB so notified does not elect to purchase the Pura H&W product line within the time prescribed in Section 10.1, then Avicanna may proceed with the sale of the Pura H&W product line and shall ensure, subject to RWB meeting the Minimum Purchase Requirements, that RWB will not lose its exclusivity with respect to the sale of the Pura H&W Products in the Pura H&W Territory upon completion of the transaction.

11 Duration and Termination.

11.1 Term of Agreement. This Agreement shall become effective as of the Effective Date and shall extend for five (5) years unless sooner terminated as provided herein ("**Term**"). Thereafter, the Term of this Agreement shall automatically renew on its anniversary date for successive five (5) year terms ("**Renewal Term**") unless one Party provides to the other Party written notice of non-renewal prior to the expiration of the then-current Term.

11.2 Renewal Terms. The Parties shall discuss and set the Minimum Purchase Requirements for each Renewal Term in advance of the commencement of each Renewal Term. Notwithstanding the foregoing, the Parties hereby agree that the Minimum Purchase Requirements for any Renewal Term shall be no less than thirty percent (30%) of the Minimum Purchase Requirements for the last year of the previous Term, or Renewal Term as the case may be.

11.3 Termination.

(a) Either Party may terminate this Agreement by reason of default. Any of the following events or circumstances shall constitute a default ("**Default**") under this Agreement:

(i) the other Party fails to observe or perform any of its covenants or obligations hereunder and such failure continues for a period of thirty (30) days after notice of such failure has been given by the non-defaulting Party (the "**Non-Defaulting Party**") to the defaulting Party (the "**Defaulting Party**") specifying such failure and requiring it to be remedied;

(ii) the other Party (i) admits its inability or is unable to pay its debts generally as they become due; (ii) ceases to carry on business in the ordinary course; (iii) is adjudged (or is sought by a creditor to be adjudged) a bankrupt or insolvent;

(iv) makes an assignment or arrangement with or for the benefit of creditors; (v) has a custodian or receiver or receiver manager or any other official with similar powers appointed for it or a substantial portion of its properties or assets; or (vi) seeks protection from its creditors under legislation affecting the rights of creditors generally or similar legislation (each, an "**Insolvency Event**") and has not cured such Insolvency Event within sixty (60) days.

(b) Upon the occurrence of a Default by a Party hereto, the Non-Defaulting Party may by notice to the Defaulting Party declare the Defaulting Party to be in default and may terminate its rights and obligations under this Agreement by giving notice to the Defaulting Party, without prejudice to its rights under this Agreement accrued to the date of termination and its rights to seek damages as a result of such Default and termination. In addition, each Party shall pay to the other Party any outstanding and undisputed amounts owing by such Party to the other Party as at the date of the notice of termination.

11.4 No Termination Damages. Neither Party shall be liable to the other for special, indirect, incidental, consequential, punitive, or exemplary damages arising out of the termination or expiry of this Agreement, regardless of whether such claim arises in tort (including negligence), contract, or otherwise.

11.5 Effect of Termination or Expiration. Notwithstanding any other provision hereof, the rights and obligations under Sections 5.4, 5.5, 5.6, 12, 13, 14, 15, 16, 17, 18, 19 and the obligation to pay any purchase price and charges for Products hereunder shall survive expiration or termination of this Agreement. Termination is not the sole remedy under this Agreement and, whether or not termination is effected, all other remedies shall remain available.

12 Confidentiality.

12.1 All information of a business or technical nature (including information about the use, design, specifications, costs, profits margins or price of the Products or information about the design, manufacturing, packaging, distribution, marketing or selling of the Products, and any customer or prospective customer names, and any other information about a Party's business) disclosed to one Party by the other Party at any time during the term hereof shall be referred to herein as "**Confidential Information**," and the Party to whom Confidential Information is disclosed shall be referred to as a "**Recipient**"; and the Party disclosing the Confidential Information shall be referred to as the "**Discloser**." All Confidential Information shall be held in confidence by the Recipient and shall be used by Recipient only as absolutely necessary in the distribution and sale of the Products, and shall not be disclosed by Recipient to anyone except its employees with a need to know and who are aware of, and have agreed to comply with, Recipient's

confidentiality obligations hereunder. Recipient agrees that it shall take all reasonable measures necessary to protect the secrecy and confidentiality of and avoid disclosure or use of such Confidential Information, including the highest degree of care that Recipient utilizes to protect its own Confidential Information. Except for personal information, which will always remain Confidential Information, the obligations of confidentiality and non-use set forth above shall not apply to information which has entered the public domain except where such entry is the result of the Recipient's breach of this Agreement. Except for personal information, which will always remain Confidential Information, the foregoing commitments shall survive for a period of five (5) years after any termination or expiration of this Agreement, unless otherwise required by Applicable Laws.

12.2 If Recipient learns of any infringement or violation of Discloser's rights and interests in Discloser's patents, trademarks, trade names or other intellectual property rights or any misuse or misappropriation of Discloser's Confidential Information, Recipient shall promptly report the same in writing to Discloser and shall cooperate fully, at Discloser's expense, in pursuing any rights or remedies therefore at law or in equity. The Parties acknowledge and agree that a breach or threatened breach of the Recipient's non-disclosure and non-use obligations under this Section would cause the Discloser irreparable harm for which monetary damages would be an inadequate remedy and difficult to calculate. Accordingly, without limiting a Party's remedies for any breach of this section, the Discloser shall be entitled to seek equitable relief, including injunctive relief and specific performance, for any breach or threatened breach of this Section by the Recipient from any court of competent jurisdiction.

12.3 RWB shall limit its business activity relating to Avicanna to the Products, as set out in this Agreement, and shall not provide information on unannounced Products or product concepts to any third party nor misrepresent the scope of RWB's authority with regard to the Products.

13 **Proprietary Rights.** RWB shall not (i) alter or remove any Marks identified in Exhibit G applied to or used in conjunction with a Pura H&W Product, but may remove reference to Avicanna, (ii) attach any additional trade name, trademark, servicemark or other trade designation to any Pura H&W Product. RWB may add "*exclusively by RWB*". RWB acknowledges that Avicanna is the sole and exclusive owner of all right, title and interest, including all trademarks, copyrights, patents, trade names, trade secrets, moral rights, and any other intellectual property rights, in and to the Products. Except as expressly enumerated herein, RWB is not granted any license to patents, copyrights, trade names, trade secrets, trademarks (whether or not registered), or any other rights, title, licenses or interest with respect to the Products.

14 **REPRESENTATIONS, WARRANTIES & COVENANTS**

14.1 Mutual Representations and Warranties. Each Party hereby represents and warrants to and in favour of, and covenants with, the other Party as follows, and acknowledges that the other Party is relying upon the following representations, warranties and covenants in connection with its execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereunder:

(a) the Party is a corporation validly formed and existing in good standing under the laws of its jurisdiction of formation;

(b) the Party has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement. The execution, delivery and performance of this Agreement has been duly authorized by all necessary action of the Party. This Agreement has been duly and validly executed by the Party, and constitutes a valid and binding obligation of the Party enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity, regardless of whether asserted in a proceeding in equity or law;

(c) the authorization of, execution and delivery of, and the performance by the Party of its obligations under, this Agreement and every other agreement or document to be entered into or delivered hereunder, will not constitute or result in the violation or breach of or default under, or cause the acceleration of, any obligations of the Party under:

(i) any term or provision of the articles, by-laws or other constating documents of the Party;

(ii) the terms of any material agreement (written or oral), indenture, instrument or understanding or other obligation or restriction to which the Party is a party or by which it is bound, except as would not reasonably be expected to have a material adverse effect on the Party's ability to perform its obligations under this Agreement;

(iii) any Applicable Laws or consent or approval issued by a Governmental Authority, except as would not reasonably be expected to have a material adverse effect on the Party's ability to perform its obligations under this Agreement; or

(iv) any term or provision of any order of any court applicable to the Party, except as would not reasonably be expected to have a material adverse effect on the Party's ability to perform its obligations under this Agreement;

(d) no consent or approval of any Governmental Authority, or filing with or notice to, any Governmental Authority, court or other person, is required in connection with the execution, delivery or performance of this Agreement by the Party, except for any such consent, approval, filing or notice that would not have a materially adverse effect on the Party's ability to perform its obligations under this Agreement;

(e) the Party has conducted and is conducting its business in compliance in all material respects with all Applicable Laws and has held and maintained and will hold and maintain in good standing all necessary regulatory approvals including licenses, leases, permits, authorizations and other approvals necessary to permit it to conduct its business or to own, lease or operate its properties and assets, except where the failure to obtain any regulatory approvals including licenses, leases, permits, authorizations or other approvals would not have a material adverse effect on the Party;

(f) there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of the Party) pending, or to the best of the knowledge of the Party after due inquiry, threatened against or affecting the Party at law or in equity, or before or by any court or other Governmental Authority, domestic or foreign, that would materially adversely affect the Party's ability to perform its obligations under this Agreement; and

(g) there are no bankruptcy proceedings pending or being contemplated by the Party or, to the best of its knowledge after due inquiry, threatened against or affecting the Party.

14.2 Additional Representations, Warranties and Covenants of Avicanna. Avicanna hereby represents and warrants to and in favour of, and covenants with, RWB as follows, and acknowledges that RWB is relying upon the following representations, warranties and covenants in connection with its execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereunder:

(a) Avicanna has all necessary rights in and to the Marks to grant the licenses granted to RWB under this Agreement, including Section 2.1 and Section 2.4;

(b) the Products and Marks do not and will not infringe or misappropriate any patent, copyright, trademark, trade secret, or other proprietary rights, including intellectual property rights, or otherwise conflict with the rights of any third party;

(c) subject to this Agreement, the Products and Marks are and shall remain under exclusive control of Avicanna during the Term;

(d) for a period of twelve (12) months from the date of manufacture of the Products, such Products will conform to the specifications set out by Avicanna

provided that the Products are stored in accordance with the storage obligations set out in Section 3.12.

14.3 Additional Representations, Warranties and Covenants of RWB. RWB hereby represents and warrants to and in favour of, and covenants with, Avicanna as follows, and acknowledges that Avicanna is relying upon the following representations, warranties and covenants in connection with its execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereunder:

(a) neither RWB nor any RWB representative will hold itself out as anything other than a distributor of Products, provided that RWB may hold itself out as the exclusive distributor in the Pura H&W Territory in accordance with this Agreement;

(b) neither RWB nor any RWB representative will enter into any agreements on behalf of Avicanna or make any representations or give any warranties or conditions on behalf of Avicanna except to the extent authorized by Avicanna or as Avicanna provides in its packaging or marketing collateral for such Products; and

(c) neither RWB nor any RWB representative will at any time during the Term, knowingly directly or indirectly, challenge Avicanna's ownership of or the validity of the Products or the Marks, any application for registration therefor, any registration thereof or any rights of Avicanna therein.

15 Limited Express Warranty and Disclaimer of All Other Warranties.

15.1 Warranty. Avicanna warrants to RWB (and not any other person) that Products sold to RWB shall at the time of shipment conform to their specifications set forth in Avicanna's written materials and with all Applicable Laws. Notwithstanding the foregoing, Avicanna expressly permits RWB to make representations and warranties in respect of the Products to Customers and Governmental Authorities as authorized by Avicanna or as Avicanna provides in its packaging or marketing collateral for such Products.

15.2 Limitation of Warranty. In the event of Avicanna's breach of Section 15.1, at RWB's option, Avicanna will either (i) promptly replace the impacted Products, or (ii) promptly refund to RWB the amounts paid by RWB for the impacted Products, provided that: (a) Avicanna is notified in writing of the defect in any Product within thirty (30) days of RWB's receipt of Product; (b) such Products are returned to Avicanna's warehouse and in a condition suitable for testing; and (c) Avicanna is permitted ten (10) Business Days to inspect such Products and, following such inspection, reasonably determines that the Products breach Section 15.1 and such defective state has not been caused by misuse, misapplication, abuse, neglect,

alteration, accident, improper storage, transportation or handling, an act of God or other causes reasonably beyond Avicanna's control or that such breach did not occur subsequent to the time of delivery of the Products by Avicanna to RWB in accordance with Section 5.3. Modification of a Product by RWB or any other Party shall invalidate the above warranty. The warranty herein may be asserted by RWB only and not by Customers and applies only to Products. Avicanna shall notify RWB if such Products are not subject to warranty adjustment and, unless disposition instructions as to such Products are received from RWB within five (5) days of such notification, such Products shall be returned to RWB on the same delivery terms as Section 5.3. In the event of a defect, RWB shall be entitled to relief from the Minimum Purchase Requirement for two (2) quarters following Avicanna's inspection of Products in accordance with this Section 15.2.

15.3 DISCLAIMER OF ALL OTHER WARRANTIES. EXCEPT FOR THE EXPRESS WARRANTIES SET OUT IN THIS AGREEMENT, ALL WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, AND ALL OBLIGATIONS AND REPRESENTATIONS AS TO PERFORMANCE, INCLUDING ALL WARRANTIES WHICH MIGHT ARISE FROM COURSE OF DEALING OR CUSTOM OF TRADE AND INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO NONINFRINGEMENT, ARE HEREBY EXPRESSLY EXCLUDED AND DISCLAIMED BY AVICANNA. WITH THE EXCEPTION OF ANY REPRESENTATION OR WARRANTY MADE BY AVICANNA IN ANY MARKETING COLLATERAL, PRODUCT SPECIFICATIONS, OR PACKAGING PROVIDED BY AVICANNA TO RWB FROM TIME TO TIME, NO AGENT, EMPLOYEE OR REPRESENTATIVE OF AVICANNA HAS ANY AUTHORITY TO MAKE ANY AFFIRMATION, REPRESENTATION OR WARRANTY FOR AVICANNA WITH RESPECT TO THE PRODUCT OTHER THAN SPECIFICALLY PROVIDED HEREIN.

15.4 RWB Obligations. RWB shall not make any representations, or extend any warranties, express or implied, relating to the use, effectiveness or safety of the Products, except as expressly set forth in any end user warranty furnished by Avicanna (if any). Except as caused by Avicanna's breaches of its obligations under this Agreement, all sales and other agreements between RWB and Customers are the exclusive responsibility of RWB and any commitment made by RWB to such Customers with respect to the delivery, performance, suitability or other matters relating to the Products are RWB's sole responsibility.

15.5 LIMITATION OF LIABILITY. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT, UNDER CONTRACT, TORT (INCLUDING NEGLIGENCE),

STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY, FOR SPECIAL, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL, PUNITIVE OR INDIRECT DAMAGES, INCLUDING FOR LOSS OF ANTICIPATED PROFITS, EVEN IF ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF THE SAME AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY STATED HEREIN. EACH PARTY'S COLLECTIVE DAMAGES SHALL BE LIMITED TO THE SUM OF THE RWB E-COMMERCE PAYMENT, THE EXCLUSIVITY FEE, AND ALL AMOUNTS FOR PRODUCTS PAID OR PAYABLE HEREUNDER IN THE PRIOR TWELVE (12) MONTH PERIOD. NOTWITHSTANDING THE FOREGOING, THIS SECTION 15 SHALL NOT APPLY TO THE EXTENT OF A CLAIM ARISING FROM A PARTY'S FRAUD, WILLFUL MISCONDUCT, GROSS NEGLIGENCE OR AVICANNA'S BREACH OF SECTION 14.2(a) OR SECTION 14.2(b).

16 Indemnity.

Each Party (the "**Indemnifying Party**") shall indemnify, defend and hold harmless the other and its officers, directors, affiliates, agents, representatives, contractors and employees (the "**Indemnified Party**") against any and all threatened or pending claims, actions, losses and damages of any kind (including all costs and expenses and reasonable legal fees) arising in any manner out of (a) the Indemnifying Party's material breach of this Agreement, and (b) the fraud, willful misconduct, or gross negligence of wrongdoing or negligence of the Indemnifying Party and those for whom it is responsible at law. For the avoidance of doubt and without limiting the generality of the foregoing, where Avicanna is the Indemnifying Party, Avicanna's breach of Section 14.2(a) or Section 14.2(b) shall be deemed to be a material breach.

17 Dispute Resolution

17.1 Subject to Section 12, any dispute, controversy or claim arising out of or in connection with this Agreement, including any question regarding its existence, validity, interpretation, breach or termination (a "**Litigious Dispute**"), shall be referred, upon written notice (a "**Notice of Dispute**") given by one Party to the other, to a senior executive from each Party. The senior executives shall seek to resolve the Litigious Dispute on an amicable basis within thirty (30) days of the Notice of Dispute being received. If both Parties agree, the Litigious Dispute may be referred to mediation before a mediator mutually agreed upon by the Parties or, failing such agreement, to be appointed by the ADR Institute of Canada, Inc. (the "**ADRIC**"). The Parties shall equally share the costs of the mediator, the mediation venue and the ADRIC.

17.2 If the Litigious Dispute is not resolved within thirty (30) days of receipt of the Dispute Notice, the Litigious Dispute shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of ADRIC (the "**Rules**") but, subject to the agreement of both Parties, the ADRIC is not required to administer the arbitration (the "**Arbitration**"). Unless otherwise agreed to in writing by the Parties:

(a) the Arbitration shall be conducted before one (1) arbitrator mutually agreed upon by the Parties. If the Parties are unable to agree upon an arbitrator within ten (10) Business Days of the commencement of the Arbitration, the arbitrator shall be appointed in accordance with the Rules and the Arbitration shall proceed thereafter as an administered arbitration under the auspices of the ADRIC;

(b) the seat of the Arbitration shall be Toronto, Ontario, Canada;

(c) the language of the Arbitration shall be English;

(d) any award or determination of the arbitrator shall be final and binding on the Parties and there will be no appeal on any ground, including, for certainty, any appeal on a question of law, a question of fact, or a question of mixed fact and law; and

(e) all matters relating to the Arbitration, including all documents created in the course of or for the purposes of the Arbitration and any interim or final decision, order or award in the Arbitration, shall be kept confidential and shall not be disclosed by any Party to any third party (excluding their respective legal counsel and where necessary, financial advisors) without the prior written consent of the other Party, or unless required by Applicable Laws.

18 Announcements

18.1 Subject to Sections 18.2 and 18.3, neither Party shall make, or permit any person to make, any public announcement, communication or circular (each, an "**Announcement**") concerning this Agreement without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed). The Parties shall consult together on the timing, contents and manner of release of any Announcement.

18.2 Where an Announcement is required by law or any governmental or regulatory authority (including any relevant stock exchange), or by any court or other authority

of competent jurisdiction, the Party required to make the Announcement shall promptly notify the other Party. The Parties shall make all reasonable attempts to agree on the contents of the Announcement before making it. If a Party does not respond to a request for comments within 48 hours (excluding days that are not Business Days) or such shorter period of time as the requesting Party has determined is necessary in the circumstances, acting reasonably and in good faith, the Party making the disclosure shall be entitled to issue the disclosure without the input of the other Parties. The final text of the disclosure and the timing, manner and mode of release shall be the sole responsibility of the Party issuing the disclosure.

18.3 If any of the Parties determines that it is required by law or any governmental or regulatory authority (including any relevant stock exchange), or by any court or other authority of competent jurisdiction, to publish or disclose the text of this Agreement in accordance with such requirement, it shall promptly notify the other Party, however, the timing of such disclosure shall be the sole responsibility of the Party issuing the disclosure.

19 Miscellaneous.

19.1 All references to "$" or "dollars" or currency herein are to lawful money of the United States of America, unless otherwise specified.

19.2 The Parties hereby expressly exclude the application of the United Nations Convention on Contracts for the International Sale of Goods and any local implementing legislation related thereto.

19.3 Each of the Parties will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other Party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

19.4 This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties other than as expressly set forth in this Agreement.

19.5 No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the Parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by

the Party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

19.6 This Agreement may not be assigned by either Party without the written consent of the other Party, however, that either Party may assign this Agreement to its Affiliate on notice to the other Party.

19.7 Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

(a) In the case of Avicanna:

480 University Avenue, Suite 1502,
Toronto, Ontario, Canada M5G 1V2

Attention: Setu Purohit
Email: **(REDACTED)** , with a copy sent to **(REDACTED)**

(b) In the case of RWB:

789 West Pender Street, Suite 810
Vancouver, British Columbia, Canada V6C 1H2

Attention: Brad Rogers

Email: Brad Rogers, **(REDACTED)** , with a copy sent to Tommy Tassiopoulos, **(REDACTED)**

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either Party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

19.8 If any provision of this Agreement should be held invalid, illegal or unenforceable in any respect in any jurisdiction, then, to the fullest extent permitted by Applicable Laws, all other provisions hereof shall remain in full force and effect in such

jurisdiction and shall be liberally construed in order to carry out the intentions of the Parties hereto as nearly as may be possible; provided, however, that nothing herein shall be construed so as to defeat the overall intention of the Parties.

19.9 The right and remedies of the Parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled. The Parties hereby expressly recognize and acknowledge that extensive and irreparable damage would result in the event that this Agreement is not specifically enforced. Therefore, their respective rights and obligations hereunder will be enforceable in a court of equity by a decree of specific performance and appropriate injunctive relief may be applied for and granted in connection therewith.

19.10 Each Party hereto acknowledges that such Party has been represented by counsel in connection with this Agreement. Accordingly, any rule of law or legal decision that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and any such right is expressly waived.

19.11 Each Party hereto has been advised to seek independent legal and financial advice prior to their execution of this Agreement. Each Party hereto acknowledges to the other Parties that it has sought and obtained such independent advice, or has declined seeking such advice, despite having been given the opportunity to do so.

19.12 This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

19.13 This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

19.14 Delivery of an executed signature page to this Agreement by any Party by electronic transmission (including by pdf) will be as effective as delivery of a manually executed copy of this Agreement by such Party.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

AVICANNA INC.

Per: "Setu Purohit"
Authorized Signing Officer
Name: Setu Purohit
Title: President

RED WHITE & BLOOM BRANDS INC.

Per: "Brad Rogers"
Authorized Signing Officer
Name: Brad Rogers
Title: Chief Executive Officer

EXHIBIT A
PURA H&W PRODUCTS

Display Name	SKU	Package Size
Acne cream/Clear skin treatment	AVCN585501	50 ml
Anti-aging serum/Regenerating serum	AVCN584701	30 ml
Anti-Aging Cream	AVCN582302	50 ml
Eczema cream/Intensive conditioning treatment	AVCN584903	50 ml
Under eye treatment	AVCN588101	15 ml
Dark Spots Cream	AVCN585202	15 ml
Facial soap	AVCN588208	50 g
Body soap	AVCN589207	50 g
Bath bomb	AVCN589212	100 g
Body lotion	AVCN585304	200 ml
Face lotion AM	AVCN588805	50 ml
Face lotion PM	AVCN582006	50 ml

EXHIBIT B
WHITE LABEL PRODUCTS

Display Name	SKU	Package Size
Acne cream/Clear skin treatment	AVCN585501	50 ml
Anti-aging serum/Regenerating serum	AVCN584701	30 ml
Anti-Aging Cream	AVCN582302	50 ml
Eczema cream/Intensive conditioning treatment	AVCN584903	50 ml
Under eye treatment	AVCN588101	15 ml
Dark Spots Cream	AVCN585202	15 ml
Facial soap	AVCN588208	50 g
Body soap	AVCN589207	50 g
Bath bomb	AVCN589212	100 g
Body lotion	AVCN585304	200 ml
Face lotion AM	AVCN588805	50 ml
Face lotion PM	AVCN582006	50 ml

EXHIBIT C
PRICING
(PRICES HAVE BEEN **REDACTED**)

PURA H&W PRODUCTS

Display Name	SKU	Package Size	Price
Acne cream/Clear skin treatment	AVCN585501	50 ml	
Anti-aging serum/Regenerating serum	AVCN584701	30 ml	
Anti-Aging Cream	AVCN582302	50 ml	
Eczema cream/Intensive conditioning treatment	AVCN584903	50 ml	
Under eye treatment	AVCN588101	15 ml	
Dark Spots Cream	AVCN585202	15 ml	
Facial soap	AVCN588208	50 g	
Body soap	AVCN589207	50 g	
Bath Bombs	AVCN589212	100 g	
Body lotion	AVCN585304	200 ml	
Face lotion AM	AVCN588805	50 ml	
Face lotion PM	AVCN582006	50 ml	

Prices are in US dollars

WHITE LABEL PRODUCTS

Display Name	SKU	Package Size	Price
Acne cream/Clear skin treatment	AVCN585501	50 ml	
Anti-aging serum/Regenerating serum	AVCN584701	30 ml	
Anti-Aging Cream	AVCN582302	50 ml	
Eczema cream/Intensive conditioning treatment	AVCN584903	50 ml	
Under eye treatment	AVCN588101	15 ml	
Dark Spots Cream	AVCN585202	15 ml	
Facial soap	AVCN588208	50 g	
Body soap	AVCN589207	50 g	
Bath Bombs	AVCN589212	100 g	
Body lotion	AVCN585304	200 ml	
Face lotion AM	AVCN588805	50 ml	
Face lotion PM	AVCN582006	50 ml	

Prices are in US dollars and based on packaging currently used for Pura H&W Products. If RWB requests different packaging, Price may change.

EXHIBIT D

MSRP

(PRICES HAVE BEEN **REDACTED**)

Display Name	Package Size	Weight	Price
CBD Facial moisturizer PM	50ml, 1.69oz	150mg	
CBD Facial moisturizer AM	50ml, 1.69oz	150mg	
CBD Body moisturizer	200ml, 6.76oz	200mg	
CBD IC Acne prone skin moisturizer	50ml, 1.69oz	250mg	
CBD Eczema prone skin moisturizer	50ml, 1.69oz	250mg	
CBD under eye cream,	15ml, 0.5oz	150mg	
CBD dark spots cream	15ml, 0.5oz	150mg	
CBD anti-aging cream	50ml, 1.69oz	250mg	
CBD anti-aging serum	30ml, 1.01oz	300mg	
CBD Body Soap	50g, 1.76oz	100mg	
CBD Face Soap	50g, 1.76oz	100mg	
CBD Acne Prone skin bar soap	50g, 1.76oz	100mg	
CBD Eczema Prone skin bar soap	50g, 1.76oz	100mg	
CBD Bath bombs	75g, 2.65oz	75mg	

Prices are in US Dollars

EXHIBIT E
MINIMUM PURCHASE REQUIREMENTS

Year of Term	Minimum Purchase Number (units)
2	50,000
3	100,000
4	120,000
5	160,000

EXHIBIT F
SUB-DISTRIBUTOR, RESELLER OR INDEPENDENT INTERNET SITE

Sub-Distributors

Online Resellers

Independent Internet Sites

EXHIBIT G
MARKS

Trademark	Trademark Type	Priority Date	Priority Country	Status
PURA H&W	Word mark	24th June 2020	Canada	Not filed

Trademark	Trademark Type	Application No.	Filing date	Status
(REDACTED)	Design mark	**(REDACTED)**	23rd January 2019	Under examination

(1) RWB acknowledges that Avicanna intends on filing a trademark application in the United States of America for the above noted design and word marks and that Avicanna intends to rely upon the above noted priority date for the Pura H&W word mark noted above. In connection with the foregoing, RWB acknowledges that Avicanna intends to make such filings for the following goods:

(a) [Redacted]

Exhibit 99.7
EXECUTION VERSION

ACQUISITION AGREEMENT

THIS ACQUISITION AGREEMENT (this "**Agreement**") is entered into as of June 4, 2020.
BETWEEN

HT Retail Licensing, LLC (the "**Licensor**"),

- and –

1252240 B.C. LTD. (the "**Seller**"),

- and –

1251881 B.C. LTD. ("**NewCo**"),

- and –

Red White & Bloom Brands Inc. (the "**Purchaser**")

RECITALS:

A. NewCo holds the NewCo Intellectual Property Rights (as defined herein) related to the sale and manufacture of cannabis products.

B. The Seller is the owner of record of all of the issued and outstanding common shares in the authorized share structure of NewCo (the "**NewCo Shares**").

C. The Seller desires to sell the NewCo Shares to the Purchaser and the Purchaser desires to purchase the NewCo Shares from the Seller, upon and subject to the terms and conditions set forth in this Agreement (the "**Acquisition**").

D. The Seller and the Purchaser intend that the Acquisition be effected by way of a three- cornered amalgamation (the "**Amalgamation**") between NewCo, the Purchaser, 1252034 B.C. Ltd., being a newly incorporated wholly-owned subsidiary of the Purchaser, ("**AcquireCo**") pursuant to Section 269 of the *Business Corporations Act* (British Columbia) on the terms set out in this Agreement and the Amalgamation Agreement (as defined herein), subject to any amendments or variations made in accordance with the provisions of this Agreement and the Amalgamation Agreement.

E. The sole director of NewCo (the "**NewCo Board**") has determined that the Acquisition to be effected by way of the Amalgamation is advisable and in the best interests of NewCo.

F. Each of the NewCo Board and the Seller has approved the transactions contemplated by this Agreement.

G. The board of directors of the Purchaser (the "**RWB Board**") has unanimously determined that the Acquisition to be effected by way of the Amalgamation is advisable and in the best interests of the Purchaser.

H. The RWB Board has approved the transactions contemplated by this Agreement.

I. Concurrently with the closing of the Amalgamation, the Seller and the Purchaser intend to enter into the Lock-Up Agreement (as defined below) to govern certain obligations and restrictions with respect to the disposition of the Consideration Shares (as defined below) by the Seller.

NOW THEREFORE, in consideration of the premises and the covenants and agreements contained in this Agreement (the receipt and sufficiency of which are hereby acknowledged), the parties to this Agreement (each, a "**Party**" and together, the "**Parties**") agree as follows:

ARTICLE 1
DEFINITIONS, INTERPRETATION AND EXHIBITS

1.01 Definitions

In this Agreement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

"**AcquireCo**" has the meaning ascribed thereto in the recitals.

"**AcquireCo Shares**" means the common shares in the authorized share structure of AcquireCo.

"**Acquisition**" has the meaning ascribed thereto in the recitals.

"**Amalco**" means the company which will continue upon the Amalgamation.

"**Amalco Shares**" means common shares in the authorized share structure of Amalco, having the rights, privileges, conditions and restrictions described in the Articles of Amalgamation appended to the Amalgamation Agreement.

"**Amalgamation**" has the meaning ascribed thereto in the recitals.

"Amalgamation Affidavits" means the affidavits of a director or officer of each of AcquireCo and NewCo required under the provisions of Section 277 of the BCBCA.

"**Amalgamation Agreement**" means the agreement between the Purchaser, AcquireCo and NewCo in relation to the Amalgamation, dated the Effective Date, substantially in the form attached hereto as Exhibit "A", as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms and the terms hereof.

"**Amalgamation Application**" means the Form 13 - Amalgamation Application prescribed by the BCBCA to be completed and filed jointly by NewCo and AcquireCo with the Register of Companies under the BCBCA substantially in the form attached to the Amalgamation Agreement

as Appendix II, giving effect to the Amalgamation upon and subject to the terms of this Agreement and the Amalgamation Agreement.

"**Applicable Securities Laws**" means, with respect to any Person, any and all applicable securities Laws of the province of British Columbia and the respective rules and regulations under such Laws together with applicable published instruments, notices and orders of the Securities Authorities, and, other than with respect to opinions required under Section 4.02(b)(vii), the applicable rules and policies of the CSE.

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

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Registrar of Companies under the BCBCA in respect of the Amalgamation in accordance with Section 281 of the BCBCA following the filing of the Amalgamation Application.

"**Closing**" means the completion of the Acquisition pursuant to this Agreement.

"**Closing Date**" has the meaning ascribed thereto in Section 4.01.

"**Completion Deadline**" means June 15, 2020 or such later date as may be mutually agreed by the Parties in writing.

"**Confidential Material**" means any documents, data or other information, whether communicated in writing or verbally which is confidential to a Party, and whether protected by the Licensor's Intellectual Property Rights and the NewCo Intellectual Property Rights, in the case of the Licensor, including information that is disclosed by a Party and which is identified by a Party as "Confidential", but does not include information in respect of which it can be established by the receiving Party (the "**Receiving Party**") that the information (a) was already known to the Receiving Party at the time of disclosure, (b) was generally available to the public or otherwise part of the public domain at the time of its disclosure, (c) became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party through no act or omission of the Receiving Party, (d) was disclosed to the Receiving Party by a third party who was not known to the Receiving Party (after reasonable inquiry) to have obligations restricting disclosure of such information, or (e) was independently developed by the Receiving Party without any use of Confidential Material of the Licensor. Confidential Material includes, but is not limited to, with respect to any of a Party or any affiliates of such Party, (i) identity or other details of customers, suppliers, services providers, vendors, and others; (ii) marketing methods, strategies, contract terms, pricing, margin or cost information; (iii) services, products, software, technology, developments, improvements and methods of operation; (iv) results of operations, financial condition, projected financial performance, sales performance, profit performance and financial requirements; (v) business plans, models or strategies and the information contained therein; (vi) sources, leads or methods of obtaining new business; (vii) cultivation relationships, varieties or strains of cannabis used, terpenoid formulations, recipes or other details related to cannabis inputs and ingredients used in cannabis products; (viii) methods, vendors, technology solutions and other details related to harvesting, drying, curing, grinding, rolling, extraction, formulation, filling, testing, packaging, labelling and any other aspects of manufacturing cannabis products; (ix) methods, vendors, technology solutions and other details related to distributions, tracking,

stocking, storing, promoting, retailing and other aspects of the supply chain between manufacturing cannabis products and retail sale of cannabis products, and any documents or details related to any of the foregoing examples of Confidential Material or to other Confidential Material.

"**Consideration Shares**" means an aggregate of 13,500,000 RWB Shares.

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

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

"**Effective Time**" means the Effective Time as defined in the Amalgamation Agreement.

"**Encumbrance**" includes any hypothec, mortgage, pledge, assignment, charge, lien, claim, security interest, right to possession, occupancy right, easement, servitude, encroachment, license, right of first refusal, covenant, voting trust or agreement, restriction, royalty, levy, adverse interest, adverse claim, other third person interest or encumbrance of any kind, whether contingent or absolute, direct or indirect, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

"**Governmental Entity**" means:

(a) any international, multinational, supranational, national, federal, provincial, state, regional, municipal, local or other government, governmental, quasi-governmental, administrative body, authority or public department with competent jurisdiction exercising legislative, judicial, regulatory or administrative functions of or pertaining to international, multinational, supranational, national, federal, provincial, state, regional, municipal, local or other government, including any central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, minister, cabinet, governor-in council, ministry, agency or instrumentality, domestic or foreign;

(b) any subdivision or authority of any of the above;

(c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or

(d) any securities exchange.

"**Hightimes Licensing Agreements**" means the Product Licensing Agreement and the Retail Licensing Agreement.

"**Intellectual Property Rights**" means all industrial and other intellectual property rights comprising or relating to (a) trademarks, trade dress, trade and business names, brand names, logos, design rights, corporate names and domain names and other similar designations of source, sponsorship, association or origin, together with the goodwill symbolized by any of the foregoing; (b) internet domain names registered by any authorized private registrar or governmental authority, web addresses, web pages, website and URLs; (c) works of authorship, expressions, designs and

industrial design registrations, whether or not copyrightable, including copyrights and copyrightable works, software and firmware, data, data files, and databases and other specifications and documentation; (d) inventions, discoveries, trade secrets, business and technical information, know-how, databases, data collections, patent disclosures and other confidential or proprietary information; (e) plant or fungal varieties, strains or cultivars; and (f) all industrial and other intellectual property rights, and all rights, interests and protections that are associated with, equivalent or similar to, or required for the exercise of, any of the foregoing, however arising, in each case whether registered or unregistered, such registered rights including patent, registered plant breeders' rights, trademark, industrial design, copyright, *Plant Varieties Protection Act* registrations and including all registrations and applications for, and renewals or extensions of, such rights or forms of protection under the applicable Law of any jurisdiction in any part of the world.

"**Laws**" means any laws, including, without limitation, supranational, national, provincial, state, municipal and local civil, commercial, banking, tax, personal and real property, security, mining, environmental, water, energy, investment, property ownership, land use and zoning, sanitary, occupational health and safety laws, treaties, statutes, codes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, bylaws, rules, regulations, ordinances, protocols, codes, guidelines, policies, notices, directions or other legal requirements of any Governmental Entity or arising under the common law or principles of law or equity, and the term "applicable" with respect to such Laws in the context that refers to any Person, means such Laws as are applicable at the relevant time or times to such person or its business, undertaking, property or securities and emanate from a Governmental Entity having jurisdiction over such person or its business, undertaking, property or securities.

"**Lock-Up Agreement**" means the lock-up agreement dated the Effective Date and made between the Purchaser and the Seller.

"**Lock-Up Restriction**" has the meaning ascribed thereto in Section 2.01(b).

"**Locked-Up Shares**" has the meaning ascribed thereto in Section 2.01(b).

"**NewCo Board**" has the meaning ascribed thereto in the recitals.

"**NewCo Intellectual Property Rights**" means the Intellectual Property Rights held by NewCo and that are licensed to NewCo by the Licensor pursuant to the Retail Licensing Agreement and the Product Licensing Agreement.

"**Party**" means each of the parties to this Agreement individually, and collectively, the "**Parties**".

"**Person**" shall mean and include an individual, a partnership, a limited partnership, a limited liability partnership, a joint venture, a corporation, a limited liability company, an association, a trust, an unincorporated organization, a group and a Governmental Entity.

"**Product Licensing Agreement**" means the product licensing agreement between the Licensor and NewCo, attached hereto as Exhibit "C".

"**Purchase Price**" means $15,000,000.

"**Regulatory Approval**" means any approval, consent, waiver, permit, order or exemption from any Governmental Entity having jurisdiction or authority over any Party which is required or advisable to be obtained in order to permit the transactions set out herein to be effected and "**Regulatory Approvals**" means all such approvals, consents, waivers, permits, orders or exemptions.

"**Representatives**" of any Person shall mean such Person's directors, managers, officers, employees, agents, attorneys, consultants, advisors or other Persons acting on behalf of such Person.

"**Retail Licensing Agreement**" means the retail licensing agreement between the Licensor, Trans- High Corporation and NewCo, attached hereto as Exhibit "B".

"**RWB Board**" has the meaning ascribed thereto in the recitals.

"**RWB Public Documents**" has the meaning ascribed thereto in Section 3.04(d).

"**RWB Shares**" means common shares in the authorized share structure of the Purchaser.

"**Securities Authorities**" means, collectively, the applicable securities regulatory authorities in the provinces and territories of Canada, as the context requires.

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

"**Top-Up Special Warrants**" means the top-up special warrants of the Purchaser that accompany the Consideration Shares upon completion of the Amalgamation and which are automatically exercisable into RWB Shares in the circumstances set forth in Section 5.01(b).

"**Top-Up Special Warrant Shares**" has the meaning ascribed thereto in Section 5.01(b).

"**VWAP Period**" has the meaning ascribed thereto in Section 5.01(b).

1.02 General

(i) Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Agreement and the exhibits attached hereto and not to any particular article, section or other portion hereof and include any agreement, exhibit, schedule or instrument supplementary or ancillary hereto or thereto.

(ii) Number, Gender and Persons

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter, and the word Person and all words importing Persons shall include a natural

person, firm, trust, partnership, association, corporation, joint venture or government (including any Governmental Entity, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

(iii) Date for any Action

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

(iv) Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

(v) Currency

Unless otherwise stated, all references in this Agreement to amounts of money are expressed in lawful money of the United States, and "$" refers to United States dollars.

(vi) Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the Parties waive any provision of Law that renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The Parties will engage in good faith negotiations to replace any provision hereof or any part thereof that is declared invalid or unenforceable with a valid and enforceable provision or part thereof, so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

(vii) Knowledge

In this Agreement, any reference to the knowledge of any Party means to the best of the knowledge, information and belief of the Party after making reasonable investigation regarding the relevant matter.***(viii) Exhibits***

The following exhibits are attached to, and are deemed to be incorporated into and form part of, this Agreement:

Exhibit	**Matter**
Exhibit "A"	Amalgamation Agreement
Exhibit "B"	Retail Licensing Agreement
Exhibit "C"	Product Licensing Agreement

ARTICLE 2
THE AMALGAMATION

2.01 Amalgamation

(a) The Seller and the Purchaser agree that the Amalgamation will be implemented in accordance with and subject to the terms and conditions contained in this Agreement and as more fully set forth in the Amalgamation Agreement, including, without limitation, as follows:

(i) At the Effective Time, AcquireCo and NewCo shall be amalgamated and shall continue as one company, being Amalco, pursuant to the provisions of Section 279 of the BCBCA.

(ii) At the Effective Time:

(A) each of the NewCo Shares issued and outstanding immediately prior to the Effective Time shall be exchanged by the Seller for one (1) fully paid and non-assessable Consideration Share and one (1) Top- Up Special Warrant;

(B) each issued and outstanding Newco Share held by the Purchaser as a result of the exchange of Newco Shares for Consideration Shares and Top-Up Special Warrants (as herein defined) pursuant to Section 2.01(ii)(A) will be immediately exchanged for one (1) fully paid and non-assessable Amalco Shares; and

(C) each issued and outstanding AcquireCo Share held by the Purchaser will be exchanged for one (1) fully paid and non-assessable Amalco Share.

(b) The Seller agrees that 4,500,000 of the Consideration Shares issuable to the Seller on the Effective Date (the "**Locked-Up Shares**") will be subject to a contractual restriction on resale (the "**Lock-Up Restriction**"), pursuant to which the Seller will agree not to sell, deal in, assign, transfer in any manner whatsoever, or agree to sell,

deal in, assign or transfer in any manner whatsoever any of the Locked-Up Shares so issued for a period of 60 days from and including the Effective Date, except as may be required by reason of the dissolution or bankruptcy of the Seller, until released in accordance with the terms of the Lock-Up Agreement. The Seller further acknowledges and agrees that the Locked-Up Shares will bear legends reflecting the Lock-Up Restriction.

(c) Fractional Consideration Shares will not be issued under the Amalgamation, and no cash payment or other form of consideration will be payable in lieu thereof. Where the aggregate number of Consideration Shares to be issued to the Seller under the Amalgamation would result in a fraction of a Consideration Share being issuable, the number of Consideration Shares to be issued to the Seller will be rounded down to the next whole number.

2.02 Effecting the Amalgamation

The Parties agree to effect the Amalgamation under the BCBCA pursuant to the terms and conditions set out in this Agreement and the Amalgamation Agreement. On or before the date immediately prior to the Effective Date, the Amalgamation Affidavits shall be deposited at the records office of AcquireCo and NewCo, respectively, and AcquireCo and NewCo shall jointly complete and file the Amalgamation Application with the Registrar of Companies and deliver such other documents as may be required to give effect to the Amalgamation.

2.03 Announcements and Shareholder Communications

No Party shall issue any press release or otherwise make public announcements with respect to this Agreement, the Amalgamation or the transactions contemplated hereby without the consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed); provided, however, that the foregoing shall be subject to the Purchaser's overriding obligation to make any disclosure required under applicable Law.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties Relating to the Licensor

The Licensor represents and warrants to the Purchaser that:

(a) the Licensor has been duly incorporated or formed under the applicable laws of its jurisdiction of incorporation or formation, is validly existing and has all necessary corporate power, authority, and capacity to own its property and assets and to carry on its business as currently owned and conducted;

(b) the Licensor has full right, power and authority to enter into this Agreement;

(c) the Licensor has full right, power and authority to enter into the Hightimes Licensing Agreements and to complete the transactions contemplated thereunder, in particular to grant the rights and licenses granted thereunder;

(d) this Agreement constitutes a valid and legally binding obligation of the Licensor, enforceable against the Licensor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court;

(e) the Hightimes Licensing Agreements constitute valid and legally binding obligations of the Licensor, enforceable against the Licensor in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court; and

(f) to the Licensor's knowledge, any practice or other use by NewCo of the NewCo Intellectual Property Rights as granted by Licensor under the Hightimes Licensing Agreements will not violate, misappropriate or otherwise infringe the Intellectual Property Rights or other rights of any third party.

3.02 Representations and Warranties Relating to the Seller

The Seller represents and warrants to the Purchaser that:

(a) the Seller has been duly incorporated or formed under the applicable laws of its jurisdiction of incorporation or formation, is validly existing and has all necessary corporate power, authority, and capacity to own its property and assets and to carry on its business as currently owned and conducted;

(b) the Seller is the legal and beneficial owner of the NewCo Shares free and clear of all Encumbrances;

(c) the Seller has full right, power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;

(d) this Agreement constitutes a valid and legally binding obligation of the Seller, enforceable against the Seller in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court;

(e) there is no contract, option or any other right of another party binding upon or which at any time in the future may become binding upon the Seller to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the NewCo Shares other than pursuant to the provisions of this Agreement; and

(f) to the Seller's knowledge, neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated by this Agreement will result in the violation of:

(i) any contract (written or oral) or other instrument to which the Seller is a party or by which the Seller is bound, or

(ii) any Laws in respect of which the Seller must comply.

3.03 Representations and Warranties Relating to NewCo

The Seller and NewCo jointly and severally represent and warrant to the Purchaser that:

(a) NewCo has been duly incorporated or formed under the applicable laws of its jurisdiction of incorporation or formation, is validly existing and has all necessary corporate power, authority, and capacity to own its property and assets and to carry on its business as currently owned and conducted;

(b) NewCo has full right, power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;

(c) NewCo has full right, power and authority to enter into the Hightimes Licensing Agreements and to complete the transactions contemplated thereunder;

(d) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder and thereunder have been properly authorized by all necessary corporate action on the part of NewCo;

(e) this Agreement constitutes a valid and legally binding obligation of NewCo, enforceable against NewCo in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court;

(f) the Hightimes Licensing Agreements constitute valid and legally binding obligations of NewCo, enforceable against Newco in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court;

(g) there is no action or proceeding pending or threatened against it before any court, administrative body or other tribunal which would have an adverse material effect on its ability to perform its obligations hereunder or under the Hightimes Licensing Agreements;

(h) as of the Effective Date, NewCo has not been and it is not currently subject to any bankruptcy event or insolvency, liquidation or dissolution for the benefit of its creditors or otherwise and NewCo is able to satisfy its liabilities as they become due;

(i) to NewCo's knowledge, neither the entering into and the delivery of this Agreement or the Hightimes Licensing Agreements, nor the completion of the transactions contemplated by this Agreement or the Hightimes Licensing Agreements will result in the violation of:

(i) any contract (written or oral) or other instrument to which NewCo is a party or by which NewCo is bound, or

(ii) any Laws in respect of which NewCo must comply;

(j) to NewCo's knowledge and belief, NewCo has all necessary rights in and to the NewCo Intellectual Property Rights to practice the NewCo Intellectual Property Rights; and

(k) to NewCo's knowledge and belief, any practice or other use of the NewCo Intellectual Property Rights as contemplated by the Hightimes Licensing Agreements will not violate, misappropriate or otherwise infringe the Intellectual Property Rights or other rights of any third party.

OTHER THAN AS SPECIFICALLY EXPRESSED IN THIS AGREEMENT, NEWCO MAKES NO REPRESENTATIONS, CONDITIONS, OR WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE NEWCO INTELELCTUAL PROPERTY RIGHTS. ALL NEWCO INTELLECTUAL PROPERTY RIGHTS WERE MADE AVAILABLE TO NEWCO BY THE PRODUCT LICENSING AGREEMENT AND THE RETAIL LICENSING AGREEMENT STRICTLY ON AN "AS IS" BASIS. NEWCO SPECIFICALLY DISCLAIMS, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTY, CONDITION, OR REPRESENTATION THAT THE SUBJECT MATTER OF THE NEWCO INTELLECTUAL PROPERTY RIGHTS RESPONDS TO A PARTICULAR DESCRIPTION, IS OF MERCHANTABLE QUALTY, IS FIT FOR A PARTICULAR PURPOSE OR IS DURABLE FOR A REASONABLE PERIOD OF TIME.

3.04 Representations and Warranties Relating to the Purchaser

The Purchaser represents and warrants to the Seller that:

(a) each of the Purchaser and AcquireCo has been duly incorporated or formed under the applicable Laws of its jurisdiction of incorporation or formation, is validly existing and has all necessary corporate power and capacity to own its property and assets and to carry on its business as currently owned and conducted;

(b) the authorized share structure of the Purchaser consists of an unlimited number of RWB Shares, of which there are 132,807,686 issued and outstanding on the date hereof; an unlimited number of preferred shares, of which there are nil issued and outstanding on the date hereof; an unlimited number of Series 1 convertible preferred shares, of which there are 3,181,250 issued and outstanding on the date hereof; and an unlimited number of Series 2 convertible preferred shares, of which there are 108,726,349 issued and outstanding on the date hereof.

(c) The Consideration Shares to be issued pursuant to the Acquisition will be, upon issuance, validly issued as fully paid and non-assessable shares.

(d) to the knowledge of the Purchaser, the Purchaser has filed all documents or information required to be filed by it under Applicable Securities Laws since January 1, 2019 (the "**RWB Public Documents**"). None of the RWB Public Documents, as of their respective dates, 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. All of the RWB Public Documents, as of their respective dates (and as of the dates of any amendments thereto), complied as to both form and content in all material respects with the requirements of Applicable Securities Laws or were amended on a timely basis to correct deficiencies identified by Securities Authorities or similar securities regulatory authorities. All of the RWB Public Documents are publicly available on SEDAR. RWB has not filed any confidential material change report with any securities regulatory authority that at the date hereof remains confidential;

(e) the Purchaser is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the CSE. The Purchaser is not subject to any cease trade or other order of the CSE, any Securities Authority, and, to the knowledge of the Purchaser, no investigation or other proceedings involving RWB that may operate to prevent or restrict trading of any securities of RWB are currently in progress or pending before the CSE or any Securities Authority;

(f) the Purchaser is a reporting issuer not in default under the securities laws of the Provinces of Ontario and British Columbia;

(g) except with respect to the Locked-Up Shares which shall be subject to the terms and restrictions on disposition set forth in the Lock-Up Agreement and following the resumption of trading of the RWB Shares on the CSE on June 5, 2020, the RWB Shares to be issued in connection with the transactions contemplated herein (which, for the avoidance of doubt, includes the Consideration Shares and the Top-Up Special Warrant Shares, if any) will be listed and posted for trading on the CSE and will not be subject to any escrow, statutory hold or restricted period under Applicable Securities Laws;

(h) the Purchaser and AcquireCo and all current directors and officers of each in the course of their respective duties, is, and at all times has been, in compliance with all applicable Laws in all material respects, applicable to the Purchaser's and AcquireCo's business, affairs and operations other than the Controlled Substances Act (CSA) (21 U.S.C. 811) and other federal laws in the United States that make cannabis illegal;

(i) the Purchaser has good and sufficient power and capacity to enter into and deliver this Agreement and to complete the transactions contemplated by this Agreement;

(j) this Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court;

(k) neither the Purchaser nor AcquireCo has committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any person holding any Encumbrance or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it. Neither the Purchaser nor AcquireCo is an "insolvent person" within the meaning of the *Bankruptcy and Insolvency Act* (Canada); and

(l) to the Purchaser's knowledge, neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Purchaser, will result in a violation of:

(i) the Purchaser's or AcquireCo's notice of articles, articles or other charter documents;

(ii) any contract (written or oral) or other instrument to which the Purchaser or AcquireCo is a party or by which the Purchaser or AcquireCo is bound, or

(iii) any applicable Law in respect of which the Purchaser or AcquireCo must comply other than the Controlled Substances Act (CSA) (21 U.S.C. 811) and other federal laws in the United States that make cannabis illegal;

(iv) give rise to any right of termination, amendment, acceleration or cancellation of indebtedness of the Purchaser or AcquireCo, or cause any such indebtedness to come due before its stated maturity, or cause any available credit of the Purchaser or AcquireCo to cease to be available, or cause any security interest in any assets of the Purchaser or AcquireCo to become enforceable or realizable;

(v) give rise to any rights of first refusal or trigger any change in control provisions or any restriction or limitation under any such note, bond, mortgage, indenture, contract, agreement or government grant; or

(vi) result in the imposition of any Encumbrance upon any assets of the Purchaser or AcquireCo.

ARTICLE 4
CLOSING & CLOSING DELIVERABLES

4.01 Closing

Upon the terms and subject to the conditions set forth in this Agreement, the Closing shall take place on June 10, 2020 via electronic exchange or at the offices of Borden Ladner Gervais LLP, located at Bay Adelaide Centre, East Tower, 22 Adelaide Street West, Suite 3400, Toronto, Ontario M5H 4E3 at 12:01 a.m. (Vancouver time) or at such other time, date or place as the parties hereto shall agree in writing. Such date is herein referred to as the "**Closing Date**".

4.02 Closing Conditions and Deliverables

(a) At the Closing, the Seller shall deliver or cause to be delivered to the Purchaser:

(i) an officer's certificate of the Licensor certifying and attaching (i) a certified copy of the certificate of formation, as amended, of the Seller, dated no earlier than five (5) days prior to the date hereof, and stating that no amendments have been made to such certificate of incorporation since such date, (ii) resolutions of the Licensor approving the transactions contemplated by this Agreement or any other documents in connection therewith, and (iii) incumbency signatures of the officers signing this Agreement or any other documents in connection therewith on behalf of the Licensor;

(ii) an officer's certificate of the Seller certifying and attaching (i) a certified copy of the certificate of formation, as amended, of the Seller, dated no earlier than five (5) days prior to the date hereof, and stating that no amendments have been made to such certificate of incorporation since such date, (ii) resolutions of the Seller approving the transactions contemplated by this Agreement or any other documents in connection therewith, and (iii) incumbency signatures of the officers signing this Agreement or any other documents in connection therewith on behalf of the Seller;

(iii) an officer's certificate of NewCo certifying and attaching (i) a certified copy of the notice of articles and articles of NewCo, dated no earlier than five (5) days prior to the date hereof, and stating that no amendments have been made to such constating documents since such date, (ii) resolutions of NewCo approving the transactions contemplated by this Agreement or any other documents in connection therewith, and (iii) incumbency signatures of the officers signing this Agreement or any other documents in connection therewith on behalf of NewCo;

(iv) an officer's certificate of each of the Licensor, the Seller and NewCo certifying that each of the Licensor, the Seller and NewCo have complied and performed, in all material respects, all of its covenants and other obligations under this Agreement which have not been waived by the Purchaser and that all representations and warranties of each of the

Licensor, the Seller and NewCo contained in this Agreement are true and correct in all material respects as of the Closing;

(v) certificates of good standing (or the equivalent thereof) for the Licensor, the Seller and Newco in each entity's jurisdiction of organization;

(vi) an executed copy of the Lock-Up Agreement by the Seller;

(vii) executed copies of the Amalgamation Affidavit, the Amalgamation Application and the Amalgamation Agreement by NewCo in form and substance satisfactory to the Purchaser, acting reasonably; and

(viii) executed copies of the Hightimes Licensing Agreements.

If any of the above conditions shall not have been complied with or waived by the Purchaser, then the Purchaser 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 Purchaser or AcquireCo. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by the Purchaser or AcquireCo of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, the Purchaser may not rely on such failure as a basis for its own noncompliance with its obligations under this Agreement.

(b) At the Closing, the Purchaser shall deliver or cause to be delivered to the Seller:

(i) an officer's certificate of the Purchaser certifying and attaching (i) a certified copy of the notice of articles and articles of the Purchaser, dated no earlier than five (5) days prior to the date hereof, and stating that no amendments have been made to such constating documents since such date, (ii) resolutions of the RWB Board approving the transactions contemplated by this Agreement or any other documents in connection therewith, and (iii) incumbency signatures of the officers signing this Agreement or any other documents in connection therewith on behalf of the Purchaser;

(ii) an officer's certificate of each of the Purchaser and AcquireCo certifying that each of the Purchaser and AcquireCo have complied and performed, in all material respects, all of its covenants and other obligations under this Agreement which have not been waived by the Purchaser and that all representations and warranties of each of the Purchaser and AcquireCo contained in this Agreement are true and correct in all material respects as of the Closing;

(iii) certificates of good standing for the Purchaser and AcquireCo issued by the Registrar of Companies under the BCBCA;

(iv) evidence that the CSE shall have approved the listing thereon of the Consideration Shares to be issued pursuant to the Amalgamation as of the Effective Date and the Top-Up Special Warrant Shares after the exercise of the Top-Up Special Warrants in accordance with their terms, subject only to the satisfaction of customary listing conditions of the CSE, and the CSE shall have, if required, accepted notice for filing of all transactions of the Parties contemplated herein or necessary to complete the Amalgamation, subject only to compliance with the usual requirements of the CSE;

(v) executed copies of the Amalgamation Affidavit, the Amalgamation Application and the Amalgamation Agreement by AcquireCo, in form and substance satisfactory to the Seller, acting reasonably;

(vi) an executed copy of the certificate representing the Top-Up Special Warrants, in form and substance satisfactory to the Seller, acting reasonably; and

(vii) a legal opinion of counsel to the Purchaser, in form and substance satisfactory to the Seller, acting reasonably (it being understood that such counsel may rely to the extent appropriate in the circumstance: (i) as to matters of fact, on certificates of the Purchaser executed on its behalf by a senior officer of the Purchaser; and (ii) on certificates of public officials), to the effect that (subject to usual and customary assumptions and qualifications) the first trade of the Consideration Shares and the Top-Up Special Warrant Shares upon exercise of the Top-Up Special Warrants in accordance with their terms will be exempt from the prospectus requirements under the Applicable Securities Laws, subject to the conditions set out in Section 2.6 of National Instrument 45-102 – *Resale of Securities.*

If any of the above conditions shall not have been complied with or waived by the Seller, then the Seller 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 Licensor, the Seller or NewCo. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by the Licensor, the Seller or NewCo of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, the Seller may not rely on such failure as a basis for its own noncompliance with its obligations under this Agreement.

(c) The respective obligations of the Parties hereto 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:

(i) there shall be no taken under any applicable Law or by any Governmental Entity and there shall not be in force any order or decree restraining or enjoining the consummation of the Amalgamation;

(ii) this Agreement shall not have been terminated pursuant to Article 7;

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

(iv) each Party shall not have entered into any transaction or contract which would have a material effect on the financial or 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.

If any of the above conditions shall not have been complied with or waived before the Closing Date 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 may shall not rely on such failure as a basis for its own noncompliance with its obligations under this Agreement.

ARTICLE 5
COVENANTS

5.01 Covenants of the Purchaser

(a) In a timely and expeditious manner, the Purchaser shall take all such actions and do all such acts and things as are specified in the Amalgamation Agreement to be taken or done by the Purchaser and/or AcquireCo, as the case may be, both before and after Closing.

(b) If the volume weighted average price of the RWB Shares on the CSE or other recognized stock exchange or quotation system for the first 180 days following the Effective Date (such 180 day period, the "**VWAP Period**") is less than CAD$1.50, then the Top-Up Special Warrants shall automatically be exercisable into an additional 4,500,000 RWB Shares in the aggregate (the "**Top-Up Special Warrant Shares**") on the first business day following the completion of the VWAP Period.

(c) RWB covenants and agrees that it shall use commercially reasonable efforts to maintain the listing of the RWB Shares on the CSE for a period of at least 12 months from the Effective Date.

(d) Each of the Purchaser and AcquireCo acknowledge that it is in possession of Confidential Material concerning the Seller and its affiliates and their respective businesses and operations. Each of the Purchaser and AcquireCo shall, and shall cause their affiliates and Representatives to, treat confidentially and not disclose all or any portion of such Confidential Material and will use such Confidential Material solely for the purpose of consummating the transactions contemplated by this Agreement and for no other purpose; provided, that the Purchaser and AcquireCo may also use the Confidential Material for the purpose of operating their respective business in the ordinary course. Each of the Purchaser and AcquireCo acknowledge and agree that such Confidential Material is proprietary and confidential in nature and may be disclosed to their Representatives only to the extent necessary for the Purchaser to consummate the transactions contemplated by this Agreement (it being understood that Purchaser shall be responsible for any disclosure by any such Representative not permitted by this Agreement). If the Purchaser or AcquireCo or any of their affiliates or Representatives are requested or required to disclose (after the Purchaser has used its commercially reasonable efforts to avoid such disclosure and after promptly advising and consulting with the Seller about the Purchaser's intention to make, and the proposed contents of, such disclosure) any of the Confidential Material (whether by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process), the Purchaser shall, or shall cause such affiliate or Representative, to provide the Seller with prompt written notice of such request so that the Seller may seek an appropriate protective order or other appropriate remedy. At any time that such protective order or remedy has not been obtained, the Purchaser or such affiliate or Representative may disclose only that portion of the Confidential Material which such Person is legally required to disclose or of which disclosure is required to avoid sanction for contempt or any similar sanction, and the Purchaser shall exercise its commercially reasonable efforts to obtain assurance that confidential treatment will be accorded to such Confidential Material so disclosed.

(e) Except as required by law or as otherwise expressly permitted or specifically contemplated by this Agreement, the Purchaser shall during the period from the date of this Agreement until the earlier of the Effective Time or the time that this Agreement is terminated by its terms, unless the Seller shall otherwise agree in writing, conduct business in, and not take any action except in, the usual and ordinary course of business, and it shall use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships and it shall not, without the prior written consent of the Seller, 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 Seller.

5.02 Covenants of the Licensor, the Seller and NewCo

(a) In a timely and expeditious manner, the Seller shall take all such actions and do all such acts and things as are specified in the Amalgamation Agreement to be taken or done by the Seller and/or NewCo, as the case may be, both before and after Closing.

(b) Each of the Licensor, the Seller and NewCo acknowledge that it is in possession of Confidential Material concerning the Purchaser and its affiliates and their respective businesses and operations. Each of Licensor, the Seller and NewCo shall, and shall cause their affiliates and Representatives to, treat confidentially and not disclose all or any portion of such Confidential Material and will use such Confidential Material solely for the purpose of consummating the transactions contemplated by this Agreement and for no other purpose. Each of Licensor, the Seller and NewCo acknowledge and agree that such Confidential Material is proprietary and confidential in nature and may be disclosed to their Representatives only to the extent necessary for Licensor, the Seller and NewCo to consummate the transactions contemplated by this Agreement (it being understood that the Licensor, the Seller and NewCo shall be responsible for any disclosure by any such Representative not permitted by this Agreement). If the Licensor, the Seller and NewCo or any of their affiliates or Representatives are requested or required to disclose (after the Licensor, the Seller and NewCo has used its commercially reasonable efforts to avoid such disclosure and after promptly advising and consulting with the Purchaser about the Seller's intention to make, and the proposed contents of, such disclosure) any of the Confidential Material (whether by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process), the Seller shall, or shall cause such affiliate or Representative, to provide the Purchaser with prompt written notice of such request so that the Purchaser may seek an appropriate protective order or other appropriate remedy. At any time that such protective order or remedy has not been obtained, the Seller or such affiliate or Representative may disclose only that portion of the Confidential Material which such Person is legally required to disclose or of which disclosure is required to avoid sanction for contempt or any similar sanction, and the Seller shall exercise its commercially reasonable efforts to obtain assurance that confidential treatment will be accorded to such Confidential Material so disclosed.

(c) Except as required by law or as otherwise expressly permitted or specifically contemplated by this Agreement, NewCo shall during the period from the date of this Agreement until the earlier of the Effective Time or the time that this Agreement is terminated by its terms, unless the Purchaser shall otherwise agree in writing, conduct business in, and not take any action except in, the usual and ordinary course of business, and it shall use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships and it shall not, without the prior written

consent of the Purchaser, 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 Purchaser.

5.03 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Amalgamation Agreement.

ARTICLE 6
INDEMNIFICATION

6.01 Indemnification

(a) The Purchaser shall indemnify, defend, and hold the Licensor, the Seller and NewCo, and their respective officers, directors, agents, contractors, employees, successors, and permitted assigns harmless from and against from and against any and all damages, costs, expenses, and losses arising from or relating to any claim arising from the Purchaser's breach of Section **Error! Reference source not found.** or breach the representations and warranties of the Purchaser contained in Section 3.04. This provision shall survive the expiry or termination of this Agreement.

(b) The Seller shall indemnify, defend, and hold the Purchaser and AcquireCo, and their respective officers, directors, agents, contractors, employees, successors, and permitted assigns harmless from and against from and against any and all damages, costs, expenses, and losses arising from or relating to any claim arising from the Seller's breach of Section **Error! Reference source not found.** or breach of the representations and warranties of the Licensor, the Seller and NewCo contained in Sections 3.01, 3.02 and 3.03. This provision shall survive the expiry or termination of this Agreement.

ARTICLE 7
TERMINATION

7.01 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 4.02 (a), (b) and (c) of this Agreement; or

(c) by any Party if the Effective Time shall not have occurred on or before the Completion Deadline, except that the right to terminate this Agreement under this Section 7.01(c) shall not be available to any Party whose failure to fulfill any of its obligations or whose breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, directly or indirectly, the failure of the Effective Time to occur by such Completion Deadline.

7.02 Effect of Termination

In the event of the termination of this Agreement as provided in Section 7.01 hereof, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of the Parties hereunder except as set forth in this Section 7.02, in addition to sections 5.01(d) and 5.02(c) all of which shall survive the termination of this Agreement. For the avoidance of doubt, nothing contained in this Section 7.02 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.

ARTICLE 8
ENTIRE AGREEMENT

This Agreement together with the Amalgamation Agreement sets forth the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes any and all prior discussions, negotiations, letters of intent or agreements in principle between the Parties.

ARTICLE 9
BINDING EFFECT; NO THIRD PARTY BENEFICIARIES

This Agreement shall be binding upon and shall enure to the exclusive benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns and nothing in this Agreement, express or implied, is intended to, nor shall it, confer in any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

ARTICLE 10
AMENDMENT

No amendment to this Agreement may be made unless agreed to by the Parties in writing.

ARTICLE 11
ASSIGNABILITY

No Party shall sell, pledge, assign or otherwise transfer its rights under this Agreement without the prior written consent of the other Party and any attempt to do so shall be void.

ARTICLE 12
WAIVER

No failure or delay by the Purchaser or the Seller in exercising any right under this Agreement or any partial exercise of any right shall operate as a waiver of such right or preclude any other or further exercise of any right under this Agreement, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

ARTICLE 13
GOVERNING LAW

This Agreement is and shall be deemed to be a contract entered into and made pursuant to the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein and shall in all respects be governed, construed, applied and enforced in accordance with said Laws.

ARTICLE 14
TIME OF THE ESSENCE

Time is of the essence in this Agreement.

ARTICLE 15
COUNTERPARTS AND DELIVERY

This Agreement may be executed in counterparts, each of which will be deemed to be an original and both of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed signature page to this Agreement by either Party by facsimile or by PDF via electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such Party.

ARTICLE 16
EXPENSES

All costs and expenses incurred in connection with this Agreement and each other agreement, document and instrument contemplated by this Agreement and the transactions contemplated by this Agreement and each other agreement, document or instrument contemplated by this Agreement shall be paid by the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

RED WHITE & BLOOM BRANDS INC.

Per: "Brad Rogers"
Name: Brad Rogers
Title: Chief Executive Officer

HT RETAIL LICENSING, LLC

Per: "Adam E. Levin"
Name: Adam E. Levin
Title: Executive Chairman

1252240 B.C. LTD.

Per: "Adam E. Levin"
Name: Adam E. Levin
Title: President

1251881 B.C. LTD.

Per: "Adam E. Levin"
Name: Adam E. Levin
Title: President

EXHIBIT "A"
AMALGAMATION AGREEMENT

AMALGAMATION AGREEMENT made as of the __ day of June, 2020

AMONG:	**RED WHITE & BLOOM BRANDS INC.** a company amalgamated under the laws of British Columbia having its registered office in the City of Vancouver, British Columbia (hereinafter referred to as **RWB**)
AND:	**1252034 B.C. LTD.**, a company incorporated under the laws of British Columbia having its registered office in the City of Vancouver, British Columbia (hereinafter referred to as **SubCo**)
AND:	**1251881 B.C. LTD.**, a company incorporated under the laws of the Province of British Columbia having its registered office in the City of Vancouver, British Columbia (hereinafter referred to as **NewCo**)

WHEREAS RWB was incorporated under the *Business Corporations Act* (British Columbia) on March 12, 1980;

AND WHEREAS SubCo was incorporated on June 2, 2020 pursuant to the *Business Corporations Act* (British Columbia);

AND WHEREAS SubCo is a wholly-owned subsidiary of RWB;

AND WHEREAS NewCo was incorporated on June 1, 2020 pursuant to the *Business Corporations Act* (British Columbia);

AND WHEREAS SubCo is a wholly-owned subsidiary of 1252240 B.C. Ltd. (the "**NewCo Shareholder**");

AND WHEREAS the authorized share structure of RWB consists of an (i) unlimited number of common shares without par value; (ii) an unlimited number of preferred shares; (iii) an unlimited number of Series 1 convertible preferred shares; and (iv) an unlimited number of Series 2 convertible preferred shares, of which 132,807,686 common shares, nil preferred shares, 3,181,250 Series 1 convertible preferred shares, and 198,726,349 Series 2 convertible preferred shares, are issued and outstanding as fully paid and non-assessable;

AND WHEREAS the authorized share structure of SubCo consists of an unlimited number of common shares, without par value, of which 100 common shares are issued and outstanding as fully paid and non-assessable;

AND WHEREAS the authorized share structure of NewCo consists of an unlimited number of common shares, of which ● common shares are issued and outstanding as fully paid and non- assessable;

AND WHEREAS NewCo, the NewCo Shareholder and RWB have entered into a Acquisition Agreement dated as of June ●, 2020 with respect to, among other things, the transactions contemplated herein (the "**Acquisition Agreement**");

AND WHEREAS, as contemplated in the Acquisition Agreement and subject to the conditions contained therein, SubCo and NewCo, availing themselves of Section 279 of the *Business Corporations Act* (British Columbia), wish to amalgamate on the terms and conditions set forth herein;

AND WHEREAS there are reasonable grounds to believe that (i) Amalco (as defined below) will be able to pay its liabilities as they become due; and (ii) no creditor will be prejudiced by the Amalgamation;

NOW THEREFORE this Agreement witnesses that, in consideration of the respective covenants and agreements herein contained, the parties hereto 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:

1.1.1 "**Acquisition**" has the meaning ascribed thereto in the Acquisition Agreement;

1.1.2 "**Acquisition Agreement**" has the meaning ascribed thereto in the preamble of this Agreement;

1.1.3 "**Amalco**" means the company which will continue upon the Amalgamation of the Amalgamating Corporations pursuant to the Amalgamation;

1.1.4 "**Amalco Common Shares**" (individually, an "**Amalco Common Share"**) means common shares in the authorized share structure of Amalco, having the rights, privileges, conditions and restrictions described in Appendix I hereto;

1.1.5 "**Amalgamating Corporations**" (individually, an Amalgamating Corporation) means SubCo and NewCo;

1.1.6 "**Amalgamation**" means the amalgamation of the Amalgamating Corporations under Section 279 of the BCBCA on the terms set forth in this Agreement;

1.1.7 "**Amalgamation Affidavits**" means the affidavits of a director or officer of each of SubCo and NewCo required under the provisions of Section 277 of the BCBCA;

1.1.8 "**Amalgamation Application**" means the Form 13 - Amalgamation Application prescribed by the BCBCA effecting the Amalgamation, in the form attached hereto as Appendix II, together with any changes to that application as permitted by this Agreement or as agreed to by the Amalgamating Corporations;

1.1.9 "**Amalgamation Consideration**" means ● fully-paid and non-assessable RWB Shares;

1.1.10 "**BCBCA**" means the *Business Corporations Act* (British Columbia) as now in effect and as it may be amended from time to time prior to the Effective Time;

1.1.11 "**Business Day**" means any day on which commercial banks are generally open for business in Vancouver, British Columbia other than a Saturday, a Sunday or a day observed as a holiday in Vancouver, British Columbia under applicable laws;

1.1.12 "**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Registrar of Companies in respect of the Amalgamation in accordance with Section 281 of the BCBCA;

1.1.13 "**Closing Date**" has the meaning ascribed thereto in the Acquisition Agreement;

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

1.1.15 "**Effective Time**" means 12:01 a.m. (Pacific time) on the Effective Date;

1.1.16 "**Issued Share Capital**" means the issued share capital as determined under the BCBCA;

1.1.17 "**NewCo Shareholder**" has the meaning ascribed thereto in the preamble of this Agreement;

1.1.18 "**NewCo Shares**" (individually, a "**NewCo Share"**) means the issued and outstanding common shares in the authorized share structure of NewCo;

1.1.19 "**Registrar**" means the Registrar of Companies under the BCBCA;

1.1.20 "**RWB Shares**" (individually, an "**RWB Share**") means common shares in the authorized share structure of RWB; and

1.1.21 "**Tax Act**" means the *Income Tax Act* (Canada).

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles, Sections, Schedules, Appendices and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an "Article", "Section", "Schedule" or "Appendix" followed by a number and/or a letter refer to the specified Article, Section, Schedule or Appendix of this Agreement. The terms

"this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement (including the Appendices hereto) and not to any particular Article, Section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Currency

All sums of money referred to in this Agreement are expressed in United States dollars.

1.4 Number, etc.

Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

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 hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

ARTICLE 2
AMALGAMATION

2.1 Amalgamation

Upon the conditions set out in this Agreement being satisfied or waived in accordance with the provisions of this Agreement and the Acquisition Agreement, including the adoption and approval by the shareholders of the Amalgamating Corporations of this Agreement, subject to the BCBCA:

(i) the amalgamation of the Amalgamating Corporations and their continuance as one company, Amalco, under the terms and conditions prescribed in this Agreement shall be effective and irrevocable;

(ii) the property, rights and interests of each of the Amalgamating Corporations shall continue to be the property, rights and interests of Amalco;

(iii) Amalco shall become capable immediately of exercising the functions of an incorporated company;

(iv) the shareholders of Amalco have the powers and the liability provided in the BCBCA;

(v) each shareholder of the Amalgamating Corporations is bound by this Agreement;

(vi) Amalco will be a wholly-owned subsidiary of RWB;

(vii) Amalco shall continue to be liable for the liabilities and obligations of each of the Amalgamating Corporations;

(viii) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Corporations shall be unaffected;

(ix) any legal proceeding being prosecuted or pending by or against any of the Amalgamating Corporations may be continued to be prosecuted, or its prosecution may be continued, as the case may be, by or against Amalco; and

(x) any conviction against, or ruling, order or judgment in favour of or against, any of the Amalgamating Corporations may be enforced by or against Amalco.

SubCo and NewCo hereby agree to amalgamate and to continue as one corporation effective from the Effective Time pursuant to Section 269 of the BCBCA, on the terms and conditions set forth herein and in the Acquisition Agreement.

2.2 Effect of Amalgamation

At the Effective Time on the Effective Date the Amalgamating Corporations are amalgamated and continue as one corporation under the terms and conditions prescribed in this Agreement, and the provisions of Section 282(1) of the BCBCA shall apply. The articles of Amalco shall be as set out in Appendix I hereto.

2.3 Name

The name of Amalco shall be "**[TBD before the Effective Date]**".

2.4 Registered Office

The mailing and delivery address of the registered office of Amalco shall be located at
789 West Pender Street, Suite 810, Vancouver, British Columbia
V6C 1H2.

2.5 Records Office

The mailing and delivery address of the records office of Amalco shall be located at
789 West Pender Street, Suite 810, Vancouver, British Columbia
V6C 1H2.

2.6 No Restrictions on Business

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

2.7 Share Structure

The authorized share structure of Amalco shall consist of an unlimited number of Amalco Common Shares, without nominal or par value and without any special rights or restrictions.

2.8 Articles and Notice of Articles

The Notice of Articles shall be in the form of the notice of articles forming part of the Amalgamation Application and the Articles of Amalco shall be in the form attached as Appendix I until replaced or amended in the normal manner provided for in the BCBCA.

2.9 Completion of the Amalgamation/Filing of Documents

Subject to the other provisions of this Agreement, the Amalgamation Affidavits shall be deposited at the records office of NewCo and Subco, respectively, and NewCo and Subco shall jointly complete and file the Amalgamation Application with the Registrar of Companies on the Closing Date and deliver such other documents as may be required to give effect to the Amalgamation.

ARTICLE 3
BOARD OF DIRECTORS AND OFFICERS

3.2 First Director

The initial director of Amalco will be the persons whose names and addresses are set out below:

Name	Prescribed Address
Michael Marchese	8820 Jane Street, Concord, Ontario L4K2M9

Such director shall hold office until the first annual meeting of shareholders of Amalco or until his successor is duly elected or appointed.

3.1 Officer

Until changed by the director of Amalco, the initial officer of Amalco shall be as follows:

Name	Office
Michael Marchese	President

ARTICLE 4
AMALGAMATING EVENTS

4.1 Treatment of Issued Shares

The following will occur and will be deemed to occur in the order set out below at the Effective Time without any further authorization, act or formality:

4.1.1 Each issued and outstanding NewCo Share shall be exchanged by the holder thereof for one fully paid and non-assessable RWB Share, entries will be made in the central securities register of NewCo to reflect the transfer of such NewCo Share to RWB, and entries will be made in the central securities register of RWB to reflect the issuance of each such RWB Share;

4.1.2 Each issued and outstanding NewCo Share held by RWB as a result of the exchange of NewCo Shares for RWB Shares pursuant to Section 4.1.2 of this Agreement will be immediately exchanged for one (1) fully paid and non-assessable Amalco Common Share; and

4.1.3 Each issued and outstanding SubCo Share held by RWB will be exchanged for one (1) fully paid Amalco Common Share.

4.2 Amalco Capital

Pursuant to Section 73 of the BCBCA, at the Effective Time, the capital of Amalco in relation to the Amalco Common shares that are issued pursuant to Section 4.1 of this Agreement will be the total of (i) the capital, determined immediately before the Effective Time, of all of the issued and outstanding NewCo Shares which are exchanged for RWB Shares pursuant to Section 4.1.1, and (ii) the capital, determined immediately before the Effective Time, of the issued and outstanding SubCo Shares which are exchanged for Amalco Shares pursuant to Section 4.1.3.

4.3 RWB Capital

Pursuant to Section 73 of the Act, at the Effective Time, the capital of RWB in relation to the RWB Shares that are issued pursuant to Section 4.1 of this Agreement will be the total capital, determined immediately prior to the Effective Time, of the issued and outstanding NewCo Shares which are exchanged for RWB Shares pursuant to Section 4.1.1.

ARTICLE 5
COVENANTS

5.1 Covenants of NewCo

NewCo covenants and agrees with SubCo and RWB that it will:

(i) use reasonable commercial efforts to obtain the approval of the holders of NewCo Shares authorizing the Amalgamation, this Agreement and the transactions contemplated hereby in accordance with the BCBCA;

(ii) use reasonable efforts to cause each of the conditions precedent set forth in Sections 7.1 and 7.3 hereof to be complied with; and

(iii) subject to the approval of the shareholders of NewCo and SubCo being obtained for the completion of the Amalgamation and subject to all applicable regulatory approvals being obtained, thereafter jointly file with SubCo the Amalgamation Application with the Registrar and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

5.2 Covenants of RWB

RWB covenants and agrees with NewCo that it will:

(i) sign a resolution as sole shareholder of SubCo in favour of the approval of the Amalgamation, this Agreement and the transactions contemplated hereby in accordance with the BCBCA;

(ii) use reasonable efforts to cause each of the conditions precedent set forth in Sections 7.1 and 7.2 hereof to be complied with; and

(iii) subject to the approval of the holders of NewCo Shares being obtained for the completion of the Amalgamation, and the obtaining of all applicable regulatory approvals and the issuance of the Certificate of Amalgamation, issue that number of RWB Shares as required by Section 4.1.1 hereof.

5.3 Covenants of Subco

Subco covenants and agrees with NewCo that it will not from the date of execution hereof to the Closing Date, except with the prior written consent of NewCo, conduct any business which would prevent SubCo or Amalco from performing any of their respective obligations hereunder.

5.4 Further Covenants of Subco

SubCo further covenants and agrees with NewCo that it will:

(i) use its best efforts to cause each of the conditions precedent set forth in Section 7.1 hereof to be complied with; and

(ii) subject to the approval of the holders of NewCo Shares and the sole shareholder of SubCo being obtained and subject to the obtaining of all applicable regulatory approvals, thereafter jointly file with NewCo the Amalgamation Application with the Registrar and such other documents as

may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

6.1 Representation and Warranty of RWB

RWB hereby represents and warrants to and in favour of NewCo and acknowledges that NewCo is relying upon such representation and warranty, that RWB is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against RWB in accordance with its terms.

6.2 Representation and Warranty of NewCo

NewCo hereby represents and warrants to and in favour of RWB and SubCo, and acknowledges that RWB and SubCo are relying upon such representation and warranty, that NewCo is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against NewCo in accordance with its terms.

6.3 Representation and Warranty of SubCo

SubCo hereby represents and warrants to and in favour of NewCo, and acknowledges that NewCo is relying upon such representations and warranty, that SubCo is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against SubCo in accordance with its terms.

ARTICLE 7
CONDITIONS PRECEDENT

7.1 General Conditions Precedent

The respective obligations of the parties hereto to consummate the transactions contemplated hereby, and in particular the Amalgamation, are subject to the satisfaction, on or before the Closing Date, of the following conditions, any of which may be waived by the consent of each of the parties without prejudice to their rights to rely on any other or others of such conditions:

(i) this Agreement and the transactions contemplated hereby, including, in particular, the Amalgamation, shall be approved by the sole shareholder of SubCo and by the sole shareholder of NewCo in accordance with the BCBCA;

(ii) all the conditions required to close the Amalgamation set out herein and in the Acquistion Agreement being met or waived; and

(iii) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation, the Amalgamation.

7.2 Conditions to Obligations of RWB and SubCo

The obligations of RWB and SubCo to consummate the transactions contemplated hereby and in particular the issue of the RWB Shares and the Amalgamation, as the case may be, are subject to the satisfaction, on or before the Closing Date, of the conditions for the benefit of RWB set forth in the Acquisition Agreement governing the terms and conditions of the Acquisition and of the following conditions:

(i) the acts of NewCo to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by it and there shall have been no material adverse change in the financial condition or business of NewCo, taken as a whole, from and after the date hereof; and

(ii) RWB and SubCo shall have received a certificate from a senior officer of NewCo confirming that the conditions set forth in Section 7.2(i) hereof have been satisfied.

The conditions described above are for the exclusive benefit of RWB and SubCo and may be asserted by RWB and SubCo regardless of the circumstances or may be waived by RWB and SubCo in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which RWB and SubCo may have.

7.3 Conditions to Obligations of NewCo

The obligations of NewCo to consummate the transactions contemplated hereby and in particular the Amalgamation are subject to the satisfaction, on or before the Closing Date, of the conditions for the benefit of NewCo set forth in the Acquisition Agreement governing the terms and conditions of the Acquisition and of the following conditions:

(i) each of the acts of RWB and SubCo to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by them and there shall have been no material adverse change in the financial condition or business of RWB or SubCo, taken as a whole, from and after the date hereof; and

(ii) NewCo shall have received a certificate from a senior officer of RWB and SubCo confirming that the conditions set forth in Section 7.3(a) hereof have been satisfied.

The conditions described above are for the exclusive benefit of NewCo and may be asserted by NewCo regardless of the circumstances or may be waived by NewCo in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which NewCo may have.

ARTICLE 8
TERMINATION

8.1 Termination

This Agreement may be terminated by the board of directors of either Amalgamating Corporation notwithstanding the approval of this Agreement by the shareholders of both or either of the Amalgamating Corporations, at any time before the endorsement of a Certificate of Amalgamation under the BCBCA.

ARTICLE 9
GENERAL

9.1 Cooperation / Further Assurances

Each of the parties hereto agrees to cooperate in good faith and to take all reasonable steps and actions after the date hereof, as are not adverse to the party requested to take any such step or action, to complete the Amalgamation and the other transactions contemplated hereby. Each party hereto shall, from time to time, and at all times hereafter, at the request of another 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, carry out or better evidence the terms and intent hereof.

9.2 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the
Province of British Columbia and the federal laws of Canada applicable therein.

9.3 Forum; Jurisdiction

The parties hereby submit to the non-exclusive jurisdiction of the competent court in the judicial district of Vancouver, Province of British Columbia for any dispute, disagreement, controversy or claim arising out of or in connection with the transactions contemplated by this Agreement.

9.4 Counterparts

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 be deemed to constitute one and the same instrument.

9.5 Time

Time shall be of the essence of this Agreement.

9.6 Amendments

This Agreement may not be modified, amended, altered or supplemented except in the manner contemplated herein and upon the execution and delivery of a written agreement executed by all parties.

9.7 Electronic Delivery

Delivery of this Agreement by email or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

[**Signature Page Follows**]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

RED WHITE & BLOOM BRANDS INC.

Per: _____
Name:
Title:

1251881 B.C. LTD.

Per: _____
Name:
Title:

1252034 B.C. LTD.

Per: _____

Name:

Title:

APPENDIX I
TO THE AMALGAMATION AGREEMENT
ARTICLES OF AMALCO

Attached.

APPENDIX II

TO THE AMALGAMATION AGREEMENT

FORM 13 - AMALGAMATION APPLICATION

Attached.

EXHIBIT "B"

RETAIL LICENSING AGREEMENT

Attached.

RETAIL LICENSE AGREEMENT

THIS RETAIL LICENSE AGREEMENT ("**Agreement**") is made and entered into this 4th day of June 2020 by and among **HT Retail Licensing, LLC**, a Delaware limited liability company ("Licensor"); **Trans-High Corporation**, a New York corporation ("Trans-High"), and 1**251881 BC Ltd.**, a corporation incorporated under the laws of British Columbia ("Licensee"), (together, the "Parties").

BASIC TERMS

A. **Effective Date:** The date of execution of this Agreement by the Parties.

B. **Licensor**: **HT Retail Licensing, LLC**, a wholly-owned subsidiary of Trans-High, with offices at 2110 Narcissus Ct., Venice, CA 90291 ("Licensor").

C. **Licensee**: 1251881 BC Ltd. ("Licensee").

D. **Rights Granted** (Paragraph 1.1): To the Property (as defined below) in association with retail dispensary and local delivery services for cannabis products, cannabis accessories and merchandise as provided in Paragraph 1 (the "Services").

E. **Territory** (Paragraph 1.3): Jurisdictions within the State of Michigan, the State of Illinois and the State of Florida where commercial distribution, sale and use of cannabis products and services for medical or adult use markets is lawful under state law (the "Territory"); ***provided, that*** if within twelve (12) months from the Effective Date, Licensee has been unable to obtain the required licenses and permits from the state and local regulatory authorities in the States of either or both of Illinois and Florida to enable Licensee, or one of its subsidiaries or affiliates, to open retail cannabis dispensaries for medical sale, adult use sale or both (individually a "Licensed Dispensary" and collectively, the "Licensed Dispensaries") and otherwise engage in the commercial distribution, sale and use of cannabis products and services (the "Additional Licenses"), then and in such event, the Territory shall be limited only to Michigan, and if applicable, either of the States of Illinois or Florida in which at least one Additional License has been issued to Licensee or an affiliate of Licensee. In any event all Fees described in the License Agreement Terms and Conditions (Appendix B) prior to the reduction of the scope of the Territory shall nonetheless be due and payable as provided in Appendix B.

F. **Payments** (Paragraph 4.1): License Fees set forth in Paragraph 4.1.

G. **Marketing Fee** (Paragraph 4.4): [REDACTED] percent of Gross Receipts to be paid directly to Licensor.

H. **Term** (Paragraph 7.1): Five (5) years from the Effective Date ("Initial Term"). This Agreement shall continue for one additional five (5) year period ("Renewal Term"), as provided in Paragraph 7 provided that Licensee is in compliance with the terms and conditions of this Agreement and upon payment of a Renewal Fee equal to ten (10%) percent of the License Fees paid during the Initial Term. Any renewal after the Renewal Term shall be at the mutual

agreement of Licensor and Licensee, and is deemed included in the Term. Licensee shall have the option to forego the Renewal Term by providing written notice to Licensor at least six (6) months prior to the end of the Initial Term. The Renewal Fee shall be due thirty (30) days from the end of the Initial Term.

I . **Property** (Paragraph 1): Trademarks identified in Appendix A (the "Property"). Trans- High represents, warrants and covenants to Licensee that it is the owner of the world-wide intellectual property rights to the Property and for purposes of this Agreement, Trans-High has licensed the Property to Licensor to enable Licensor to sublicense to Licensee the rights set forth in this Agreement during the Initial Term and the Renewal Term.

J . **Entire Agreement**: The foregoing Basic Terms, together with the License Agreement Terms and Conditions annexed as Appendix B hereto and Appendix A hereto, all of which are incorporated herein by reference, are referred to collectively as this "Agreement" and constitute the complete and entire agreement between the Parties with respect to the subject matter hereof, superseding and replacing any and all prior agreements, negotiations, communications and understandings (both written and oral) regarding such subject matter. This Agreement may only be modified, or any rights under it waived, by a written document executed by all Parties.

[*remainder of this page intentionally left blank; signature page follows*]

Each party's signature below indicates its acceptance of this Agreement including the attached appendices and standard terms and conditions which are a part of this Agreement. All terms not otherwise defined shall have the meanings ascribed to them in the Standard Terms and Conditions attached hereto.

HT Retail Licensing, LLC

By: "Adam E. Levin"
Name: Adam E. Levin
Title: Executive Chairman

1251881 B.C. LTD.

By: "Adam E. Levin"
Name: Adam E. Levin
Title: President

Trans-High Corporation

By: "Adam E. Levin"
Name: Adam E. Levin
Title: Executive Chairman

APPENDIX A

PROPERTY

1. The words HIGH TIMES, and any trademarks incorporating HIGH TIMES in standard character form and in the stylizations set forth in the HIGH TIMES Style Guide held by Trans-High.

The Parties agree that Appendix A may be amended from time to time in writing to i) reflect the Parties' understanding that Licensee has the right to use the Property that is the subject of any future trademark applications/registrations in the United States licensed to or otherwise held by Licensor for the Property in association with the Services; and ii) include additional trademarks to the definition of Property.

APPENDIX B

LICENSE AGREEMENT
TERMS AND CONDITIONS

License

1.1 A first "Contract Year" will run for eighteen (18) months from the execution of this Agreement, with each subsequent Contract Year running for twelve (12) months from the end of the prior Contract Year. Licensor grants Licensee the exclusive, non- sublicensable right to use the Property on and in connection with the conversion, development, operation, advertisement and promotion of one or more Licensed Dispensaries and local delivery services for cannabis products, cannabis accessories and merchandise in the Territory during the Term upon the terms and conditions of this Agreement and in strict compliance with all applicable laws; provided, however, that if Licensing Fees paid to Licensor in one or more States of the Territory during any Contract Year fall below $**(REDACTED)** ("Exclusivity Minimum "), Licensee 's rights thereafter will be non-exclusive in any such state or states, and such non-exclusivity will vest upon notice by Licensor..

1 . 2 **Reservation of Rights**. The rights granted pursuant to this Agreement are limited to the right to use the Property to develop and operate each Licensed Dispensary and local delivery service only within the Territory. Without limiting the foregoing, Licensee may not use the Property to (i) sell products through any alternative channels or methods of distribution, including, but not limited to, the internet (including mobile apps or any other existing or future form of electronic commerce) other than for the purposes of local delivery or instore pickup services operated from IP addresses that are geotagged to locations in the Territory that are within states in which exclusivity applies and within the same state where the delivery or instore pickup is occurring ("Permitted Online Services"), except as approved in writing by Licensor, (ii) market or sell products to any person or entity for resale or further distribution, except as Licensor may designate in writing, or (iii) except as explicitly set forth in this Agreement, exclude, control or impose conditions on the development by Licensor, its affiliates, designees and licensees of additional future retail cannabis stores that are branded and identified by the Property at any time or at any location outside the Territory and, if exclusive rights are forfeited pursuant to paragraph 1.1, within the Territory, regardless of the proximity to any location operated by Licensee hereunder.

1 . 3 **Sublicensing**. Licensee shall have no right to sublicense to any third party any right licensed to it under this Agreement unless and until Licensor has consented in writing, with such consent not to be unreasonably withheld, to such third party and such sublicense and such third party has executed a sublicense agreement in form and substance reasonably acceptable to Licensor. However, Licensee shall have the right to sublicense the rights granted under this Agreement to one or more of its subsidiaries or other affiliates that is engaged in providing cannabis products in the applicable Territory and that owns and/or operates license(s) to such cannabis products in compliance with all applicable laws (including Michigan, Illinois and Florida state and local licensing laws) as may be required by state and local law to effectuate the operation of each Licensed Dispensary.

2. **Obligations.**

2.1 **Commercially Reasonable Efforts**. Licensee undertakes to use its commercially reasonable efforts to establish and promote Licensed Dispensaries displaying or embodying the Property in all significant potential markets in the Territory and to perform the obligations established herein in compliance with the terms and conditions of this Agreement.

2.2. **Shelf Space and Merchandise Obligations**. Licensee will devote twenty percent (20%) of the available shelf space in each Licensed Dispensary or any digital menu related to such Licensed Dispensary to cannabis and/or CBD products branded with the Property and cannabis products branded with brands selected by Licensor. Additionally, Licensee will devote no less than five (5%) percent of the total available retail space of any Licensed Dispensary to the sale of Licensor's merchandise carrying the Property or other branding selected by Licensor (the "Licensor Merchandise"), which Licensor Merchandise is general merchandise (e.g. clothing, stickers, etc.). No general merchandise other than Licensor Merchandise may be sold in the Licensed Dispensaries. For avoidance of doubt, cannabis accessories (e.g. pipes, rolling papers, flower vaporizers, batteries, lighters, grinders, containers for storing cannabis, etc.) that are not branded with the Property may be sold in the Licensed Dispensaries.

2.3 **Licensed Dispensaries**.

(a) **Site Under Control**. Licensee shall be solely responsible for purchasing or leasing the premises at which each Licensed Dispensary is located, including, but not limited to, evaluating, negotiating and entering into the purchase and sale agreement or the lease for each such Licensed Dispensary. Licensor does not make any guarantees concerning the success of any Licensed Dispensary.

(b) **Conversion**. Licensee shall be solely responsible for converting, equipping and maintaining each Licensed Dispensary in compliance with all applicable laws. All Licensed Dispensaries operated by Licensee shall be branded and operated with the Property.

(c) **Maintenance**. The building, equipment, fixtures, furnishing, signage and trade dress (including the interior and exterior appearance) employed in the operation of any Licensed Dispensary must be maintained solely by Licensee in a neat, clean, sanitary and safe condition and in compliance with all applicable laws, including, but not limited to, the Americans With Disabilities Act.

(d) **Staffing.** Licensee acknowledges Licensee is responsible for the control and management of each Licensed Dispensary, including, but not limited to, the hiring and discharging of employees, setting work schedules, maintaining all employment records and setting and paying wages and benefits of its employees in accordance with all applicable laws. Licensee acknowledges that Licensor has no power, responsibility or liability in respect to the hiring or discharging of employees, setting work schedules, maintaining all employment records or setting and paying of wages or related matters. Licensee agrees to employ a team of individuals whose services shall be dedicated to the operation of each Licensed Dispensary.

(e) **Delivery Services.** If Licensee or any Licensed Dispensary desires to offer local delivery service to customers of any Licensed Dispensary, such delivery services must comply with all applicable laws. Any sales from delivery services must be included in Gross Receipts for purposes of the License Fees.

(f) **Inventory**. Licensee shall use commercially reasonable efforts to maintain an inventory of products, merchandise, materials and supplies that will permit operation of each Licensed Dispensary at a commercially reasonable capacity and maintain the requirements of Section 2.2 of this Agreement.

(g) **POS System.** Licensee agrees to utilize a POS system (the "POS System"), approved by local regulatory authorities as applicable, for use in each Licensed Dispensary that includes all hardware and software necessary to accurately track, record and analyze sales, inventory, product usage and tax information in connection with the operation of each Licensed Dispensary. Licensee agrees to share data and information from the POS System concerning each Licensed Dispensary in order to assist Licensor and its affiliates with forecasting demand and verifying sales.

(h) **Store Opening Dates**. The first Licensed Dispensary to be operated hereunder will open to the public no later than August 31st, 2020.

(i) **Licensor Compliance**. Licensee shall use best commercial efforts to provide written notice as soon as possible to Licensor if Licensee becomes aware of any regulatory compliance obligation of Licensor with respect to operation of the Licensed Dispensary.

2.4 **Marketing Opportunities**

(a) **Naming and Sponsorship Opportunities**. Licensee will have a right of first refusal with respect to all naming and sponsorship opportunities directly connected with events hosted, staged, or produced by Licensor or its affiliates in the State of Michigan, the State of Illinois once at least one Licensed Dispensary is open and operating in the State of Illinois, the State of Florida once at least one Licensed Dispensary is open and operating in the State of Florida. Licensor will give Licensee written notice of such naming or sponsorship opportunities, and Licensee will have three (3) business days after receipt of such notice to elect to participate in such naming or sponsorship opportunities. Licensee thereafter will have the right to meet all material terms and conditions of any third party offer relating to such naming or sponsorship events by notifying Licensor of its intent to do so within three (3) business days after Licensor advises Licensee in writing of the terms and conditions of any such third party offer.

(b) **Marketing Support**. Licensor will use best efforts to create editorial content that features Licensed Dispensaries for inclusion in the *High Times* magazine. Licensor or its affiliates also will create and host dedicated information pages about each Licensed Dispensary which are linked to the Store Directory section of the *High Times* website, and will feature Licensed Dispensaries in 4:20 Live Instagram programs at least once each calendar quarter. If Licensee timely supplies Licensor with relevant information about its weekly specials, Licensor will assist Licensee in marketing those weekly specials by sending emails or texts to participants

in Licensor's Cannabis Cup events who have supplied such contact information to Licensor or its affiliates and consented to receive such communications.

3. **Quality and Marking**.

3.1 **Quality of Services**. Licensee acknowledges that the Property enjoys a high reputation among consumers and that the provision of poor quality Services can adversely affect that reputation. Therefore, the Services provided by Licensee under this Agreement will be provided in accordance with quality standards and specifications as may be established by Licensor and communicated to Licensee in writing from time to time.. All Services will be provided and advertised in accordance with all applicable laws, regulations, and ordinances. Licensee shall be responsible for obtaining all necessary government approvals, consents, licenses and permits in connection with the provision and advertisement of the Services. Before opening any Licensed Dispensary, Licensee will provide the address and information regarding the layout of such location and submit photographs of such location to Licensor for its prior written approval. Licensee will permit or obtain permission for Licensor to inspect the physical premises where the Services are provided as part of the approval process and from time to time thereafter during the Term of this Agreement to ensure the location is suitable and that Licensee is in compliance with this Agreement.

3.2 **Required Markings**. Licensee will display the Property only in such form and manner as are specifically approved in advance in writing by Licensor. In all advertisements utilizing the Property, Licensee will include (a) an appropriate trademark notice as designated by Licensor; (b) any appropriate copyright or design protection notice as designated by Licensor; and (c) any other legends, markings or notices required by any law or regulation in the Territory or (d) any other legends, markings or notices which Licensor reasonably may request, provided such legends, markings or notices do not negatively impair the effectiveness of such advertisements. Licensee will submit representative samples of such advertisements displaying the Property for Licensor's prior written approval.

3.3 **Approvals**. Any Licensor approval required in this Agreement will not be withheld unreasonably. Any approval which has not been granted in writing within fifteen (15) business days after its receipt by Licensor will be deemed to have been approved. After any approval has been given, Licensee will not make any material change in such submission without Licensor's prior written approval. If any submission is disapproved by Licensor, Licensee will not proceed with such proposed use without Licensor's prior written approval. However, Licensor's approval will not relieve Licensee of its responsibility to see that all use conforms to applicable laws or regulations and will not mean that Licensor has determined that it does so.

3.4 **Prohibited Use of Property**. Licensee will not use the Property as all or a portion of a combination trademark or a corporate name, trade name or any other designation used by it to identify its business (other than as the name of a Licensed Dispensary), nor will Licensee use the Property other than as a trademark as licensed hereunder.

4. **Fees and Accounting**.

4.1 **License Fee**. Licensee will pay a license fee to Licensor at the rate of four percent (4%) of Gross Receipts (the "License Fees") and in accordance with the payment terms set forth below. Notwithstanding the foregoing, in any Contract Year during the Term of this Agreement: (a) for each of the States of Michigan, Illinois and Florida, until such time as the first Licensed Dispensary is opened in a State, the minimum License Fees payable to Licensor for each State shall be $**(REDACTED)**, (b) when one or more Licensed Dispensaries are opened for business in the State of Michigan the minimum License Fees payable to Licensor shall be $**(REDACTED)** and (c) if and when one or more retail Licensed Dispensary is opened for business in either or both of the State of Illinois and Florida the minimum License Fees payable to Licensor shall be not less than $**(REDACTED)** for each such State (each such minimum License Fee, the "Minimum Contract Year License Fee"). For the avoidance of doubt , if the Territory shall include, in addition to Michigan with at least one Licensed Dispensary , the State of Illinois or the State of Florida with at least one Licensed Dispensary (but not both the State of Illinois and the State of Florida), the Minimum Contract Year License Fee shall be $**(REDACTED)** and if the Territory shall include , in addition to Michigan with at least one Licensed Dispensary , the State of Illinois and the State of Florida with at least one Licensed Dispensary each, the Minimum Contract Year License Fee shall be as much as $**(REDACTED)** . The License Fees shall be paid on a quarterly basis and if the total annual License Fees are ***less*** than the applicable Minimum Contract Year License Fee, the short-fall shall be paid at the end of the fourth quarter of such Contract Year. The License Fees (including any Minimum Contract Year License Fee) shall be payable to Licensor in the manner set forth in Paragraph 4.5 below. For purposes of this Agreement, "Gross Receipts" will include all revenue derived from the sale of all products , whether or not bearing the Property , after reduction for any state or municipal taxes , sold by Licensee either at Licensed Dispensaries or through delivery services associated with such Licensed Dispensaries. Gross Receipts will not be reduced to reflect non- payment by customers. In the case of sales or other transfer to an affiliate of Licensee, excluding transfers of inventory between licensed locations , whether or not invoiced , Gross Receipts will be calculated on the basis of Licensee's quoted prices to non-affiliates unless otherwise agreed to by Licensor and Licensee in a separate agreement . Notwithstanding anything to the contrary contained herein, Licensee may at its option obtain an opinion from a tax expert on the effect of this provision under IRS Code 280E. If such tax expert determines that the License Fees are not deductible under IRS Code 280 E, Licensor and Licensee shall renegotiate the terms of this Section in order to ensure that Licensee shall be able to deduct some or all of the License Fees to the extent possible as a "cost of good sold "; provided , however , that with respect to any amendments to this Section under such renegotiation , the economic terms of this Section shall not be renegotiated or amended.

4 . 2 **Reports and Payments**. Licensor and Licensee will agree upon the use of the METRC seed to sale tracking system, and a POS System integrated with METRC in the State of Michigan and a POS for use at all other retail locations in other States within the Territory and for all deliveries under this Agreement and may choose to the use of an alternative POS system, at a later date, from the approved list of POS systems in each State as applicable and as provided in paragraph 2.3(g) above. Licensee will provide weekly POS reports to Licensor and provide, upon reasonable notice, and subject to applicable privacy laws, real time viewing access, to such POS System for purposes of determining Gross Receipts due to Licensor. Within 10 days of the end of each calendar quarter, Licensor will have the right to

transfer License Fees due to Licensor to its own account via an automated clearing house ("ACH") network mutually agreed upon by Licensor and Licensee. No Licensed Dispensary or delivery services bearing the Property will be operated by Licensee until such POS System access and ACH network withdrawal capability are established to Licensor's satisfaction. Notwithstanding any other provision of this Agreement, any change in such POS System or ACH network made without Licensor's written approval shall be a material default resulting in immediate termination of this Agreement, unless mandated by the regulatory authorities in any State within the territory or unless support is no longer being provided for the POS system.

4.3 **Books and Records and Inspection**. Licensee will maintain appropriate and accurate books of account concerning all transactions within the scope of this Agreement. Licensor will have the right, through any authorized representative of its choice, on reasonable advance notice to Licensee and at its own expense, to examine and photocopy these books of account and all other documents relating to this Agreement. If following any such examination, it is determined that additional License Fees or other amounts were due Licensor, Licensee will promptly pay such additional amounts, as well as interest accrued at the rate of ten percent (10%) per year from the date such payment was due to the date when paid, or if ten percent (10%) exceeds the amount that can be charged under the applicable state's usury laws the maximum rate of interest permitted under applicable law. If the additional payment due to Licensor is three percent (3%) or more of the amount actually paid for the applicable period, Licensee also will promptly pay Licensor's costs incurred in connection with the examination. All books of account and records will be kept available by Licensee for at least five (5) calendar years after the calendar year to which they relate.

4.4 **Marketing Commitment**. Licensee will pay a marketing fee to Licensor at the rate of **[redacted]** of Gross Receipts (the "Marketing Fee").

4.5 **Methods of Payment**. All amounts payable by Licensee to Licensor under this Paragraph 4, including any License Fee, Minimum Contract Year License Fee and Marketing Fee (collectively, the "Fees") are expressed in the currency of the United States of American (USD) unless otherwise indicated, and regardless of whether expressed in USD or in other currency, shall be payable in USD, and shall be payable to Licensor in cash by wire transfer ACH transfer of immediately available funds to a bank account designated by Licensor.

5. **Ownership Rights**.

5.1 **Property Ownership**. All use of the Property by Licensee will inure to the benefit of Licensor. All rights in the Property other than those specifically granted in this Agreement are reserved by Licensor for its own use and benefit. Licensee will not, during or after the Term of this Agreement, attack Licensor's title in and to the Property or attack the validity of this license. Licensee may not, during or after the Term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest Licensor's rights in any of the Property or the goodwill associated therewith, including any use of the Property in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media. All specially created designs and any and all copyrights and other intangible property rights in them and in any such designs displaying the Property, will be the

property of Licensor. If not created by Licensor, they will be deemed "works made for hire" for Licensor within the meaning of the U.S. Copyright Law or any other applicable industrial or intellectual property law. If they do not so qualify, all such intangible property rights will be deemed transferred to Licensor.

5.2 **Registrations and Recordation**. Licensee will not seek to apply for any copyright or trademark registrations for the Property without Licensor's prior written consent. Licensee will cooperate fully with Licensor in the execution, filing and prosecution of any trademark or copyright applications for the Property that Licensor may choose to file. Licensee will execute and deliver to Licensor, at any time whether during or after the Term of this Agreement, any documents which Licensor reasonably requests to confirm Licensor's ownership rights. Licensee appoints Licensor as its attorney-in-fact to sign these documents in Licensee's name and to make appropriate disposition of them, in the exceptional circumstance where Licensor requests Licensee to sign the documents and no response is received within fifteen (15) days.

5.3 **Infringements**. If Licensee learns of any use by any person of a trademark similar to the Property, it will promptly notify Licensor. If requested by Licensor, Licensee will join with Licensor, at Licensor's expense, in any action that Licensor, in its reasonable discretion, may deem advisable for the protection of its rights. Licensee will have no right to take any action with respect to the Property without Licensor's prior written approval, which shall not be unreasonably witheld.

6. **Representations and Warranties, Limitations of Liability, Indemnity and Insurance**.

6.1 **Licensor's and Trans-High's Representations, Warranties, and Covenants**. Licensor and Trans-High jointly and severally represent, warrant, and covenant to Licensee that at all times during the Term:

(a) Each has the full right, power and authority to enter into and to perform this Agreement, including to grant the rights and licenses granted under this Agreement;

(b) This Agreement constitutes a valid and legally binding obligation of the Licensor and Trans-High, enforceable against the Licensor and Trans-High in accordance with its terms; local laws;

(c) Each complies and will comply at all times with all applicable state and

(d) Each will take commercially reasonable steps to protect the Property from unauthorized use in the Territory; and

(e) No representation, warranty or other statement made by Licensor or Trans-High in connection with this Agreement, or in any report or other communication provided by Licensor or Trans-High to Licensee in contemplation of, pertaining to or otherwise in connection with this Agreement, contains any untrue statement or omits to state a material fact

necessary to make any of them, in light of the circumstances in which it was made, not misleading.

6.2 **Licensee's Representations, Warranties, and Covenants**. Licensee represents, warrants, and covenants to Licensor and Trans-High that at all times during the Term:

(a) It has the full right, power and authority to enter into and to perform this Agreement;

(b) It will provide, promote and market each Licensed Dispensary in conformity in all material respects with all applicable laws, consistent with industry practices, and in such a manner that will reflect positively on the business reputation of Licensor, on the Property and the associated goodwill;

(c) This Agreement constitutes a valid and legally binding obligation of the
Licensee, enforceable against the Licensee in accordance with its terms;

(d) It and all others authorized by it to act on its behalf under this Agreement will comply at all times with all applicable laws; disrepute;

(e) It will not knowingly harm the Property or bring the Property into

(f) (i) neither it nor any of its owners, directors, officers, members, partners, shareholders, affiliates or employees (each a "Licensee Party") is named, either directly or by an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U S Treasury Department's Office of Foreign Assets Control currently located at www.treas gov/offices/enforcement/ofac/, (ii) it will not, and it will cause each Licensee Party not to, take any action that would constitute a violation of any applicable laws against corrupt business practices, against money laundering and/or against facilitating or supporting persons or entities who conspire to commit acts of terror against any person or entity, including as prohibited by the US Patriot Act (currently located at www.epic.org/pnvacv/terrorism/hr3162.htmll.), US Executive Order 13244 (currently located at www.treasgov/offices/enforcement/ofac/sanctions/terrorism.html) or any similar laws, and (iii) it shall immediately notify Licensor in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties in this subsection (e) false, inaccurate or misleading; and

(g) No representation, warranty or other statement made by Licensee in connection with this Agreement, or in any report or other communication provided by Licensee to Licensor in contemplation of, pertaining to or otherwise in connection with this Agreement, contains any untrue statement or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading.

6 . 3 **Defense and Indemnity**. Each of the Parties shall defend, indemnify and hold each other and their officers, directors, stockholders, employees, agents, attorneys, representatives, affiliates, successors and assigns (collectively, an "Indemnified Party") harmless

from and against any and all civil or criminal demands, claims, actions, causes of action, liabilities, suits, proceedings, judgments, investigations or inquiries (each such third-party action, claim or proceeding, a "Claim"), and any settlement thereof, and all related expenses, including, but not limited to, all litigation expenses, including reasonable attorneys' fees and court costs, and settlement amounts (collectively, "Losses"), that directly or indirectly arise out of an Indemnified Party's activities under this Agreement including but not limited to (A) any failure to comply with any applicable law, (B) Claims based on personal injury, death or property damage; (C) a Party's dealings or relationships with any third parties (including, without limitation, any contractors, sales agents, employees, etc.) and/or the termination of any such relationships; (D) any unauthorized use of the Property or use of the intellectual property of third parties by either party in a manner not authorized by this Agreement; (E) any breach of any Party's representations, warranties, covenants or agreements contained herein; (F) the gross negligence or willful misconduct of either Party and/or any of its contractors; and/or (G) any tax or federal penalty related to any Licensed Dispensary and/or any business of either Party. A Party's indemnification obligations under this section shall not be in any way limited to or restricted by their available insurance coverage (notwithstanding Licensor's participation in establishing the required levels of insurance coverage) or any approvals granted by Licensor. This section shall survive termination of this Agreement.

6.4 **Indemnification Procedures**. Except as otherwise provided in this Agreement, a Party or other person identified in Section 6.3 is entitled to indemnification hereunder (each, an "Indemnitee") from (or, where the Indemnified Party is the Licensee, the other Parties) (in such capacity, the "Indemnitor") pursuant to Section 6.3 with respect to a Claim shall (a) give written notice within a reasonable time to the Indemnitor of any such Claim with respect to which the Indemnitee seeks indemnification (provided, however, that failure of the Indemnitee to give such notice shall not relieve the Indemnitor from any liability which the Indemnitor may have on account of this indemnification, except to the extent that the Indemnitor is materially prejudiced thereby), and (b) permit the Indemnitor to assume the defense of such Claim with counsel reasonably satisfactory to the Indemnitee; provided, however, that any Indemnitee shall have the right to employ separate counsel and to participate in the defense of such Claim, but the fees and expenses of such counsel shall be at the expense of the Indemnitee unless (i) the Indemnitor has agreed to pay such fees or expenses, (ii) the Indemnitor shall have failed to assume the defense of such Claim and employ counsel reasonably satisfactory to the Indemnitee or (iii) in the reasonable judgment of the Indemnitee, based upon written advice of its counsel, a conflict of interest may exist between the Indemnitee and the Indemnitor with respect to such Claim which would prevent counsel from adequately representing the interests of both the Indemnitee and the Indemnitor (in which case, if the Indemnitee notifies the Indemnitor in writing that the Indemnitee elects to employ separate counsel at the expense of the Indemnitor, the Indemnitor shall not have the right to assume the defense of such Claim on behalf of the Indemnitee and the reasonable fees and expenses of counsel for the Indemnitee shall be paid by the Indemnitor). The Indemnitor shall not, except with the prior written consent of the Indemnitee, consent or enter into to any settlement of any such Claim which involves the admission of liability on the part of the Indemnitee. The Indemnitee shall reasonably cooperate with the Indemnitor in the defense of any such Claim.

6.5 **Insurance**

(a) **General**. Licensee, and each of its applicable operating subsidiaries, shall maintain adequate insurance at its own expense throughout the Term, and for such period as to cover the applicable statute of limitations, to cover any general liability, product liability and advertising injury liability such Party may incur in connection with or as a result of the performance of its obligations under this Agreement. Such insurance coverage level shall include, at a minimum:

(i) **Commercial General Liability**. Commercial General Liability of not less than one million dollars ($1,000,000.00) for each occurrence and two million dollars ($2,000,000.00) in the aggregate. Commercial General Liability coverage shall be on a coverage form customary and typical for the products Licensee sells and Licensee's operations. Waiver of subrogation shall be provided in favor of Licensor. Commercial General Liability insurance shall include additional insured protection in favor of Licensor.

(ii) **Product Liability**. Product/Completed Operations Liability limits not less than one million dollars ($1,000,000.00) each occurrence and two million dollars ($2,000,000.00) in the aggregate per product liability coverage in form customary and typical for the products Licensee sells and Licensee's operations.

(b) **Workers Compensation and Employers Liability**. Insurance in compliance with applicable state laws, with employer's liability limits of not less than the following: Accident - one million dollars ($1,000,000.00) each accident; Disease - one million dollars ($1,000,000.00) each employee;

(c) **Additional Insured**. Licensee, and each of its applicable operating subsidiaries, shall name Licensor as an additional insured under the policies referenced above and such coverage shall contain a waiver of subrogation. Upon request, Licensee shall provide Licensor with certificates of insurance showing the required coverages and additional insured status. If an insurance policy is to be cancelled or changes are to be made by insured or insurer that will affect the coverage required by this Agreement, such Party shall provide Licensor with at least ten (10) days prior written notice of such cancellation or change.

(d) **Compliance**. Licensee's compliance with this Section 6.5 in no way affects Licensee's indemnity obligations under this Agreement, except to the extent that Licensee's insurance company actually pays Licensor amounts which Licensee would otherwise be obligated to pay to Licensor.

7. Term and Termination.

7.1 **Term**. The term of this Agreement will be as specified in Paragraph G, unless it is sooner terminated under this Article 7.

7.2 **Termination**.

(a) **Immediate Right to Terminate Agreement.**

(i) Each Party shall have the right in its sole discretion to terminate this Agreement immediately upon written notice to the other Parties in the event of an Event of Default, as defined in Paragraph 7.4 below, committed by one of the other Parties.

(ii) Licensee shall have the right in its sole discretion to terminate this Agreement immediately upon prior written notice to Licensor upon the occurrence of: (A) the commencement of any bankruptcy or insolvency proceeding by or against Licensor or Trans- High; (B) the filing of any articles of dissolution or its equivalent for Licensor or Trans-High; or (C) Licensor or Trans-High is convicted of (or pleads no contest to) any misdemeanor or felony that brings or tends to bring a Licensed Dispensary into disrepute.

(b) **Right to Terminate Subject to Cure**. Without limiting Paragraph 7.2(a) and Paragraph 7.4, Licensee will have the right to terminate this Agreement if the Licensor or Trans-High breaches any material term of this Agreement, and Licensor or Trans-High will have the right to terminate this Agreement if the Licensee breaches any material term of this Agreement; provided, that the breaching Party has failed to cure any such breach within sixty (60) days after written notice of breach from the non-breaching Party (unless a different cure period is specifically provided with respect to such breach elsewhere in this Agreement, in which event, the cure period, in any, specified for such breach elsewhere in this Agreement shall apply).

7.3 **Effect of Termination**.

(a) **Limited Sell-Off Rights**. Upon (a) expiration of this Agreement, Licensee shall have the right, for a period of six (6) months after expiration of this Agreement, or (b) upon termination of this Agreement, Licensee shall have the right, for a period of thirty (30) days after termination of this Agreement; to wind down its operation of Licensed Dispensaries solely if the following conditions are met: (i) Licensee has paid all monies owed to Licensor as of the expiration date; and (ii) Licensee shall continue to adhere during the such six month period to all of the provisions of this Agreement, including, without limitation, those relating to the payment of the License Fees.

(b) **Reversion of Rights**. Upon termination of this Agreement, subject to Section 7.3(a) above, all of Licensee's rights to the use of the Property pursuant to this Agreement or otherwise, all other rights and licenses granted hereunder, and the right and license to conduct business using the Property at any Licensed Dispensary shall revert to Licensor without further act or deed of any Party.

(c) **No Damages for Termination**. No Party shall be liable to any other Party for damages of any kind, including incidental or consequential damages, on account of the expiration or termination of this Agreement, and each Party waives any right it may have to receive any compensation or reparations on account thereof. Without limiting the generality of this paragraph 7.3(c), no Party will be liable to any other Party on account of such expiration or termination, for reimbursement of damages for the loss of goodwill, prospective profits or anticipated income, or on account of any expenditures, investments, leases or commitments made by a Party or for any reason whatsoever based upon or growing out of such expiration or termination for cause.

(d) **Non-Exclusive Remedy.** The exercise by any Party of any remedy under this Agreement will be without prejudice to its other remedies under this Agreement or otherwise.

(e) **Survival**. Notwithstanding anything else in this Agreement to the contrary, in the event of expiration or termination of this Agreement, each of Licensee and Licensor will remain liable for its respective obligations pursuant to this Agreement or any other agreement between Licensee and Licensor or any affiliate that expressly or by their nature survive the expiration or termination of this Agreement, including, without limitation, accounting and payment of License Fees accrued and owed to Licensor, the provisions relative to confidentiality, any restrictive covenant contained herein, the indemnification provisions herein and any damage or liability resulting from the breach of any representation and warranty made herein. Each party covenants and agrees that, after the Agreement is terminated for any reason, neither it nor any of its respective affiliates shall in any way, directly or indirectly, alone or in concert with other, cause, express or cause to be expressed, orally or in writing, any remarks, statements, comments, or criticisms that disparage, call into disrepute, defame, slander or which can reasonably be construed to be derogatory or critical of, or negative toward the other party or the Property.

(f) **Fees Owing**. Upon termination or expiration of this Agreement, any Fees that have accrued at the time of termination or expiration, remain owing to Licensor, including any Renewal Fee that has accrued in the event that Licensee fails to provide notice of exercise of its option to forego the Renewal Term within the time limit set by Paragraph H, and shall be paid to, or as directed by, Licensor on the effective date of such termination or expiration of this Agreement, as the case may be.

7.4 **Events of Default**. Each and any of the following shall be considered a default or breach under this Agreement (each, an "Event of Default"):

(a) Licensee fails to pay any Fees when due under this Agreement and such failure has not been cured within thirty (30) days;

(b) Licensee intentionally understates or underreports any Gross Receipts or License Fees required to be paid pursuant to this Agreement;

(c) Licensee, Licensor, or Trans-High has any license or permit associated with a Licensed Dispensary or its obligations as contemplated herein (i) revoked, suspended, or otherwise penalized and (ii) such license or permit is not restored and brought into full compliance with applicable law within sixty (60) days thereafter or another license or permit is associated with the Licensed Dispensary in substitution thereof;

(d) The occurrence of: (i) the commencement of any bankruptcy or insolvency proceeding by or against a Party; or (ii) the filing of any articles of dissolution or its equivalent for such Party, and proceeding or filing has not been dismissed or withdrawn within sixty (60) days;

(e) Licensee as applicable or any of its affiliates, or any director or officer of Licensee, or any affiliate, is convicted of (or pleads no contest to) any misdemeanor or felony that

brings or tends to bring any of the Property into disrepute or impairs or tends to impair the reputation or the goodwill of any of the Property;

(f) If any owner of, or party with a financial interest in, any operating subsidiary of Licensee, Licensor, or Trans-High is disqualified for any reason under applicable law from owning or having a financial interest in such operating subsidiary under applicable law; provided, however, that Licensee or Licensor, as applicable shall have ninety (90) days after written notice thereof from the applicable governmental authority to purchase the interest of such party or cause such governmental authority to rescind such disqualification;

(g) If Licensee, Licensor, Trans-High or any operating subsidiary of any of them, as may be applicable, violates applicable law related to the Licensed Dispensary or otherwise to sale or transfer of cannabis, which violation is not cured within sixty (60) days of such violation; provided, however, if such violation is not reasonably capable of being cured within sixty (60) days, Licensee/Licensor shall have such additional period of time as is reasonably required to cure such violation provided that Licensee/Licensor commences to cure such violation with sixty (60) days and diligently prosecutes the same to completion; this provision results in an Event of Default, and associated termination rights, only in respect of the state in which the Event of Default occurred;

(h) Except for an acquisition of Licensee by Red White & Bloom Brands Inc. or an affiliate thereof, if Licensee undergoes a change of control without the prior written consent of Licensor, which consent shall not be unreasonably withheld, or if Licensor or Trans-High undergoes a change of control without the prior written consent of Licensee, which consent shall not be unreasonably withheld, where change of control means: (1) any “person” (as such term is used in Sections 13(d) and 14(d) of the United States Securities Exchange Act of 1934, as amended), is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the applicable company representing fifty percent (50%) or more of the total voting power represented by the company’s then outstanding voting securities, whether by tender offer, or otherwise, (2) the consummation of a merger or consolidation of the applicable company with any other entity, other than a merger or consolidation which would result in the voting securities of the company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the company or such surviving entity outstanding immediately after such merger or consolidation;

(i) Any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States or any state, county, city or other political subdivision or similar governing entity within the Territory issues a formal recommendation against, denies or revokes the issuance to a Party of a medical or retail cannabis business license, which recommendation cites the participation of any of the owners, directors, officers, members, partners, shareholders, affiliates or employees of such Party as a factor in the decision, or the governmental authority conditions the issuance of a medical or retail cannabis business license on disassociation by a Party from any of its owners, directors, officers, members, partners, shareholders, affiliates or employees, and such Party fails to cure within ninety (90) days after written notice thereof; and

(j) Licensee, Licensor, or Trans-High materially breaches, Licensee learns that Licensor or Trans-High previously materially breached, or Licensor or Trans-High learns that Licensee previously materially breached, any representation or warranty of this Agreement, provided, that the breaching Party has failed to cure any such breach within sixty (60) days after written notice of breach from a non-breaching Party (unless a different cure period is specifically provided with respect to such breach elsewhere in this Agreement, in which event, the cure period, in any, specified for such breach elsewhere in this Agreement shall apply).

8. **Miscellaneous**.

8.1 **Duty of Confidentiality**. Except as specifically provided in this Agreement, each Party agrees to keep strictly confidential all Confidential Information (as defined below) and will not, without the express written authorization of the other Parties, disclose, copy, publish, distribute, transfer, market, use, misuse, alter or destroy any Confidential Information to any third person, firm, company, corporation or association for any purpose. Each Party will maintain adequate internal safeguards to protect the Confidential Information of the other Parties, and each Party warrants and covenants to the other Parties that any consultant of such Party who gains access to Confidential Information of the other Parties shall have executed a form of agreement pursuant to which he, she or it is bound by the non-use and non-disclosure obligations of this Paragraph 8.1. Each Party is responsible for a breach of this Paragraph 8.1 by any of its officers, directors, partners, employees, contractors, affiliated companies, subsidiaries, agents and consultants. Each Party further acknowledges and agrees that, if there is any question as to whether or not information obtained by such Party from one of the other Parties constitutes Confidential Information, such Party will confer with the applicable other Party regarding the status of the information prior to any disclosure and such Party will not disclose such information without the express written authorization of the applicable other Party. No Party will make use of the Confidential Information except to meet its obligations or exercise its rights under this Agreement. No Party will permit access to the Confidential Information of the other Parties to any person, company, agency, or other entity that is not authorized in writing by the applicable other Party to have access, observe, review, or receive the Confidential Information. The obligations imposed under this Paragraph 8.1 shall survive the termination of this Agreement. For purposes of this Agreement, "Confidential Information" shall include (i) the terms of this Agreement, and (ii) any and all confidential and/or proprietary knowledge, data, methodology or information constituting, arising in connection with or relating to a Party that is made available by such Party to the other Party (or Parties, as the case may be) either prior to or after the Effective Date. Except for personally identifiable information, which shall always remain Confidential Information, Confidential Information does not include: (i) information that has become generally known or available to the public through publication or otherwise through no violation of this paragraph 8.1; (ii) information independently developed by a Party without use of Confidential Information of the other Party (or Parties, as the case may be); (iii) information that a Party can demonstrate by written records was known or in the possession of such Party prior to disclosure by the other Party (or Parties, as the case may be); or (iv) information that a Party is required to disclose by court order provided that such Party uses all commercially reasonable efforts to limit such disclosure and to obtain confidential treatment.

The Parties acknowledge that any breach of Confidential Information shall result in immediate and irreparable damage to the discloser of such Confidential Information. The Parties acknowledge and admit that there is not an adequate remedy at law for such failure, and agree that in the event of such breach, the relevant Party shall be entitled to equitable relief by way of temporary and permanent injunction and such other and further relief as any court with jurisdiction may deem just and proper.

8.2 **Assignability.** No Party may assign any of its rights under this Agreement without the prior written approval of the other Parties. Any attempted assignment in violation of this provision will be void.

8.3 **General**. This Agreement contains a complete statement of all arrangements between the Parties with respect to its subject matter. This Agreement may not be changed or terminated orally and will benefit and be binding upon the Parties' respective permitted successors and assigns, if any. Each Party represents, warrants, and covenants that it is under no legal impediment preventing it from entering into and fully performing this Agreement. The failure of a Party to insist upon strict adherence to any term of this Agreement on any occasion will not be construed as a waiver or limit that Party's right thereafter to insist upon strict adherence to that term or any other term of this Agreement. All waivers must be in writing. If any provision of this Agreement is invalid or unenforceable as applied to any circumstance, the balance of this Agreement, including that provision as applied to other circumstances, will remain in effect. The Licensee will not be considered as, or hold itself out to be, an agent, partner or joint venturer of the Licensor or Trans-High, neither the Licensor nor Trans-High will be considered as, or hold itself out to be, an agent, partner or joint venturer of the Licensee. The Licensee may not bind the Licensor or Trans-High in any dealings with a third party, and neither the Licensor nor Trans-High may bind the Licensee in any dealings with a third party. The headings on this Agreement are solely for convenience of reference and will not affect its interpretation. This Agreement will be governed by and construed in accordance with laws of the state of Michigan applicable to agreements made and to be performed in that state. Each Party consents and agrees that state courts for Michigan will have jurisdiction over it with respect to any dispute or controversy relating to this Agreement, and that process may be served on it in accordance with this Paragraph 8.3. Each Party will be responsible for and bear all of its own costs and expenses (including attorneys' fees) incurred at any time in connection with pursuing, negotiating or completing this Agreement.

8.4 **Regulatory Approval.** The terms of this Agreement shall be subject to approval by Michigan Marijuana Regulatory Agency for Michigan, and subject to approval by the corresponding regulatory authorities in each of Illinois and Florida. In the event that this Agreement is not approved by the Michigan Marijuana Regulatory Agency or by the corresponding regulatory authorities in either of Illinois and Florida, the Parties will work together to modify the terms to satisfy the requirements of such state or states. The Parties shall provide best commercial efforts to support any appeal or other measures taken by a Party to obtain an approval from the Michigan Marijuana Regulatory Agency or by the corresponding regulatory authorities in either of Illinois and Florida, notwithstanding the previous failure to obtain approval. For the avoidance of doubt, in the event that the Michigan Marijuana Regulatory Agency or by the corresponding regulatory authorities in either of Illinois and Florida

reject this Agreement and the Parties are unable to modify the Agreement for compliance, all consideration paid to Licensor shall remain with Licensor. In the event that the Licensor subsequently grants similar rights within six (6) months of failing to agree to amendments that would otherwise provide for Regulatory Approval, then Licensor shall reimburse all retained consideration that was paid by Licensee for that specific State as the case may be within fifteen (15) calendar days.

8.5 **Press Release**. Upon full execution of this Agreement by all Parties, the Parties shall agree upon the content of a press release announcing the existence of this agreement and future press release related to the planned opening of the Licensed Dispensaries.

9. **Notices.** All notices, accounting reports and other communications under this Agreement will be in writing and will be considered given when personally delivered or mailed by prepaid certified or registered mail or recognized overnight delivery service, return receipt requested, to the Parties addressed at the applicable address stated in Paragraph B (or at such other address as a Party may specify by notice given to the others).

10. **Agreement Only Upon Full Execution and Delivery**. This document will not be binding on a Party or constitute a note or memorandum of the material terms of an agreement until each Party has received a copy signed on behalf of all Parties. This Agreement may be executed in separate counterparts, including by electronic means, and the signing or execution by way of counterpart or by electronic means will have the same effect as the signing or execution of the original.

EXHIBIT “C”

PRODUCT LICENSING AGREEMENT

Attached.

PRODUCT LICENSING AGREEMENT

THIS AGREEMENT is made and is effective as of the fourth (4th) day of June, 2020.

BETWEEN:

HT RETAIL LICENSING, LLC

("**Licensor**")

- and -

1251881 BC LTD

("**Licensee**")

[The Product Licensing Agreement has been redacted from this agreement]

Red White & Bloom Closes Platinum Vape Acquisition Ahead of Previous Timeline Guidance

- Platinum's products are sold within Michigan, California and, Oklahoma in over 700 retailers

-PV has current annualized revenues of more than USD $75 million with EBITDA between 25%-30% before forward synergies

- Platinum operations to be accretive to the Company's financial reporting during this quarter and going forward

TORONTO, Ontario September 14, 2020 (GLOBE NEWSWIRE) -- Red White & Bloom Brands Inc. (CSE: RWB) (OTC: RWBYF) ("**RWB**" or the "**Company**") is pleased to announce it has closed the acquisition of Platinum Vape LLC (or "**Platinum Vape"** or "**PV**") effective September 14, 2020.

Platinum Vape are purveyors of a full product line of premium cannabis products sold at over 700 retailers throughout Michigan, California and Oklahoma boasting an 84% rating (4.2/5) on WeedMaps.com.

Chairman & CEO Brad Rogers stated:

"We are happy to have all the details of this acquisition now wrapped up and have this transaction closed. I think it was important to get this transaction completed and have the great team at Platinum Vape join us as we look to further expand our footprint in the U.S."

Details of the Platinum Vape Transaction:

Under the terms of the definitive agreement, a wholly-owned subsidiary of the Company has acquired all of the issued and outstanding equity interests of Platinum Vape in a cash and stock transaction valued at up to US$35 million, comprised of US$7 million in cash paid at closing, a further US$13 million in cash payable 120 days after closing and a US$15 million convertible promissory note payable on the third anniversary of closing (which may be converted into Company stock only after 12 months). Additional consideration of up to US$25 million, payable either as cash or stock in the Company, may be paid to Platinum Vape securityholders if certain revenue targets and EBIT metrics are achieved by Platinum Vape in 2020 and 2021. The Company is not assuming any long-term debt and the transaction will not constitute a change of control of RWB. https://www.globenewswire.com/Tracker?data=2-xZD-n55FbJp9EDqm0IPCh74YpGB2FUoWVxoznkdORdrXH4-fWFaNrr7C5To5TtRr2dH9BTLEuilBSnMl64KQP7mEPQCo3atAmE0Dt1NSn4Lbod-jXgLiK7WHuyTIkcBdOQqdH32vhATqU5iaq6v5C8xWUGrMXip5YVZpq9K0VUN-W7tcGiHe9GeANHinjK_V1hK_HbVltaKi3XIYTmkeXnfPzSuEL_N_s5IO_zSrL5aGeiV8R6zGZIEo-

HbEBwA61ovki6Gn3zfnszEnEFS2Sh3Mw7KcxtG4hAQ4AHej0qJNnTevKsi6V-S78GJrs4ovD6bCWlS-H6xeKVyJrOpdsXsyzd80Vh2V7U15PSWuE=

In addition, the Company also announces that it issued a CDN$10 million principal amount convertible debenture (the "Convertible Debenture") on September 11, 2020 to an arm's-length investor by way of a private placement. The Convertible Debenture bears interest at the rate of 5% per annum, is unsecured and matures on the date of closing of the Company's previously announced bought deal financing co-led by PI Financial Corp. and Eight Capital and including Canaccord Genuity Corp. and Echelon Wealth Partners the "Bought Deal Financing"). The Bought Deal Financing is expected to close in the week of September 21, 2020.

The Convertible Debenture is automatically convertible into units ("Units") of the Company at a price of $0.75 per Unit should there be either a liquidation event or the Bought Deal Financing terminates. Each Unit will consist of one common share of the Company (each, a "Common Share") and one common share purchase warrant of the Company (each, a "Warrant"). Each Warrant is exercisable to acquire one additional Common Share at a price of $1.00 per Warrant for a period of 24 months from the date of issuance (the "Expiry Date"). If at any time prior to the Expiry Date, the weighted average trading price of the Common Shares exceeds $1.50 for a period of 10 consecutive trading days, the Company may provide written notice to the holder by way of a news release (the "Notice") advising that the Warrants will expire at 5:00 pm (Vancouver Time) on the 30th day following the Notice.

About Red White & Bloom Brands Inc.

The Company is positioning itself to be one of the top three multi-state cannabis operators active in the U.S. legal cannabis and hemp sector. RWB is predominantly focusing its investments on the major US markets, including Michigan, Illinois, Massachusetts and California with respect to cannabis, and the US and internationally for hemp-based CBD products.

Non-IFRS Financial Measures and Currency:

Operational gross profit, EBITDA and Adjusted EBITDA are non-IFRS measures and do not have standardized definitions under IFRS. The Company has provided the non-IFRS financial measures, which are not calculated or presented in accordance with IFRS, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with IFRS. These supplemental non-IFRS financial measures are presented because management has evaluated the financial results both including and excluding the adjusted items and believe that the supplemental non-IFRS financial measures presented provide additional perspective and insights when analyzing the core operating performance of the business. These supplemental non-IFRS financial measures should not be considered superior to, as a substitute for or as an alternative to, and should only be considered in conjunction with, the IFRS financial measures presented herein. Accordingly, the following information provides reconciliations of the supplemental non-IFRS financial measures, presented

herein to the most directly comparable financial measures calculated and presented in accordance with IFRS.

All currencies, unless otherwise noted, are quoted in Canadian dollars.

For more information about Red White & Bloom Brands Inc., please contact:

Tyler Troup, Managing Director
Circadian Group IR
IR@RedWhiteBloom.com

Visit us on the web: www.RedWhiteBloom.com

Follow us on social media:
Twitter: @rwbbrands
Facebook: @redwhitebloombrands
Instagram: @redwhitebloombrands

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.

FORWARD LOOKING INFORMATION

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release includes information relating to the implementation of the Company's business plan including the completion of the Platinum Vape acquisition, the PharmaCo acquisition and the bought deal financing. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the implementation of the Company's business plan and matters relating thereto, risks associated with the cannabis industry, competition, regulatory change, the need for additional financing, reliance on key personnel, the potential for conflicts of interest among certain officers or directors, and the volatility of the Company's common share price and volume. Forward-looking statements are made based on management's

beliefs, estimates and opinions on the date that statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

There are a number of important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others, risks related to the Company's proposed business, such as failure of the business strategy and government regulation; risks related to the Company's operations, such as additional financing requirements and access to capital, reliance on key and qualified personnel, insurance, competition, intellectual property and reliable supply chains; risks related to the Company and its business generally. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Company may elect to, it does not undertake to update this information at any particular time.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Red White & Bloom Brands Inc. (formerly, Tidal Royalty Corp.) (the "**Company**" or "**RWB**")
810-789 West Pender Street
Vancouver, B.C. V6C 1H2

Item 2 Date of Material Change

September 11, 2020 and September 14, 2020

Item 3 News Release

The new release was filed on SEDAR, disseminated through the facilities of GlobeNewsWire and posted to the Issuer's disclosure hall with the CSE on September 14, 2020.

Item 4 Summary of Material Change

The Company announced that it has closed the acquisition of Platinum Vape LLC ("Platinum Vape"). Under the terms of the definitive agreement, a wholly-owned subsidiary of the Company, RWB Platinum Vape Inc.,acquired all of the issued and outstanding equity interests of Platinum Vape in a cash and stock transaction valued at up to US$35 million, comprised of US$7 million in cash paid at closing, a further US$13 million in cash payable 120 days after closing and a US$15 million convertible promissory note payable on the third anniversary of closing (which may be converted into Company stock only after 12 months). Additional consideration of up to US$25 million, payable either as cash or stock in the Company, may be paid to Platinum Vape securityholders if certain revenue targets and EBIT metrics are achieved by Platinum Vape in 2020 and 2021.

On September 11, 2020, the Company issued a CDN$10,000,000 principal amount convertible debenture (the "Convertible Debenture") to an arm's-length investor by way of a private placement. The Convertible Debenture bears interest at the rate of 5% per annum, is unsecured and matures on the date of closing of the Company's previously announced bought deal financing. A portion of the proceeds of the Convertible Debenture was used to make the initial payment of US $7 million to the sellers of Platinum Vape upon closing of the acquisition of Platinum Vape.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On September 14, 2020, the Issuer announced it has closed the acquisition of Platinum Vape. Platinum Vape are purveyors of a full product line of premium cannabis products sold at over 700 retailers throughout Michigan, California and Oklahoma boasting an 84% rating (4.2/5) on WeedMaps.com. Under the terms of the definitive agreement, a wholly-owned subsidiary of

the Company has acquired all of the issued and outstanding equity interests of Platinum Vape in a cash and stock transaction valued at up to US$35 million, comprised of US$7 million in cash paid at closing, a further US$13 million in cash payable 120 days after closing and a US$15 million convertible promissory note payable on the third anniversary of closing (which may be converted into Company stock only after 12 months). Additional consideration of up to US$25 million, payable either as cash or stock in the Company, may be paid to Platinum Vape securityholders if certain revenue targets and EBIT metrics are achieved by Platinum Vape in 2020 and 2021. The Company is not assuming any long-term debt and the transaction will not constitute a change of control of RWB.

In addition, the Company also announces that it issued a CDN$10 million principal amount convertible debenture (the "Convertible Debenture") on September 11, 2020 to an arm's-length investor by way of a private placement. The Convertible Debenture bears interest at the rate of 5% per annum, is unsecured and matures on the date of closing of the Company's previously announced bought deal financing co-led by PI Financial Corp. and Eight Capital and including Canaccord Genuity Corp. and Echelon Wealth Partners (the "Bought Deal Financing"). The Bought Deal Financing is expected to close in the week of September 21, 2020. It is expected that the Convertible Debenture will be repaid in full upon closing of the Bought Deal Financing.

The Convertible Debenture is automatically convertible into units ("Units") of the Company at a price of $0.75 per Unit should there be either a liquidation event or the Bought Deal Financing terminates. Each Unit will consist of one common share of the Company (each, a "Common Share") and one common share purchase warrant of the Company (each, a "Warrant"). Each Warrant is exercisable to acquire one additional Common Share at a price of $1.00 per Warrant for a period of 24 months from the date of issuance (the "Expiry Date"). If at any time prior to the Expiry Date, the weighted average trading price of the Common Shares exceeds $1.50 for a period of 10 consecutive trading days, the Company may provide written notice to the holder by way of a news release (the "Notice") advising that the Warrants will expire at 5:00 pm (Vancouver Time) on the 30th day following the Notice.

A portion of the proceeds of the Convertible Debenture was used to make the initial payment of US $7 million to the sellers of Platinum Vape upon closing of the acquisition of Platinum Vape.

Non-IFRS Financial Measures and Currency:

Operational gross profit, EBITDA and Adjusted EBITDA are non-IFRS measures and do not have standardized definitions under IFRS. The Company has provided the nonIFRS financial measures, which are not calculated or presented in accordance with IFRS, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with IFRS. These supplemental non-IFRS financial measures are presented because management has evaluated the financial results both including and excluding the adjusted

items and believe that the supplemental non-IFRS financial measures presented provide additional perspective and insights when analyzing the core operating performance of the business. These supplemental non-IFRS financial measures should not be considered superior to, as a substitute for or as an alternative to, and should only be considered in conjunction with, the IFRS financial measures presented herein. Accordingly, the following information provides reconciliations of the supplemental non-IFRS financial measures, presented herein to the most directly comparable financial measures calculated and presented in accordance with IFRS. All currencies, unless otherwise noted, are quoted in Canadian dollars.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Theo van der Linde, Chief Financial Officer
Phone: 604-687-2038

Item 9 Date of Report

September 15, 2020

Red White & Bloom Provides Update

TORONTO, Ontario September 17, 2020 (STOCKWATCH) -- Red White & Bloom Brands Inc. (CSE: RWB) (OTC: RWBYF) ("**RWB**" or the "**Company**") advises that on September 16, 2020 at 16:07:47 ET amended and restated interim financial statements for the period ended June 30, 2020 were inadvertently filed on SEDAR and should be disregarded. The corrected amended and restated financial statements and accompanying management's discussion and analysis for the period ended June 30, 2020 have been re-filed at 17:18:33 ET and the Company directs readers to these versions instead. The corrected amended and restated financial statements have been reviewed by the Company's auditors, updated to the current date and will be incorporated by reference into the Company's final prospectus to be filed in connection with its recently announced bought deal offering of units.

About Red White & Bloom Brands Inc.

The Company is positioning itself to be one of the top three multi-state cannabis operators active in the U.S. legal cannabis and hemp sector. RWB is predominantly focusing its investments on the major US markets, including Michigan, Illinois, Massachusetts and California with respect to cannabis, and the US and internationally for hemp-based CBD products.

For more information about Red White & Bloom Brands Inc., please contact:

Tyler Troup, Managing Director
Circadian Group IR
IR@RedWhiteBloom.com

Visit us on the web: www.RedWhiteBloom.com

Follow us on social media:
Twitter: @rwbbrands
Facebook: @redwhitebloombrands
Instagram: @redwhitebloombrands

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.

FORWARD LOOKING INFORMATION

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend",

“expect”, “plan”, “predict”, “may” or “should” and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release includes information relating to the implementation of the Company’s business plan including the bought deal financing. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the implementation of the Company’s business plan and matters relating thereto, risks associated with the cannabis industry, competition, regulatory change, the need for additional financing, reliance on key personnel, the potential for conflicts of interest among certain officers or directors, and the volatility of the Company’s common share price and volume. Forward-looking statements are made based on management’s beliefs, estimates and opinions on the date that statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

There are a number of important factors that could cause the Company’s actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others, risks related to the Company’s proposed business, such as failure of the business strategy and government regulation; risks related to the Company’s operations, such as additional financing requirements and access to capital, reliance on key and qualified personnel, insurance, competition, intellectual property and reliable supply chains; risks related to the Company and its business generally. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company’s forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Company may elect to, it does not undertake to update this information at any particular time.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER

SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

manning elliott

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 **Fax:** 604. 714. 3669 **Web:** manningelliott.com

September 18, 2020

TO: British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Nova Scotia Securities Commission
New Brunswick Securities Commission
Prince Edward Island Deputy Registrar, Securities Division
Office of the Superintendent of Securities, Newfoundland and Labrador

Re: Red White & Bloom Brands Inc. (the "Company")

We refer to the short form prospectus (the "Prospectus") of Red White & Bloom Brands Inc. (formerly Tidal Royalty Corp.) (the "Company") dated September 18, 2020 relating to the sale and issuance of (i) up to 29,000,000 units at a price of $0.75 per unit.

We consent to being named and to the use in the above-mentioned Prospectus, of our independent auditor's report dated November 28, 2019 to the shareholders of the Company on the following financial statements:

- Consolidated statements of financial position as at July 31, 2019 and 2018; and
- Consolidated statements of comprehensive loss, changes in equity (deficiency) and cash flows for the years ended July 31, 2019 and 2018, and a summary of significant accounting policies and other explanatory information.

We report that we have read the Prospectus and all information specifically incorporated by reference therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from these consolidated financial statements upon which we have reported or that are within our knowledge as a result of our audit of these consolidated financial statements. We have complied with the Canadian generally accepted standards for an auditor's consent to the use of a report of the auditor included in an offering document, which does not constitute an audit or review of the Prospectus as these terms are described in the CPA Canada Handbook – Assurance.

Yours truly,

Manning Elliott LLP

Vancouver, Canada

Smythe CPA

September 18, 2020

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission Nova Scotia Securities Commission New Brunswick Securities Commission
Prince Edward Island Deputy Registrar, Securities Division
Office of the Superintendent of Securities, Newfoundland & Labrador

Dear Sirs/Mesdames:

We refer to the short form prospectus of Red White & Bloom Brands Inc. (formerly Tidal Royalty Corp.) (the "Company") dated September 18, 2020 relating to the Company's distribution and offering of 29,000,000 units at a price of $0.75 per unit for total gross proceeds of $21,750,000 (the "Prospectus").

We consent to being named and to the use in the Prospectus, of our report dated April 29, 2020 to the shareholders of the Company on the following financial statements:

· Consolidated statements of financial position of MichiCann Medical Inc. as at December 31, 2019 and 2018; and
· Consolidated statements of comprehensive loss, changes in equity and cash flows of MichiCann Medical Inc. for the years ended December 31, 2019 and 2018, and a summary of significant accounting policies and other explanatory information.

We report that we have read the Prospectus and all information therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements. We have complied with Canadian generally accepted standards for an auditor's consent to the use of a report of the auditor included in an offering document, which does not constitute an audit or review of the Prospectus, as these terms are defined in the Chartered Professional Accountants of Canada Handbook – Assurance.

Yours very truly,

Smythe LLP

Chartered Professional Accountants

KN/HT/1317000

Vancouver
1700 – 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
T: 604 282 3600
F: 604 357 1376

Nanaimo
201 – 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

September 18, 2020

British Columbia Securities Commission, as principal regulator
Ontario Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Financial and Consumer Services Commission (New Brunswick) Service NL, Financial Services Regulation Division
Nova Scotia Securities Commission
Superintendent of Securities, Justice and Public Safety, Prince Edward Island

Dear Sirs and Madams:

Re: Red White & Bloom Brands Inc. (the "Company") – Final Short Form Prospectus dated September 18, 2020

We refer to the final short form prospectus of the Company dated September 18, 2020 (the "**Prospectus**").

We consent to the use of our firm's name on the third page of the Prospectus and under the heading "*Interest of Experts*", and to the use of our name and the inclusion of our opinion under the heading "*Eligibility for Investment*" in the Prospectus.

We have read the Prospectus and have no reason to believe that there are any misrepresentations in the information contained in the Prospectus that are derived from our opinion referred to above or within our knowledge as a result of the services we performed in connection with such opinion.

Yours truly,

"GOWLING WLG (CANADA) LLP"

Gowling WLG (Canada) LLP
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Toronto ON M5X 1G5 Canada
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Borden Ladner Gervais

September 18, 2020

VIA SEDAR

British Columbia Securities Commission (Principal Regulator)
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Prince Edward Island
Office of the Superintendent of Securities, Newfoundland and Labrador

Dear Sirs/Mesdames:

Re: Red White & Bloom Brands Inc. (the "Company")

We refer to the final short form prospectus of the Company dated September 18, 2020 (the "**Prospectus**"). We hereby consent to the reference to our firm name on the third page of the Prospectus and under the heading "Interest of Experts". We also consent to the reference to and use of our name and opinion under the heading "Eligibility for Investment" in the Prospectus.

We confirm that we have read the Prospectus and have no reason to believe that there are any misrepresentations in the information contained in the Prospectus that are derived from our opinion or that are within our knowledge as a result of the services we performed in connection with the preparation of the Prospectus.

Yours truly,

(signed) "*Borden Ladner Gervais LLP*"

British Columbia
Securities Commission

RECEIPT

Red White & Bloom Brands Inc.

This is the receipt of the British Columbia Securities Commission for the Short Form Prospectus of the above Issuer dated September 18, 2020 (the prospectus).

This receipt also evidences that the Ontario Securities Commission has issued a receipt for the prospectus.

The prospectus has been filed under Multilateral Instrument 11-102 Passport System in Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador. A receipt for the prospectus is deemed to be issued by the regulator in each of those jurisdictions, if the conditions of the Instrument have been satisfied.

September 18, 2020

Luxi Chen

Luxi Chen, CPA, CA
Senior Securities Analysts, Corporate Finance

SEDAR Project Number 3101780

Tel: 604 899-6500 Fax: 604 899-6506 Toll Free: 1 800-373-6393 www.bcsc.bc.ca
P.O. Box 10142, Pacific Centre, 701 West Georgia Street Vancouver, BC, Canada V7Y 1L2

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by the persons permitted to sell such securities.

*The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the "**United States**"), and may not be offered or sold within the United States, or to, or for the account or benefit of a U.S. Person (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States, except as permitted by the Underwriting Agreement (as defined herein) and in transactions exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. persons.*

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at our head office located at 789 West Pender Street, Suite 810, Vancouver, BC, V6C 1H2, Telephone 604-687-2038, and are also available electronically at www.sedar.com.

New Issue September 18, 2020

SHORT FORM PROSPECTUS

RED WHITE & BLOOM BRANDS INC.

$21,750,000
29,000,000 UNITS

This short form prospectus (the "**Prospectus**") qualifies the distribution and offering (the "**Offering**") of 29,000,000 units (the "**Offered Units**") of Red White & Bloom Brands Inc. ("**RWB**" or the "**Company**") at a price of $0.75 per Offered Unit (the "**Offering Price**") for total gross proceeds of $21,750,000, pursuant to the terms of an underwriting agreement (the "**Underwriting Agreement**") dated August 25, 2020 between the Company, PI Financial Corp. and Eight Capital as co-lead underwriters (the "**Co-Lead Underwriters**"), together with Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (collectively, the "**Underwriters**"), as amended. See "*Plan of Distribution*".

Each Offered Unit consists of one common share ("**Common Share**") in the capital of the Company (each a "**Unit Share**") and one transferable Common Share purchase warrant of the Company (each such warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Common Share (each, a "**Warrant Share**") at an exercise price equal to $1.00 per Warrant Share (the "**Exercise Price**") for a period of twenty-four (24) months following the Closing Date (as defined herein). If, at any time prior to the expiry date of the Warrants, the volume-weighted average price of the Common Shares on the Canadian Securities Exchange (the "**CSE**") (or such other stock exchange where the majority of the trading volume occurs) exceeds $1.50 for 10 consecutive trading days, the Company may provide written notice to the holders of the Warrants by way of a news release advising that the Warrants will expire at 5:00 p.m. (Vancouver time) on the 30th day following the date of such notice unless exercised by the holders prior to such date (the "**Accelerated Exercise Period**"). The Warrants will be governed by a warrant indenture (the "**Warrant Indenture**") to be entered into on the Closing Date between the Company and National Securities Administrators Ltd., as warrant agent. See *"Description of Securities Being Distributed"*.

The Underwriters have agreed to act as, and the Company has appointed the Underwriters as, the sole and exclusive underwriters of the Company to offer the Offered Units for sale in accordance with the conditions contained in the Underwriting Agreement.

The Common Shares are listed and posted for trading on the CSE under the trading symbol "RWB" and trade in the United States on the OTCQX under the trading symbol "RWBYF". On September 17, 2020, the last trading day prior to the date of this Prospectus, the closing prices of the Common Shares listed on the CSE and the OTCQX were $0.61 and US$0.48, respectively.

The Company has applied to list the Unit Shares, the Warrants and the Warrant Shares (including those underlying the Over-Allotment Units (each as defined herein)), the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares (each as defined herein) on the CSE. Listing will be subject to the Company fulfilling all listing requirements of the CSE. There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. See "*Risk Factors"* and *"Plan of Distribution"*.

PRICE: $0.75 per Offered Unit

	Price to the Public[1]	Underwriter's Fee[2]	Net Proceeds to the Company[3]
Per Offered Unit	$0.75	$0.045	$0.705
Total[4]	$21,750,000	$1,305,000	$20,445,000

Notes:

(1) The Offering Price was determined by arm's length negotiation between the Company and the Co-Lead Underwriters on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares.

(2) The Company has agreed to pay to the Underwriters a cash fee equal to 6.0% of gross proceeds raised in respect of the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option (as defined herein)) (collectively, the "**Underwriters' Fee**"). As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue to the Underwriters such number of non-transferable compensation options (the "**Compensation Options**") to acquire that number of units of the Company on the same terms as the Offered Units (the " **Compensation Units**") as is equal to 6.0% of the number of Offered Units sold under the Offering (including upon the exercise of the Over-Allotment Option). Each Compensation Option shall be exercisable into one Compensation Unit consisting of one Common Share (a "**Compensation Share**") and one Warrant (a " **Compensation Warrant**") at the Offering Price for a period of 24 months following the Closing Date, subject to adjustment in certain customary events. Each Compensation Warrant will entitle the holder thereof to acquire one Common Share (each, a "**Compensation Warrant Share**") at the Exercise Price for a period of twenty-four (24) months following the Closing Date, subject to acceleration on the same terms as the Warrants. This Prospectus qualifies the distribution of the Compensation Options to the Underwriters. See "*Plan of Distribution*".

(3) After deducting the Underwriters' Fee, but before deducting the expenses of the Offering, estimated to be $450,000 (excluding taxes and disbursements), which, together with the Underwriters' Fee, will be paid out of the gross proceeds of the Offering.

(4) The Underwriters have been granted an over-allotment option exercisable in whole or in part, at the sole discretion of the Underwriters by giving notice to the Company at any time, and from time to time, on or before 5:00 p.m. (EDT) on the 30th day following the Closing Date, to purchase up to an additional 15% of the number of Offered Units sold under the Offering, being up to 4,350,000 Offered Units (the "**Over-Allotment Units**") and/or up to 4,350,000 Unit Shares (" **Over-Allotment Unit Shares**") and/or up to 4,350,000 Warrants (" **Over-Allotment Warrants**"), to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes (the " **Over-Allotment Option**"). The Over-Allotment Option may be exercised by the Underwriters to acquire: (a) Over-Allotment Units at the Offering Price; (b) Over-Allotment Unit Shares at a price of $0.67 per Over-Allotment Unit Share; (c) Over-Allotment Warrants at a price of $0.08 per Over-Allotment Warrant; or (d) any combination of Over-Allotment Units, Over-Allotment Unit Shares and Over-Allotment Warrants, so long as the aggregate number of Over-Allotment Unit Shares and Over-Allotment Warrants which may be issued under the Over-Allotment Option does not exceed 4,350,000 Over-Allotment Unit Shares and 4,350,000 Over-Allotment Warrants. If the Over- Allotment Option is exercised in full, the total "*Price to the Public", "Underwriters' Fee"* and *"Net Proceeds to the Company"* will be $25,012,500, $1,500,750 and $23,511,750, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Units issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Units, Over-Allotment Unit Shares or Over- Allotment Warrants forming part of the Underwriters' over-allocation position acquires those Over-Allotment Units, Over-Allotment Unit Shares or Over- Allotment Warrants under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over- Allotment Option or secondary market purchases. See "*Plan of Distribution*".

The following table sets out information relating to the Over-Allotment Option and the Compensation Options:

Underwriters' Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	Up to 4,350,000 Over-Allotment Units, Over-Allotment Unit Shares and/or Over-Allotment Warrants	For a period of 30 days from and including the Closing Date	$0.75 per Over-Allotment Unit, $0.67 per Over-Allotment Unit Share and $0.08 per Over-Allotment Warrant
Compensation Options	2,001,000 Compensation Options (including upon exercise of the Over-Allotment Option)	24 months from the Closing Date	$0.75 per Compensation Option

Unless the context otherwise requires, when used herein, all references to " **Offering**" include the exercise of the Over-Allotment Option and all references to "**Offered Units**", "**Unit Shares**", "**Warrants**" and "**Warrant Shares**" include the securities underlying the exercise of the Over-Allotment Units.

The Underwriters, as principals, conditionally offer the Offered Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of the Company by Gowling WLG (Canada) LLP and on behalf of the Underwriters by Borden Ladner Gervais LLP. **An investment in the Offered Units involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Before purchasing the Offered Units, prospective purchasers should carefully review and evaluate the risk factors described under *"Risk Factors"* in this Prospectus and in the Annual Information Form (as defined herein), which can be found on the Company's profile on SEDAR at www.sedar.com. Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Offered Units, Unit Shares, Warrants and/or Warrant Shares. See *"Cautionary Note Regarding Forward- Looking Statements"* and *"Risk Factors"*.**

Prospective purchasers should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Underwriters have not authorized anyone to provide prospective purchasers with information different from that contained or incorporated by reference in this Prospectus. The Underwriters are offering to sell and seeking offers to buy the Offered Units only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted. Prospective purchasers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.

Subscriptions for the Offered Units will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering (the "**Closing**") is expected to take place on or about September 24, 2020 or such other date as the Underwriters and the Company may mutually agree (the "**Closing Date**"), acting reasonably, provided that the Offered Units are to be taken up by the Underwriters on or before the date that is not later than 42 days after the date of the receipt for the (final) short form prospectus relating to the Offering. *See "Plan of Distribution"*.

In connection with the Offering, and subject to applicable laws, the Underwriters may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Unit Shares at levels other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters may offer the Offered Units at a lower price than stated above. See *"Plan of Distribution"*.

It is anticipated that the Offered Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in electronic form. A purchaser of Offered Units will receive only a customer confirmation from the Underwriters or another registered dealer from or through which the Offered Units are purchased and who is a CDS depository service participant (a "**Participant**"). CDS will record the Participants who hold Unit Shares and Warrants comprising the Offered Units on behalf of owners who have purchased Offered Units in accordance with the book-based system. No certificates evidencing the Unit Shares or Warrants comprising the Offered Units will be issued to subscribers, except in certain limited circumstances, and registration will be made in the name of the nominee of CDS. Notwithstanding the foregoing, all Offered Units, Unit Shares and Warrants and any Warrant Shares, offered and sold in the United States or to or for the account or benefit of U.S. Persons who are institutional "accredited investors" as such term is defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the U.S. Securities Act (the "**U.S. Accredited Investors**"), and who are not "qualified institutional buyers," as such term is defined in Rule 144A under the U.S. Securities Act ("**Qualified Institutional Buyers**", and together with the U.S. Accredited Investors, the " **U.S. Purchasers**") will be issued in certificated, individually registered form. See *"Plan of Distribution"*.

A controlling shareholder of PI Financial Corp. is concurrently an influential shareholder of Bridging Finance Inc. ("Bridging"), which is a lender to certain subsidiaries of the Company (being Mid-American Growers, Inc. ("MAG") and RWB Illinois, Inc. ("RWB Illinois")) pursuant to the Amended Facility (as defined below) under which such subsidiaries are currently indebted and which the Company has guaranteed. Consequently, the Company may be considered to be a "connected issuer" (within the meaning of National

Instrument 33-105 – *Underwriting Conflicts*) of PI Financial Corp. under applicable Canadian securities legislation. See "*Relationship Between the Company and Certain Underwriters*".

In this Prospectus, references to "**RWB**", the "**Company**", "**we**", "**us**" and "**our**" refer to Red White & Bloom Brands Inc. and/or, as applicable, one or more of its subsidiaries. The Company's head office and registered office is located at 789 West Pender Street, Suite 810, Vancouver, BC, V6C 1H2.

This Prospectus qualifies the distribution of securities of an entity that currently derives and intends to derive, directly, a substantial portion of its revenues from the cannabis industry in certain U.S. states, which industry is illegal under U.S. Federal law and enforcement of relevant laws is a significant risk. The Company is directly involved through certain subsidiaries and investees and expects to be directly involved through additional subsidiaries and proposed acquisition targets in the medical and adult-use cannabis industry in the States of Michigan, Illinois, California and Massachusetts which states have regulated such industries. Currently, the Company is directly engaged in, or pursuing operations regarding, the cultivation, possession, use, sale and distribution of medical and adult-use cannabis in such states. The Company, through certain subsidiaries and investees, has limited indirect operations in Florida and Oklahoma through sublicensing arrangements with arm's length entities. The Company does not currently hold any cannabis licenses or have any pending cannabis license applications in either Florida or Oklahoma.

The United States federal government regulates drugs, in part, through the Controlled Substances Act (21 U.S.C. § 811) (the "Controlled Substances Act"), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. The United States Food and Drug Administration has not approved marijuana as a safe and effective drug for any indication.

In the United States, marijuana is regulated at both the federal and state level, however these regulations are in direct conflict. State laws regulating cannabis are in direct conflict with the federal Controlled Substances Act, which makes cannabis use and possession federally illegal. Although certain states authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal, and any such acts are criminal acts under federal law. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and, in case of conflict between federal and state law, the federal law shall apply. Third party service providers could suspend or withdraw services as a result of the Company operating in an industry that is illegal under United States federal law.

On January 4, 2018, then United States Attorney General Sessions issued a memorandum (the "Sessions Memo") to all United States Attorneys which rescinded previous guidance from the U.S. Department of Justice specific to cannabis enforcement in the United States, including the Cole Memo (as defined herein). With the Cole Memo rescinded, and United States federal prosecutors having no further guidance relating to prosecution of cannabis-related violations of U.S. federal law, discretion on whether or not to prosecute such alleged violations has reverted to each respective U.S. Attorney to make such a determination. In the absence of such uniform federal guidance, as had been established by the Cole Memo, numerous United States Attorneys with state-legal marijuana programs within their jurisdictions have announced enforcement priorities for their respective offices. For instance, Andrew Lelling, United States Attorney for the District of Massachusetts, stated that while his office would not immunize any businesses from federal prosecution, he anticipated focusing the office's marijuana enforcement efforts on: (1) overproduction; (2) targeted sales to minors; and (3) organized crime and interstate transportation of drug proceeds. Other United States Attorneys provided less assurance, promising to enforce federal law, including the Controlled Substances Act in appropriate circumstances. United States Attorney General Sessions resigned on November 7, 2018. He was replaced by William Barr on February 14, 2019. It is unclear what specific impact this development will have on U.S. federal government enforcement policy as the Department of Justice under Mr. Barr has not taken a formal position on federal enforcement of laws relating to cannabis. However, during his confirmation, and in response to written inquiries by U.S. Senators, Mr. Barr stated that "[he does] not

intend to go after parties who have complied with state law in reliance on the Cole Memorandum." Mr. Barr has also stated that, while his preference would be to have a uniform federal rule addressing cannabis; absent such a uniform position, his preference would be to permit the existing federal approach of allowing individual states or territories to determine cannabis policy and to trust the judgment of U.S. prosecutors on how to enforce U.S. federal law. If the Department of Justice policy under Attorney General Barr was to prosecute cannabis-related business, including but not limited to any investors, financiers, employees, officers and managers, and United States Attorneys followed such Department of Justice policies through pursuing prosecutions, then the Company could face (i) seizure of its cash and other assets used to support or derived from its cannabis operations; (ii) the arrest of its employees, directors, officers and managers; and (iii) the barring of its employees, directors, officers, managers and investors who are not United States citizens from entry into the United States. There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends U.S. federal law with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law. If the United States federal government begins to enforce United States federal laws relating to cannabis in states where the sale and use of cannabis is currently legal under state law, or if existing applicable state laws are repealed or curtailed, the Company's business, results of operations, financial condition and prospects would be materially adversely affected.

Although the Cole Memo has been rescinded, one legislative safeguard for the medical marijuana industry remains in place: Congress has passed a so-called "rider" provision in the FY 2015, 2016, 2017 and 2018 Consolidated Appropriations Acts to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law. The rider is known as the "Rohrabacher-Farr" Amendment after its original lead sponsors (it is also sometimes referred to as the "Rohrabacher-Blumenauer" or "Joyce-Leahy" Amendment, but it is referred to in this Prospectus as "Rohrabacher-Farr"). Most recently, the Rohrabacher-Farr Amendment was included in the Consolidated Appropriations Act of 2019, which was signed by President Donald Trump on February 14, 2019 and funds the departments of the federal government through the fiscal year ending September 30, 2019. In signing the Act, President Trump issued a signing statement noting that the Act "provides that the Department of Justice may not use any funds to prevent implementation of medical marijuana laws by various States and territories," and further stating "I will treat this provision consistent with the President's constitutional responsibility to faithfully execute the laws of the United States." While the signing statement can fairly be read to mean that the executive branch intends to enforce the Controlled Substances Act and other federal laws prohibiting the sale and possession of medical marijuana, the President did issue a similar signing statement in 2017 and no major federal enforcement actions followed. On December 20, 2019, President Trump signed the 2020 Fiscal Year Appropriations Bill which included the Rohrabacher-Farr Amendment, which prohibits the funding of federal prosecutions with respect to medical cannabis activities that are legal under state law, extending its application until September 30, 2020. There can be no assurances that the Rohrabacher/Blumenauer Amendment will be included in future appropriations bills. See "*Regulatory Overview – U.S. Federal Regulatory Landscape*".

There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the Controlled Substances Act with respect to marijuana (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law. If the United States federal government begins to enforce United States federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Company's business, results of operations, financial condition and prospects would be materially adversely affected.

Marijuana remains a Schedule I controlled substance at the federal level, and neither the Cole Memo nor its rescission nor the continued passage of the Rohrabacher-Farr Amendment has altered that fact. The federal government of the United States has always reserved the right to enforce federal law in regard

to the sale and disbursement of medical or adult-use marijuana, even if state law sanctions such sale and disbursement. If the United States federal government begins to enforce United States federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Company's business, results of operations, financial condition and prospects would be materially adversely affected.

Additionally, under United States federal law, it may potentially be a violation of federal anti-money laundering statutes for financial institutions to take any proceeds from the sale of any Schedule I controlled substance. Due to the Controlled Substances Act categorization of marijuana as a Schedule I drug, federal law makes it illegal for financial institutions that depend on the Federal Reserve's money transfer system to take any proceeds from marijuana sales as deposits. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses under the United States Currency and Foreign Transactions Reporting Act of 1970 (the "Bank Secrecy Act") as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001. Therefore, under the Bank Secrecy Act, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be charged with money laundering or conspiracy. Despite the absence of express banking protections under U.S. federal law, the FinCEN Guidance (as described herein), which was adopted by the U.S. Department of the Treasury in 2014 and remains in place presently, advised prosecutors not to focus their enforcement efforts on banks and other financial institutions that serve marijuana-related businesses so long as that business is legal in their state and none of the federal enforcement priorities referenced in the Cole Memo are being violated.

The Company's objective is to capitalize on the opportunities presented as a result of the changing regulatory environment governing the cannabis industry in the United States. Accordingly, there are a number of significant risks associated with the business of the Company. Unless and until the U.S. Congress amends the Controlled Substances Act with respect to adult-use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, and the business of the Company may be deemed to be producing, cultivating, extracting, or dispensing cannabis or aiding or abetting or otherwise engaging in a conspiracy to commit such acts in violation of federal law in the United States.

In light of the political and regulatory uncertainty surrounding the treatment of United States cannabis related activities, on February 8, 2018, the Canadian Securities Administrators published CSA Staff Notice 51-352 – (Revised) Issuers with U.S. Marijuana-Related Activities (the "Staff Notice 51-352") setting out the Canadian Securities Administrator's disclosure expectations for specific risks facing issuers with cannabis related activities in the United States. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with United States cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the United States cannabis industry. The Company is directly involved through certain subsidiaries and investees in the cultivation and distribution of cannabis in the United States for purposes of Staff Notice 51-352.

For these reasons, the Company's involvement in the U.S. cannabis market may subject the Company to heightened scrutiny by regulators, stock exchanges, clearing agencies and other U.S. and Canadian authorities. There can be no assurances that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to operate in the United States or any other jurisdiction. There are a number of risks associated with the business of the Company. See the sections entitled "*Regulatory Overview*" and "*Risk Factors*" in this Prospectus, and the sections entitled "*General Development of the Business – Trends, Commitments, Events or Uncertainties*" and "*Risk Factors*" in the Listing Statement (as defined herein).

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GENERAL MATTERS

Purchasers should rely only on the information contained in or incorporated by reference into this Prospectus and are not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The Company and the Underwriters have not authorized anyone to provide purchasers with additional or different information. **Information contained on the Company's website shall not be deemed to be a part of this Prospectus or incorporated by reference herein and may not be relied upon by prospective purchasers for the purpose of determining whether to invest in the securities qualified for distribution under this Prospectus.** The Offered Units are not being offered or sold in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should assume that the information appearing or incorporated by reference in this Prospectus is accurate only as at the respective dates thereof, regardless of the time of delivery of the Prospectus or of any sale of the Offered Units. The Company's business, financial condition, results of operations and prospects may have changed since that date. The Company does not undertake to update the information contained or incorporated by reference herein except as required by applicable Canadian securities laws.

This Prospectus shall not be used for any purpose other than in connection with the Offering.

Except as otherwise indicated, references to "Canadian dollars" or "$" are to the currency of Canada.

This Prospectus, including the documents incorporated by reference herein, contains company names, product names, trade names, trademarks and service marks of the Company and other organizations, all of which are the property of their respective owners.

The documents incorporated or deemed to be incorporated by reference herein contain meaningful and material information relating to the Company and prospective purchasers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents incorporated by reference herein, contains forward-looking statements or information (collectively "**forward-looking statements**") which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues", "plans", "aim", "seek" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on current expectations and projections about future events and financial trends that they believe may affect the Company's financial condition, results of operations, business strategy and financial needs, as the case may be.

Forward-looking statements relating to the Company include, among other things, statements relating to:

* the completion of the Offering and the receipt of all regulatory and CSE approvals in connection therewith;
* the listing on the CSE of the Unit Shares, the Warrants and Warrant Shares (including the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares)
* the Company's use of proceeds and business objectives and milestones and the anticipated timing of execution, see *"Use of Proceeds"*;
* the performance of the Company's business and operations;
* the successful completion of the Company's previously announced transactions, including, but not limited to, the Company's proposed acquisition of Platinum Vape, LLC ("**Platinum Vape**"), the Company's proposed acquisition of PharmaCo Inc. ("**PharmaCo**"), the Company's exclusive partnership for the distribution and commercialization of Avicanna Inc. ("**Avicanna**") products, the Company's growing and sales agreement with 39 Industries, LLC (operating as Critical 39) ("**Critical 39**");
* the intention to expand the business, operations and potential activities of the Company;

current legislation in the United States and various states thereof pertaining to the production, distribution, sale and use of medical and recreational cannabis;

* future prices and demand for cannabis in the United States and the supply of cannabis and the production of products derived therefrom;

* development of projects in which the Company invests being on time and on budget;
* the accuracy and veracity of information and projections sourced from third parties respecting, among other things, future industry conditions and demand for cannabis;
* the competitive conditions of the cannabis industry;
* the competitive and business strategies of the Company;
* the Company's anticipated operating cash requirements and future financing needs;
* the anticipated future gross revenues and profit margins of the Company's operations;
* the Company's expectations regarding its revenue, expenses and operations;
* impacts of potential litigation;
* the Company's intention to build brands and develop cannabis products targeted to specific segments of the market;
* the ongoing and proposed expansion of the Company's facilities, products or services, including associated costs and any applicable licencing;
* the current political, legal and regulatory landscape surrounding medical and recreational cannabis and expected developments in any jurisdiction in which the Company operates or may operate;
* the receipt of any regulatory and stock exchange approvals required at any given time;
* the applicable laws, regulations and any amendments thereof;
* medical benefits, viability, safety, efficacy and dosing of cannabis;
* the expected growth in the number of patients;
* the expected number of grams of medical cannabis used by each patient;
* expectations with respect to the advancement and adoption of new product lines and ingredients;
* the acceptance by customers and the marketplace of new products and solutions;
* the ability to attract new customers and develop and maintain existing customers;
* expectations with respect to future production costs and capacity;
* expectations and anticipated impact of the COVID-19 pandemic;
* expectations with respect to the receipt, renewal, amendment and/or extension of the Company's permits and licences;
* the ability to protect, maintain and enforce the Company's intellectual property rights;
* the ability to successfully leverage current and future strategic partnerships and alliances;
* the ability to attract and retain personnel;
* anticipated labour and materials costs;
* the Company's competitive condition and expectations regarding competition, including pricing and demand expectations and the regulatory environment in which the Company operates; and
* anticipated trends and challenges in the Company's business and the markets and jurisdictions in which the Company operates or may operate.

Forward-looking statements are based on certain key assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors the Company believes are appropriate and are subject to risks and uncertainties and include assumptions made by the Company about its business, the economy and the cannabis industry in general, particularly in light of the impact of the COVID-19 virus ("**COVID-19**"). Although management believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, shareholders and prospective purchasers of the Company's securities should not place undue reliance on these forward-looking statements. The above list of forward-looking statements is not exhaustive and whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors.

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.

Certain of the forward-looking statements contained herein concerning cannabis, the general expectations of the Company related thereto, and the Company's business and operations are based on estimates prepared by the Company using data from publicly available governmental sources, as well as from market research and industry

analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the current cannabis industry involves risks and uncertainties that are subject to change based on various factors. It is not possible for management to predict all such factors and to assess in advance the impact of each such factor 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. **Readers are cautioned that actual future results may differ materially from management's current expectations and the forward-looking statements contained in this Prospectus and the documents incorporated by reference herein are expressly qualified in their entirety by this cautionary statement. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this Prospectus, please see "*Risk Factors*" in this Prospectus and in the Company's Annual Information Form for the period ended July 31, 2019, filed under the Company's profile on SEDAR and available at www.sedar.com.**

MARKET AND INDUSTRY DATA

Market and industry data contained and incorporated by reference in this Prospectus concerning economic and industry trends is based upon good faith estimates of our management or derived from information provided by industry sources. The Company believes that such market and industry data is accurate and that the sources from which it has been obtained are reliable. However, we cannot guarantee the accuracy of such information and we have not independently verified the assumptions upon which projections of future trends are based.

MARKETING MATERIALS

Any "template version" of "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) will be incorporated by reference into the final short form prospectus. However, any such template version of marketing materials will not form part of the final short form prospectus to the extent that the contents of the template version of marketing materials are modified or superseded by a statement contained in the final short form prospectus. Any template version of marketing materials filed after the date of this Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials (as defined herein)) is deemed to be incorporated in this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Gowling WLG (Canada) LLP, counsel to the Company, and Borden Ladner Gervais LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") as of the date hereof, the Unit Shares, the Warrants and the Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act (collectively "**Registered Plans**") and trusts governed by deferred profit sharing plans ("**DPSPs**"), provided that:

(i) in the case of Unit Shares and Warrant Shares, the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE) or the Company qualifies as a "public corporation" (as defined in the Tax Act); and

(ii) in the case of Warrants, the Warrants, once listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE), or the Warrant Shares are qualified investments as described in (i) above and neither the Company, nor any person with whom the Company does not deal at arm's length, is an annuitant, a beneficiary, an employer or subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, holders, annuitants or subscribers of Registered Plans (each a "**Controlling Individual**") will be subject to a penalty tax in respect of the Unit Shares, Warrants and Warrant Shares held in a trust governed by a Registered Plan if such Unit Shares, Warrants or Warrant Shares, as the case may be, are a

"prohibited investment" under the Tax Act for the particular Registered Plan. Unit Shares, Warrants or Warrant Shares will generally not be a "prohibited investment" for a Registered Plan unless the Controlling Individual of the Registered Plan (i) does not deal at arm's length with the Company for purposes of the Tax Act; or (ii) has a "significant interest", as defined in the Tax Act, in the Company. In addition, the Unit Shares and Warrant Shares will not be a "prohibited investment" if such securities are "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for trusts governed by a Registered Plan.

Persons who intend to hold Unit Shares, Warrants or Warrant Shares in a Registered Plan or DPSP, should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 789 West Pender Street, Suite 810, Vancouver, BC, V6C 1H2, Telephone 604-687-2038, and are also available electronically on SEDAR at www.sedar.com.

The following documents of the Company filed with the securities commissions or similar authorities in Canada are incorporated by reference in this Prospectus:

1. the Company's annual information form dated August 7, 2020 (the "**Annual Information Form**") in respect of the fiscal year ended July 31, 2019 (excluding any reference in the Annual Information Form to the Company as a passive foreign investment company ("**PFIC**"). See "*Risk Factors – Risks Related to the Business – Passive Foreign Investment Company Status*";
2. the Company's CSE Form 2A listing statement dated June 1, 2020 respecting the business combination transaction (the "**Business Combination Transaction**") involving the Company (formerly Tidal Royalty Corp. ("**Tidal**")) and MichiCann Medical Inc. ("**MichiCann**") (excluding Tidal's interim financial statements and management's discussion and analysis thereon) (the "**Listing Statement**");
3. the Company's audited consolidated financial statements and the notes thereto as at and for the years ended July 31, 2019 and 2018, together with the auditor's report thereon (the "**Annual Financial Statements**");
4. the Company's management's discussion and analysis for the years ended July 31, 2019 and 2018 (the "**Annual MD&A**");
5. the Company's statement of executive compensation for the financial years ended July 31, 2019 and 2018;
6. the Company's audited consolidated financial statements in respect of MichiCann and the notes thereto as at and for the years ended December 31, 2019 and 2018, together with the auditor's report thereon;
7. the Company's management's discussion and analysis of financial conditions and operations in respect of MichiCann for the years ended December 31, 2019 and 2018;
8. the Company's unaudited condensed interim consolidated financial statements and the notes thereto as at and for the three and six months ended January 31, 2020 and 2019;
9. the Company's management's discussion and analysis for the six month period ended January 31, 2020 and 2019;
10. the Company's reviewed amended and restated unaudited condensed interim consolidated financial statements and the notes thereto as at and for the three and six months ended June 30, 2020 and 2019 (the "**Interim Financial Statements**");
11. the Company's amended and restated management's discussion and analysis for the three and six months ended June 30, 2020;
12. the Company's management information circular dated August 5, 2020 respecting an annual and special meeting of shareholders of the Company;

13. the material change report dated August 24, 2020 respecting: (i) the entering into by the Company on July 24, 2020 of a growing and sales agreement with Critical 39 (the "**Critical 39 Agreement**"); (ii) the entering into by the Company on August 11, 2020 of a distribution agreement with Avicanna for the exclusive distribution of Avicanna's advanced and clinically backed cannabidiol ("**CBD**") based cosmetic and topical products Pura H&W™ in the United States and certain other markets (the "**Avicanna Distribution Agreement**"); (iii) the Company's providing of notice to PharmaCo shareholders (the "**PharmaCo Shareholders**") on July 24, 2020 of its intent to exercise its right to acquire 100% of the issued and outstanding shares of PharmaCo pursuant to the put/call option agreement dated January 4, 2019 between MichiCann, PharmaCo and PharmaCo Shareholders (the "**PharmaCo Put/Call Agreement**"); (iv) the entering into by the Company on July 21, 2020 of a binding letter of intent to acquire 100% of the issued and outstanding shares of Platinum Vape; and (v) the appointment of CNBC Market Analyst Steven Grasso as Business Advisor.

14. the material change report dated July 7, 2020 respecting a debt settlement subscription agreement with an arm-length investor entered into on June 30, 2020 to settle advances made by the investor to PharmaCo;

15. the material change reports dated June 8, 2020 and June 11, 2020 respecting the Company's acquisition on June 10, 2020 of 1251881 B.C. Ltd. ("**Newco**"), being the entity holding the licensing rights for the branding of High Times® ("**High Times**") dispensaries and High Times cannabis-based CBD and THC products in the states of Michigan, Illinois and Florida and branding of High Times hemp-derived CBD products nationally in the United States carrying the Culture® brand pursuant to a retail license agreement and a product license agreement with HT (as defined below), which transactions were completed by way of a three-cornered amalgamation under the *Business Corporations Act* (British Columbia), whereby 1252034 B.C. Ltd., a wholly-owned British Columbia subsidiary of RWB, amalgamated with 1251881 B.C. Ltd. to form RWB Licensing Inc. ("**RWB Licensing**") in exchange for the issuance to 1252240 B.C. Ltd. (the "**Seller**"), a wholly-owned subsidiary of HT Retail Licensing, LLC ("**HT**") of: (i) 13,500,000 Common Shares issued at a deemed price of $1.50 per Common Share; and (ii) a special warrant of the Company that is exercisable into 4,500,000 additional Common Shares if the volume weighted average price of the Common Shares on the CSE, for the first 180 days following June 10, 2020 is below $1.50, all pursuant to an acquisition agreement between the Company, HT, the Seller and Newco dated June 4, 2020 (the "**RWB Licensing Acquisition**");

16. the material change report dated June 8, 2020 respecting the resumption of trading of the Company's shares on the CSE;

17. the material change report dated April 29, 2020 respecting the completion of the Company's Business Combination Transaction with MichiCann on April 24, 2020 whereby (i) the Company changed its name from "Tidal Royalty Corp." to "Red White & Bloom Brands Inc." and completed a 16:1 share consolidation including common shares, series I convertible preferred shares (the "**Series I Preferred Shares**"), options and warrants; (ii) the Company fixed the number of directors at five and appointed Brad Rogers, Johannes (Theo) van der Linde, Brendan Purdy, Michael Marchese and William Dawson; (iii) appointed Brad Rogers as Chief Executive Officer and Johannes (Theo) van der Linde as Chief Financial Officer; (iv) the Company issued Common Shares, series II convertible preferred shares (the "**Series II Preferred Shares**"), warrants and options to former holders of MichiCann common shares, warrants and options; (v) certain shareholders entered into voluntary escrow agreements; and (vi) the Company agreed to guarantee certain obligations of PharmaCo, MAG and RWB Illinois pursuant to an amended and restated credit agreement with Bridging dated January 10, 2020;

18. the material change report dated March 13, 2020 respecting the entering into of an amended and restated business combination agreement with MichiCann in respect of the Business Combination Transaction;

19. the notice of change in corporate structure dated May 14, 2020 whereby, effective as of April 24, 2020, the Company changed its year end to December 31, 2020; and

20. the template version of the term sheet for the Offering dated August 21, 2020 (the " **Marketing Materials**");

21. the material change report dated August 28, 2020 respecting the announcement of the Offering;

22. the material change report dated September 8, 2020 respecting the definitive agreement with Platinum Vape (the "**Platinum Vape Definitive Agreement**"); and

23. the material change report dated September 15, 2020 respecting (i) the issuance of a $10 million convertible debenture to 1260356 Ontario Limited on September 11, 2020 (the "**Convertible Debenture**") of which a portion of the proceeds was used to make the initial payment under the Platinum Vape Definitive Agreement; and (ii) the completion of the Platinum Vape acquisition on September 14, 2020 whereby RWB Platinum Vape Inc., a wholly-owned California subsidiary of RWB ("**RWB Platinum Vape**"), acquired all of the issued and outstanding equity interests of Platinum Vape.

Any documents of the type referred to above or similar material and any documents required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any annual information form, all material change reports (excluding confidential reports, if any), all annual and interim financial statements and management's discussion and analysis relating thereto, or information circular or amendments thereto that the Company files with any securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of this Offering will be deemed to be incorporated by reference in this Prospectus and will automatically update and supersede information contained or incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies, replaces or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.

THE COMPANY

Summary of the Business

RWB focuses on investing in and financing businesses that pertain in any way to cannabis and which are carried out in compliance with applicable United States state laws (the "**U.S. legal cannabis industry**"). The Company actively seeks financing arrangements involving royalties, debt and other forms of investments and acquisitions in private and public companies in the U.S. legal cannabis industry. It is anticipated that the Company will predominately focus its investments, with the strength of its world-class team, on major markets in the United States, including Michigan, Illinois, California, and Massachusetts with respect to cannabis and the entire United States for legal hemp CBD based products. The Company, through certain subsidiaries and investees, currently has limited indirect involvement in the U.S. legal cannabis industry in Florida and Oklahoma in the form of sublicensing arrangements with arm's length entities.

The Company's business objective is to provide capital solutions to companies in the U.S. legal cannabis industry with large-scale potential and a highly-skilled and experienced management team across multiple industry verticals, including cultivation, processing and distribution. The Company is actively pursuing opportunities to provide expansion capital to licensed, qualified operators across multiple industry verticals including cultivation, processing and distribution.

The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company. As the board of directors of the Company (the "**Board of Directors**") grows, the Company expects that it will establish a formal investment committee to evaluate future opportunities. Until such time as a formal committee is created, the Board of Directors will continue to carry out all functions in accordance with the Company's investment policy. The Company expects its investment activities will be primarily focused on enterprises located in the United States, although investments may extend globally (including the purchase of securities listed on foreign stock exchanges). The Company expects to invest solely in the cannabis sector. The Company believes that any risk of limited diversification may be mitigated by

closely monitoring its investments. The actual composition of the Company's investment portfolio will vary over time depending on its assessment of a number of factors, including the performance of United States cannabis markets and credit risk.

The Company's current material subsidiaries and investees are MichiCann, PharmaCo, RWB Illinois, MAG, RWB Platinum Vape, Vista Prime Management, LLC, GC Ventures 2, LLC, Vista Prime 3, Inc., PV CBD LLC, Vista Prime 2, Inc., RWB Licensing, RLTY USA Corp., RLTY Development MA 1 LLC, RLTY Development Springfield LLC, RLTY Development Orange LLC, RLTY Beverage LLC and VLF Holdings LLC d/b/a Diem ("**Diem**"), the financing transactions in respect of each are described herein and in the Listing Statement.

For a detailed description of the business of the Company, prospective purchasers should refer to the Company's Annual Information Form incorporated by reference into this Prospectus and available on the Company's SEDAR profile at www.sedar.com.

Inter-Corporate Relationships

The following chart illustrates the Company's material subsidiaries, the percentage of voting securities of each that are held by RWB either directly or indirectly, and their respective jurisdiction of incorporation, continuance, formation or organization:

Subsidiary Name	Ownership by RWB	Jurisdiction of Incorporation, Continuance, Formation or Organization
RLTY USA Corp.	100%	Delaware
RLTY Beverage 1 LLC	100%	Delaware
RLTY Development MA 1 LLC	100%	Delaware
RLTY Development Springfield LLC	100%	Massachusetts
RLTY Development Orange LLC	100%	Massachusetts
Michicann Medical Inc.	100%	Ontario
Mid-American Growers, Inc.	100%	Delaware
RWB Illinois, Inc.	100%	Delaware
RWB Licensing Inc.	100%	British Columbia
RWB Platinum Vape Inc.	100%	California
Vista Prime Management, LLC	100%	California
GC Ventures 2, LLC	100%	Michigan
Vista Prime 3, Inc.	100%	California
PV CBD LLC	100%	California
Vista Prime 2, Inc.	100%	California

Investees

The following table describes the Company's material investees. Harborside Inc. and Lighthouse Strategies LLC were specifically excluded from the table as non-material investees.

PharmaCo	
Incorporation date	March 11, 2016
RWB ownership interest and investment amount	RWB holds a put/call option to acquire PharmaCo in exchange for 37,000,000 Common Shares and 37,000,000 Series II Preferred Shares pursuant to the PharmaCo Put/Call Agreement. As at June 30, 2020, the call option was determined to have a fair value of $19,828,224. As at June 30, 2020, RWB has advanced an aggregate of $90,262,929 to PharmaCo through a promissory note and a senior secured convertible debenture, as further described in the Listing Statement.
Management and directors, including compensation and employment arrangements	James Skrinner, President and Director Fernando Di Carlo, Vice-President and Director PharmaCo operates at arm's length to RWB, and as such RWB's knowledge of the management and directors of PharmaCo is limited to information that is publicly available. RWB does not have any compensation or employment arrangements with any members of management or the board of directors of PharmaCo.
Related party transactions between RWB and the investee	None.
Exit strategy	RWB has applied for regulatory approval to acquire PharmaCo and is currently awaiting a decision from Michigan regulatory authorities. If approved, RWB will assume the operation of PharmaCo's business. In the event regulatory approval is not granted, RWB will evaluate options that include, among other things, terminating the relationship.
Management fee arrangements	No current management fee arrangements. A previous management fee arrangement existed between PharmaCo and MichiCann whereby PharmaCo would pay US$100,000 per month for certain administrative, non-operational support services. PharmaCo retained outside service providers for these administrative services subsequent to Q1 2020.
Diem	
Incorporation date	February 14, 2014
RWB ownership interest and investment amount	RWB executed a definitive agreement with Diem on August 31, 2018, as amended on October 15, 2018 and December 26, 2018 (the "**Diem Agreement**"), to finance the expansion of TDMA LLC, a Massachusetts subsidiary of Diem ("**TDMA**") into Massachusetts. Pursuant to the Diem Agreement, the Company will provide Diem with up to US$12.5 million over three years to develop and operate a large-scale cultivation and processing facility and up to four dispensaries in Massachusetts (the "**Diem Financing**"). The terms of the Diem Financing were re-negotiated and RWB began the process of exiting the investment pursuant to the terms of the Diem Agreement. This culminated in RWB entering into a definitive Membership Interest Purchase Agreement on September 26, 2019 (the "**TDMA MIPA**") with TDMA to acquire all of the issued and

	outstanding equity in TDMA Orange, LLC, a Diem subsidiary. Pursuant to the terms of the TDMA MIPA, RWB will acquire a 100% ownership interest in two cultivation licenses and a processing license in Orange, Massachusetts conditional upon approval of a change of control application. As consideration for the TDMA MIPA, RWB will forgive certain promissory notes including accrued interest, cross collateralization and general security arrangement. A change of control application for the TDMA Orange licenses was submitted in September 2020 and it is anticipated that it will take 5 to 8 months to be processed by the Cannabis Control Commission of the Commonwealth of the State of Massachusetts.
Management and Directors, including compensation and employment arrangements	Chris Mitchem, Chief Executive Officer Diem operates at arm's length to RWB, and as such RWB's knowledge of themanagement and directors of Diem is limited to information that is publicly available. RWB does not have any compensation or employment arrangements with any members of management or the board of directors of Diem.
Related party transactions between RWB and the investee	None.
Exit strategy	Upon receipt of the licenses currently awaiting regulatory approval from state authorities, RWB will determine whether to pursue a business in Massachusetts or to liquidate the licensed entities.
Management fee arrangements	None.

RECENT DEVELOPMENTS

The following are material recent developments of the Company since the filing of the Annual Information Form. PharmaCo continues to produce an aggregate of 2,500,000 grams of medical cannabis per year on an annual basis from two facilities in Michigan. PharmaCo's planned 85,000 square foot facility capable of producing 10,000,000 grams of medical cannabis per year is still under development and not yet operational. PharmaCo has been purchasing wholesale flower under offtake agreements to fulfill its excess supply needs as construction of its new facility continues. PharmaCo intends to have at least 25 operating provisioning centers prior to the end of the 2020 calendar year, subject to financing and applicable regulatory approvals.

On August 11, 2020, RWB entered into the Avicanna Distribution Agreement for the exclusive distribution of Avicanna's advanced and clinically backed Pura H&W™ CBD-based cosmetic and topical products by RWB in the United States and certain other markets.

Under the Avicanna Distribution Agreement, which has an initial five-year term, RWB will exclusively distribute the Pura H&W™ brand and certain other white label brands at RWB's direction. RWB will pay Avicanna an upfront cash licensing fee in the amount of $250,000, along with minimum purchase requirements for the rights to be the exclusive distributor of Avicanna's Pura H&W™ branded cosmetics products in the United States. Under the Avicanna Distribution Agreement, RWB also has the right to purchase Avicanna's cosmetics products for distribution into the United States and certain other territories under brands of RWB's choosing. The initial product offerings under the agreement will include body and face lotions, cosmetic creams, gels and serums, as well as soaps and bath bombs.

On August 19, 2020, RWB entered into the Critical 39 Agreement with Critical 39, a Spokane, Washington based company focused on delivering premium products throughout the United States.

Under terms of the Critical 39 Agreement, Critical 39 has already delivered 100,000 seeds to RWB's 3.6 million square foot facility in Granville, Illinois where they are being cultivated in accordance with good agricultural practices and will be processed into finished whole hemp flower. The initial crop is expected to utilize a small portion of the facility's capacity. The Critical 39 Agreement has provisions for the parties to extend the relationship into the year 2022.

On September 1, 2020, RWB entered into the Platinum Vape Definitive Agreement, the terms of which are described in the material change report dated September 8, 2020. The Platinum Vape acquisition was completed on September 14, 2020, as more fully described in the material change report dated September 15, 2020. See "*Documents Incorporated by Reference*". Platinum Vape are purveyors of a full product line of premium cannabis products sold at more than 700 retailers throughout Michigan, California and Oklahoma. It is intended that Platinum Vape will operate as RWB Platinum Vape, a separate division of the Company focused on the current markets it serves as well as provide hemp-derived CBD-based products nationally in the United States. RWB Platinum Vape will operate in California as a THC licensed entity from a 5100 square foot facility in San Diego and is in the process of moving to a new 9000 square foot facility in Chula Vista, California. Outside of California, RWB Platinum Vape products are manufactured and sold through arm's length entities in other markets. RWB Platinum Vape will retain the previous management team to oversee the day to day operations of RWB Platinum Vape and its expansion, when warranted, to other U.S. legal cannabis markets.

On September 11, 2020, RWB entered into the Convertible Debenture, the terms of which are described in the material change report dated September 15, 2020. See "*Documents Incorporated by Reference*".

REGULATORY OVERVIEW

In accordance with Staff Notice 51-352, below is a discussion of the federal and state-level U.S. regulatory regimes in those jurisdictions where the Company is directly involved through certain subsidiaries and investees and expects to be directly involved through additional subsidiaries and investees in the U.S. legal cannabis industry. Pursuant to Staff Notice 51-352, issuers with U.S. cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in prospectus filings and other required disclosure documents, such as this Prospectus. The Company is, through certain subsidiaries and investees, and intends to be, directly or indirectly, through additional subsidiaries and proposed acquisition targets, directly engaged in the cultivation, processing, sale and distribution of cannabis in the cannabis marketplaces in Michigan, Illinois, California and Massachusetts. The Company, through certain subsidiaries and investees, has limited indirect operations in Florida and Oklahoma through sublicensing arrangements with arm's length entities. As such, the Company is subject to Staff Notice 51-352. Although the Company's and, to the Company's knowledge, its investees' business activities are compliant with applicable U.S. state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under U.S. federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company or its investees. In accordance with Staff Notice 51-352, the Company will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented and amended to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding cannabis regulation. Any non-compliance, citations or notices of violation which may have an impact on the Company's licenses, business activities or operations will be promptly disclosed by the Company.

In accordance with the Staff Notice 51-352, below is a table of concordance that is intended to assist readers in identifying those parts of this Prospectus that address the disclosure expectations outlined in Staff Notice 51-352.

Industry Involvement	**Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties**	**Cross-Reference (Prospectus or Documents Incorporated by Reference)**
All Issuers with U.S. Marijuana-Related Activities	Describe the nature of the issuer's involvement in the U.S. marijuana industry and include the disclosures indicated for at least one of the direct,	"*The Company – Summary of the Business*" and "*Recent Developments*" in this Prospectus

	indirect and ancillary industry involvement types noted in this table.	"*General Development of the Business – Three Year History*" and "*Description of the Business*" in the Annual Information Form "*General Development of the Business*" and "*Narrative Description of the Business*" in the Listing Statement
	Prominently state that marijuana is illegal under U.S. federal law and that enforcement of relevant laws is a significant risk	Pages iv to vi (disclosure in bold typeface), "*Regulatory Overview*" and "*Risk Factors*" in this Prospectus "*Risk Factors – Risks Related to the Cannabis Industry*" in the Annual Information Form "*Narrative Description of the Business – Market Information, Trends, Commitments, Events and Uncertainties*", "*Risk Factors – Risks Related to the Cannabis Industry*" in the Listing Statement
	Discuss any statements and other available guidance made by federal authorities or prosecutors regarding the risk of enforcement action in any jurisdiction where the issuer conducts U.S. marijuana-related activities.	Pages iv to vi (disclosure in bold typeface), "*Regulatory Overview*" and "*Risk Factors*" in this Prospectus "*Risk Factors – Risks Related to the Cannabis Industry*" in the Annual Information Form "*Narrative Description of the Business – Market Information, Trends, Commitments, Events and Uncertainties*" in the Listing Statement
	Outline related risks including, among others, the risk that third party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer's ability to operate in the U.S.	"*Risk Factors*" in this Prospectus "*Risk Factors – Risks Related to the Cannabis Industry*" in the Annual Information Form "*Narrative Description of the Business – Market Information, Trends, Commitments, Events and Uncertainties*" and "*Risk Factors – Risks Related to the Cannabis Industry*" in the Listing Statement
	Given the illegality of marijuana under U.S. federal law, discuss the issuer's ability to access both	"*Risk Factors*" in this Prospectus

	public and private capital and indicate what financing options are / are not available in order to support continuing operations.	"*Risk Factors – Risks Related to the Cannabis Industry*" in the Annual Information Form "*Risk Factors – Risks Related to the Cannabis Industry*" in the Listing Statement
	Quantify the issuer's balance sheet and operating statement exposure to U.S. marijuana-related activities	Please see the Interim Financial Statements. As at June 30, 2020, the Company's balance sheet and operating statement had 100% exposure to U.S. marijuana-related activities.
	Disclose if legal advice has not been obtained, either in the form of a legal opinion or otherwise, regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.	The Company and its subsidiaries have received and continue to receive legal input regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law in certain respects.
U.S. Marijuana Issuers with direct involvement in cultivation or distribution	Outline the regulations for U.S. states in which the issuer operates and confirm how the issuer complies with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	"*Regulatory Overview*" in this Prospectus
	Discuss the issuer's program for monitoring compliance with U.S. state law on a n ongoing basis, outline internal compliance procedures and provide a positive statement indicating that the issuer is in compliance with U.S. state law and the related licensing framework. Promptly disclose any non-compliance, citations or notices of violation which may have an impact on the issuer's licence, business activities or operations.	"*Regulatory Overview*" in this Prospectus The Company has not received any notices of non-compliance, citations or notices of violation which may have an impact on the Company's license, business activities or operations.
	Outline the regulations for U.S. states in which the issuer's investee(s) operate.	"*Regulatory Overview*" in this Prospectus
	Provide reasonable assurance, through either positive or negative statements, that the investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state. Promptly disclose any noncompliance, citations or notices of violation, of which the issuer is aware, that may have an impact on the investee's licence, business activities or operations.	"*The Company – Summary of the Business*", "*Regulatory Overview*" and "*Risk Factors*" in this Prospectus "*Description of the Business*" and "*Risk Factors*" in the Annual Information Form "*Narrative Description of the Business*" and "*Risk Factors*" in the Listing Statement

		The Company's investees have not received any notices of non-compliance, citations or notices of violation which may have an impact on the investees' license, business activities or operations.
U.S. Marijuana Issuers with material ancillary involvement	Provide reasonable assurance, through either positive or negative statements, that the applicable customer's or investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	"*Regulatory Overview*" in this Prospectus

U.S. Federal Regulatory Landscape

Under U.S. federal law, marijuana is currently classified as a Schedule I drug under the Controlled Substances Act. As such, the federal Drug Enforcement Agency ("**DEA**") considers marijuana to have a high potential for abuse, no currently accepted medical use in treatment in the United States, and a lack of accepted safety for use of the drug under medical supervision.

State laws that permit and regulate the production, distribution and use of cannabis for adult-use or medical purposes are in direct conflict with the Controlled Substances Act, which makes cannabis use and possession federally illegal. Although certain states and territories of the U.S. authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law under any and all circumstances under the Controlled Substances Act. Although the Company's activities are believed to be compliant with applicable United States state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

As of August 25, 2020, 33 states and the District of Columbia have passed laws legalizing marijuana for medicinal use by eligible patients. In the District of Columbia, Puerto Rico, the U.S. Virgin Islands, the Northern Mariana Islands, and Guam and 11 of these states – Alaska, California, Colorado, Illinois, Maine, Massachusetts, Michigan, Nevada, Oregon, Vermont and Washington – marijuana is legal for adult-use regardless of medical condition, although Washington D.C. has not legalized commercial sale of cannabis.

As states increasingly legalized medical and/or adult-use cannabis, the federal government attempted to provide clarity on the incongruity between federal prohibition under the Controlled Substances Act and these state-legal regulatory frameworks. Until 2018, the federal government provided guidance to federal law enforcement agencies and banking institutions through a series of United States Department of Justice ("**DOJ**") memoranda. The most recent such memorandum was drafted by former Deputy Attorney General James Cole in 2013 (the "**Cole Memo**").

The Cole Memo offered guidance to federal enforcement agencies as to how to prioritize civil enforcement, criminal investigations and prosecutions regarding marijuana in all states. The memo put forth eight prosecution priorities:

1. Preventing the distribution of cannabis to minors;

2. Preventing revenue from the sale of cannabis from going to criminal enterprises, gangs and cartels;

3. Preventing the diversion of cannabis from states where it is legal under state law in some form to other states;

4. Preventing state-authorized cannabis activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;

5. Preventing the violence and the use of firearms in the cultivation and distribution of cannabis;

6. Preventing drugged driving and the exacerbation of other adverse public health consequences associated with cannabis use;

7. Preventing the growing of cannabis on public lands and the attendant public safety and environmental dangers posed by cannabis production on public lands; and

8. Preventing cannabis possession or use on federal property.

On January 4, 2018, then United States Attorney General Jeff Sessions rescinded the Cole Memo and a number of other cannabis-related memoranda by issuing a new memorandum to all United States Attorneys (the "**Sessions Memo**"). Rather than establish national enforcement priorities particular to marijuana-related crimes in jurisdictions where certain marijuana activity was legal under state law, the Sessions Memo instructs that "[i]n deciding which marijuana activities to prosecute... with the [DOJ's] finite resources, prosecutors should follow the well-established principles that govern all federal prosecutions." Namely, these include the seriousness of the offense, history of criminal activity, deterrent effect of prosecution, the interests of victims, and other principles.

Then U.S. Attorney General Jeff Sessions resigned on November 7, 2018 and was replaced by Matthew Whitaker as interim Attorney General. On February 14, 2019, William Barr was sworn in as Attorney General. It is unclear what position the new Attorney General will take on the enforcement of federal laws with regard to the U.S. cannabis industry. However, in a written response to questions from U.S. Senator Cory Booker made as a nominee, Attorney General Barr stated "I do not intend to go after parties who have complied with state law in reliance on the Cole Memorandum."

Due to the Controlled Substances Act's categorization of cannabis as a Schedule I drug, federal law also makes it illegal for financial institutions that depend on the Federal Reserve's money transfer system to take any proceeds from marijuana sales as deposits. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses under the United States Currency and Foreign Transactions Reporting Act of 1970 as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the " **Bank Secrecy Act**"). Therefore, under the Bank Secrecy Act, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be charged with money laundering or conspiracy.

While there has been no change in U.S. federal banking laws to accommodate businesses in the large and increasing number of U.S. states that have legalized medical and/or adult-use marijuana, the Department of the Treasury Financial Crimes Enforcement Network ("**FinCEN**"), in 2014, issued guidance to financial institutions who may conduct transactions with cannabis-related businesses (the "**FinCEN Guidance**"). Issued simultaneously with the FinCEN Guidance was a memorandum from the Department of Justice that advised prosecutors not to focus their enforcement efforts on banks and other financial institutions that serve marijuana-related businesses so long as that business is legal in their state and none of the federal enforcement priorities referenced in the Cole Memo are being violated (such as keeping marijuana away from children and out of the hands of organized crime). This memorandum was also rescinded by former Attorney General Sessions on January 4, 2018. The FinCEN Guidance, however, remains in effect and clarifies how financial institutions can provide services to marijuana- related businesses consistent with their Bank Secrecy Act obligations, including thorough customer due diligence, but makes it clear that they are doing so at their own risk. Under the FinCEN Guidance, financial institutions must submit a suspicious activity report ("**SAR**") in connection with all cannabis-related banking activities by any client of such financial institution, in accordance with federal money laundering laws. These cannabis-related SARs are divided into three categories – cannabis limited, cannabis priority, and cannabis terminated – based on the financial institution's belief that the business in question follows state law, is operating outside of compliance with state law, or where the banking relationship has been terminated, respectively. With respect to information regarding state

licensure obtained in connection with such customer due diligence, a financial institution may reasonably rely on the accuracy of information provided by state licensing authorities, where states make such information available.

Because most banks and other financial institutions are unwilling to provide any banking or financial services to marijuana businesses, these businesses can be forced into becoming “cash-only” businesses. While the FinCEN Guidance decreased some risk for banks and financial institutions considering serving the industry, in practice it has not increased banks’ willingness to provide services to marijuana businesses. This is because, as described above, the current law does not guarantee banks immunity from prosecution, and it also requires banks and other financial institutions to undertake time-consuming and costly due diligence on each marijuana business they accept as a customer. In fact, some banks that had been servicing marijuana businesses have been closing the marijuana businesses’ accounts and are now refusing to open accounts for new marijuana businesses due to cost, risk, or both.

The few state-chartered banks and/or credit unions that have agreed to work with marijuana businesses are limiting those accounts to small percentages of their total deposits to avoid creating a liquidity risk. Since, theoretically, the federal government could change the banking laws as it relates to marijuana businesses at any time and without notice, these credit unions must keep sufficient cash on hand to be able to return the full value of all deposits from marijuana businesses in a single day, while also keeping sufficient liquid capital on hand to serve their other customers. Those state-chartered banks and credit unions that do have customers in the marijuana industry charge marijuana businesses high fees to pass on the added cost of ensuring compliance with the FinCEN Guidance.

Unlike the Cole Memo, however, the FinCEN Guidance from 2014 has not been rescinded. The Secretary of the U.S. Department of the Treasury, Stephen Mnuchin, has publicly stated that the Department was not informed of any plans to rescind the Cole Memo. Secretary Mnuchin stated that he does not have a desire to rescind the FinCEN Guidance.9

In recent years, certain temporary federal legislative enactments that protect the medical marijuana and hemp industries have also been in effect. For instance, certain marijuana businesses receive a measure of protection from federal prosecution by operation of temporary appropriations measures that have been enacted into law as amendments (or “riders”) to federal spending bills passed by Congress and signed by both Presidents Obama and Trump. For instance, in the Appropriations Act of 2015, Congress included the Rohrabacher-Farr Amendment that prohibits the DOJ from expending any funds to enforce any law that interferes with a state’s implementation of its own medical marijuana laws.

The Rohrabacher-Farr Amendment (now known colloquially as the “Joyce/Leahy Amendment” after its most recent sponsors) was included in the Fiscal Year Appropriations Bill, which was signed by President Trump on December 20, 2019 and funds the departments of the federal government through the fiscal year ending September 30, 2020. In signing the Act, President Trump issued a signing statement noting that the Act “provides that the Department of Justice may not use any funds to prevent implementation of medical marijuana laws by various states and territories,” and further stating “I will treat this provision consistent with the President’s constitutional responsibility to faithfully execute the laws of the United States.” While the signing statement can fairly be read to mean that the executive branch intends to enforce the Controlled Substances Act and other federal laws prohibiting the sale and possession of medical marijuana, the president did issue a similar signing statement in 2017 and no federal enforcement actions followed. The ongoing inclusion of the Rohrabacher-Farr Amendment in future U.S. legislation is subject to political change.

CBD is a product that often is derived from hemp, which contains only trace amounts of THC, the psychoactive substance found in marijuana. On December 20, 2018, President Trump signed the Agriculture Improvement Act of 2018 (popularly known as the 2018 Farm Bill) into law. Until the 2018 Farm Bill became law, hemp and products derived from it, such as CBD, fell within the definition of “marijuana” under the Controlled Substances Act and the DEA classified hemp as a Schedule I controlled substance because hemp is part of the cannabis plant.

The 2018 Farm Bill defines hemp as the plant Cannabis sativa L. and any part of the plant with a delta-9 THC concentration of not more than 0.3 percent by dry weight and removes hemp from the Controlled Substances Act. The 2018 Farm Bill also allows states to create regulatory programs allowing for the licensed cultivation of hemp and production of hemp-derived products. Hemp and products derived from it, such as CBD, may then be sold into

commerce and transported across state lines provided that the hemp from which any product is derived was cultivated under a license issued by an authorized state program and otherwise meets the definition of hemp removed from the Controlled Substances Act. Notwithstanding the 2018 Farm Bill, the FDA has maintained that infusion of CBD into food products and beverages or making health claims for hemp-derived products remains unlawful when introduced into interstate commerce pursuant to the U.S. federal Food, Drug and Cosmetic Act.

An additional challenge to marijuana-related businesses is that the provisions of the U.S. Internal Revenue Code, Section 280E, are being applied by the IRS to businesses operating in the medical and adult-use marijuana industry. Section 280E of the Internal Revenue Code prohibits marijuana businesses from deducting their ordinary and necessary business expenses, forcing them to pay higher effective federal tax rates than similar companies in other industries. The effective tax rate on a marijuana business depends on how large its ratio of non-deductible expenses is to its total revenues. Therefore, businesses in the U.S. legal cannabis industry may be less profitable than they would otherwise be.

Despite the recent rescission of the Cole Memo, the Company intends to implement the following to ensure compliance with the guidance provided by the Cole Memo, the FinCEN Guidance, and other best industry practices:

- The Company, its subsidiaries and its investees intend to operate in compliance with licensing requirements that are set forth with regards to cannabis operation by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions;

- The Company's, its subsidiaries' and its investees' cannabis-related activities will adhere to the scope of the licensing obtained;

- The Company, its subsidiaries and its investees will put in place procedures to perform due diligence on contractors or anyone provided access to secure areas of its facilities to prevent products from being distributed to minors;

- The Company, its subsidiaries and its investees will work to ensure that the licensed operators have an adequate inventory tracking system and adequate procedures in place so that their compliance system can track inventory effectively. This will be implemented to ensure that there is no diversion of cannabis or cannabis products into states where cannabis is not permitted by state law, or across state lines in general;

- The Company, its subsidiaries and its investees will conduct background checks as required by applicable state law;

- The Company, its subsidiaries and its investees will conduct reviews of activities of the cannabis businesses, the premises on which they operate, and the policies and procedures that are related to possession of cannabis or cannabis products outside of its licensed premises (including the cases where such possession is permitted by regulation – e.g. transfer of products between licensed premises). These reviews will ensure that licensed operators do not possess or use cannabis on federal property or engage in manufacturing or cultivation of cannabis on federal lands; and

- The Company's, its subsidiaries' and its investees' product packaging will comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

The following sections describe the legal and regulatory landscape in the states in which the Company currently or intends to, through its subsidiaries or investees, operate or distribute cannabis products or maintain sublicensing agreements with arm's length entities to engage in cannabis activities: California, Florida, Illinois, Massachusetts, Michigan and Oklahoma. While the Company and its subsidiaries, to the Company's knowledge, work to ensure that their operations comply with applicable state laws, regulations, and licensing requirements, for the reasons described above and the risks further described under the heading "*Risk Factors*", there are significant risks associated with the business of the Company. Readers are strongly encouraged to carefully read and consider all

of the risk factors contained under the heading “Risk Factors” below and in the documents incorporated by reference in this Prospectus, including those risks identified and discussed under the heading “*Risk Factors*” in the Listing Statement, the Annual Information Form, the Annual Financial Statements and the Annual MD&A, all of which are incorporated by reference into this Prospectus.

California

California Regulatory Landscape

In 1996, California was the first state to effectively legalize medical marijuana through Proposition 215, the Compassionate Use Act of 1996. The Compassionate Use Act provided a defense to laws criminalizing the use, possession and cultivation of marijuana for medical patients with a physician recommendation for the use of medical cannabis in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief.

In 2003, Senate Bill 420 was signed into law establishing an optional identification card system for medical marijuana patients.

In September 2015, the California legislature passed three bills collectively known as the Medical Cannabis Regulation and Safety Act (“**MCRSA**”). The MCRSA established a licensing and regulatory framework for medical marijuana businesses in California. The system created multiple license types for dispensaries, infused products and concentrates manufacturers, cultivation facilities, testing laboratories, and distributors. Product manufacturers would require either volatile solvent or non-volatile solvent manufacturing licenses depending on their specific extraction methodology. Multiple agencies would oversee different aspects of the program and businesses would require a state license and local approval to operate. However in November 2016, voters in California overwhelmingly passed Proposition 64, the Adult-Use of Marijuana Act (“ **AUMA**”) creating an adult-use marijuana program for adults 21 years of age or older. AUMA had some conflicting provisions with MCRSA, so in June 2017, the California State Legislature passed Senate Bill No. 94, known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“**MAUCRSA**”), which amalgamates MCRSA and AUMA to provide a unified set of regulations to govern a medical and adult-use licensing regime for cannabis businesses in California. The four agencies that regulate marijuana at the state level are the Bureau of Cannabis Control (“**BCC**”), California Department of Food and Agriculture, California Department of Public Health, and California Department of Tax and Fee Administration. MAUCRSA went into effect on January 1, 2018.

One of the central features of MAUCRSA is known as “local control.” In order to legally operate a medical or adult-use marijuana business in California, an operator must have both a local and state license or permit. This requires license holders to operate in cities or counties with marijuana licensing programs. Cities and counties in California are allowed to determine the number of licenses they will issue to marijuana operators, or can choose to outright ban marijuana.

California Licensing Regime

Once an operator obtains local approval, the operator must obtain state licenses before conducting any commercial marijuana activity. There are 13 different license types that cover all commercial activity. License types 1-3 and 5 authorize the cultivation of medical and/or adult-use marijuana plants. Type 4 licenses are for nurseries that cultivate and sell clones and “teens” (immature marijuana plants that have established roots but require further vegetation prior to being sent into the flowering period). Type 6 and 7 licenses authorize manufacturers to process marijuana biomass into certain value-added products such as infused edibles, shatter or marijuana distillate oil with the use of volatile or non-volatile solvents, depending on the license type. Type 8 licenses are held by testing facilities who test samples of marijuana products and generate “certificates of analysis,” which include important information regarding the potency of products and whether products have passed or failed certain threshold tests for pesticide and microbiological contamination. Type 9 licenses are issued to “non-storefront” retailers, commonly called delivery services, who bring marijuana products directly to customers and patients at their residences or other chosen delivery location. Type 10 licenses are issued to storefront retailers, or dispensaries, which are open to the public and sell marijuana products onsite. Type 11 licenses are issued to distributors who move marijuana and marijuana products to all license types, including retailers, and ensure batch testing of all cannabis goods by

testing facilities prior to distribution. Type 12 licenses are issued to microbusinesses which allow the licensee to engage in at least three of four specified commercial cannabis business activities (i.e., cultivation in an area of less than 10,000 square feet, distribution, type 6 (non-volatile) manufacturing and retail). Type 13 licenses are known as "Transport-Only" distribution licenses, and they allow the distributor to transport marijuana and marijuana products between licensees, but not to retailers.

RWB Platinum Vape currently holds the following licenses through its subsidiary, Vista Prime Management LLC (as more fully described in "*Regulatory Overview – Cannabis Licenses Held by State and Investee* "):

- One annual manufacturing license (adult and medicinal) issued by the CDPH (as defined herein); and
- One medical distributor provisional license issued by the BCC.

The Company intends to submit a change of control application to applicable state regulatory authorities for the foregoing licenses to transfer ownership to RWB Platinum Vape.

California Agencies Regulating the Commercial Cannabis Industry

Three California state agencies are tasked with regulating the marijuana industry. The California Department of Food and Agriculture ("**CDFA**") oversees nurseries and cultivators; the California Department of Public Health (" **CDPH**") oversees manufacturers, and the BCC oversees distributors, retailers, delivery services, and testing laboratories. Operators apply to one or more of these agencies for their licenses and each agency has released specific regulations in respect of the types of businesses they oversee. The BCC has a number of regulations that apply to all licensees, but the CDFA and CDPH regulations only apply to the licensees under their purview.

California Recordkeeping and Reporting

In California, depending on a local government's own marijuana ordinances, plants may be cultivated outdoors, using mixed-light methods, or fully indoors. Cultivators must initially acquire seeds, clones, teens, or other immature plants from nurseries.

The cultivation, processing, and movement of marijuana within the state is tracked by the METRC system, into which all licensees are required to input their track and trace data (either manually or using another software that automatically uploads to METRC). Immature plants are assigned a Unique Identifier number (UID), and this number follows the flowers and biomass resulting from that plant through the supply chain, all the way to the consumer. Each licensee in the supply chain is required to meticulously log any processing, packaging, and sales associated with that UID.

California Security Requirements

Each local government in California has its own security requirements for cannabis businesses, which usually include comprehensive video surveillance, intrusion detection and alarms, and limited access areas in the dispensary. The state also has similar security requirements, including that there be limited-access areas where only employees and other authorized individuals may enter. All licensee employees must wear employee badges. The limited access areas must be locked with "commercial-grade, non-residential door locks on all points of entry and exit to the licensed premises."

Each licensed premises must have a digital video surveillance system that can "effectively and clearly" record images of the area under surveillance. Cameras must be "in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the licensed premises." The regulations list specific areas which must be under surveillance, including places where cannabis goods are weighed, packed, stored, loaded, and unloaded, security rooms, and entrances and exits to the premises. Retailers must record point of sale areas on the video surveillance system.

California Transportation

Marijuana in California may only be transported by licensed distributors. Some cultivators and manufacturers have their own distribution licenses, and others contract with third-party distributors. Distributors may or may not take possession of the marijuana and marijuana products. How this is evolving in California currently is that, similar to the alcohol distribution model, retailers are choosing from a portfolio of products carried by the distributors they work with. Brands are doing some direct marketing to retailers, but many brands target their marketing to distributors.

California Inspections

Distributors are the point in the supply chain where final quality assurance testing is performed on products before they go to a retailer. Retailers may not accept product without an accompanying certificate of analysis ("**COA**"). Distributors must hold product to be tested on their premises in "quarantine" and arrange for an employee of a licensed testing laboratory to come to their premises and obtain samples from any and all goods proposed to be shipped to a retailer. Marijuana and marijuana products are issued either a "pass" or "fail" by the testing laboratory. Under some circumstances, the BCC's regulations allow for failing product to be "remediated" or to be re-labeled to more accurately reflect the COA.

U.S. Attorney Statements in California

California is divided into four federal districts, each with its own appointed United States Attorney.

The office of McGregor Scott, U.S. attorney for the Eastern District of California, issued the following statement in January 2018: "The cultivation, distribution and possession of marijuana has long been and remains a violation of federal law for all purposes," and that the office "will evaluate violations of those laws in accordance with our district's federal law enforcement priorities and resources."

Florida

Florida Regulatory Landscape

In 2014, the Florida Legislature passed the Compassionate Use Act which was the first legal medical cannabis program in the state's history. The original Compassionate Use Act only allowed for low-THC cannabis to be dispensed and purchased by patients suffering from cancer and epilepsy. In 2016, the Legislature passed the Right To Try Act which allowed for full potency cannabis to be dispensed to patients suffering from a diagnosed terminal condition. Also in 2016, the Florida Medical Marijuana Legalization Initiative was introduced by citizen referendum and passed with a 71.3% majority. This initiative amended the state constitution and mandated an expansion of the state's medical cannabis program.

The Florida Medical Marijuana Legalization Initiative, Amendment 2 ("**Amendment 2**"), and the expanded qualifying medical conditions, became effective on January 3, 2017. The Florida Department of Health ("**FDOH**"), physicians, dispensing organizations, and patients are also subject to Article X Section 29 of the Florida Constitution and §381.986 of the Florida Statutes. On June 9, 2017, the Florida House of Representatives and Florida Senate passed respective legislation to implement the expanded program by replacing large portions of the existing Compassionate Use Act, which officially became law on June 23, 2017. The law regulating Amendment 2 provides licenses to operate as Medical Marijuana Treatment Centers ("**MMTCs**") to all entities that held an active, unrestricted licenses to cultivate, process, transport, and dispense low-THC cannabis or medical cannabis before July 1, 2017, as well as an additional 10 entities. The law also provides for another four licenses to be issued for every 100,000 patients added to the state's medical marijuana registry and allows MMTCs to open an unlimited number of dispensaries.

Florida Licenses

Subsection 381.986(8)(a) of the State of Florida Statutes provides a vertically-integrated regulatory framework that requires licensed producers, through MMTCs, to cultivate, process and dispense medical cannabis in a vertically

integrated marketplace. Licenses issued by the FDOH may be renewed biennially so long as the license meets the requirements of the law and the license holder pays a renewal fee.

The license permits the sale of medical cannabis to qualified patients to treat certain medical conditions. In Florida, there is no state-imposed limitation on the permitted size of cultivation or processing facilities, nor is there a limit on the number of plants that may be grown.

Dispensaries may be located in any location throughout Florida as long as the local government has not issued a prohibition against MMTC dispensaries in their respective municipality. Provided there is not a ban, a dispensary may be located in a site zoned for a pharmacy so long as the location is greater than 500 feet from a public or private elementary, middle, or secondary school.

Florida Licensing Requirements

Licenses issued by the FDOH are renewed biennially so long as the licensee meets requirements of the law and pays a renewal fee. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, a licensee would expect to receive the applicable renewed license in the ordinary course of business.

An MMTC license applicant must demonstrate that: (i) they have been registered to do business in Florida for the previous five years, (ii) they possess a valid certificate of registration issued by the Florida Department of Agriculture and Consumer Services, (iii) they have the technical and technological ability to cultivate and produce cannabis, including, but not limited to, low-THC cannabis, (iv) they have the ability to secure the premises, resources, and personnel necessary to operate as an MMTC, (v) they have the ability to maintain accountability of raw materials, finished products, and by-products to prevent diversion or unlawful access to or possession of these substances, (vi) they have an infrastructure reasonably required to dispense cannabis to registered qualified patients statewide or regionally as determined by the FDOH, (vii) they have the financial ability to maintain operations for the duration of the two-year approval cycle, including the provision of certified financial statements to the FDOH, (viii) its owners, officers, board members and managers have passed a Level II background screening, inclusive of fingerprinting, and ensure that a medical director is employed to supervise the activities of the MMTC, and (ix) they have a diversity plan and veterans plan accompanied by a contractual process for establishing business relationships with veterans and minority contractors and/or employees. Upon approval of the application by the FDOH, the applicant must post a performance bond of up to US$5,000,000, which may be reduced by meeting certain criteria such as a minimum patient count.

The Company has limited, indirect cannabis activities in Florida through High Times, which sublicenses its brand to arm’s length entities. None of the Company, its subsidiaries or investees currently have any cannabis licenses or pending cannabis license applications in Florida.

Florida Recordkeeping and Reporting

The FDOH requires that any licensee establish, maintain, and control a computer software tracking system that traces cannabis from seed to sale and allows real-time, 24-hour access by the FDOH to such data. The tracking system must allow for integration of other seed-to-sale systems and, at a minimum, include notification of when marijuana seeds are planted, when marijuana plants are harvested and destroyed, and when cannabis is transported, sold, stolen, diverted, or lost. Additionally, the FDOH also maintains a patient and physician registry and licensees must comply with requirements and regulations relative to providing required data or proof of key events to said system.

Florida Dispensary Requirements

An MMTC may not dispense more than a 70-day supply of cannabis within a 70-day period, except an MMTC may not dispense more than a 35-day supply of marijuana in a form for smoking within a 35-day period. The MMTC employee who dispenses the cannabis must enter into the registry his or her name or unique employee identifier. The MMTC must verify that: (i) the qualified patient and the caregiver, if applicable, each has an active registration in the registry and active and valid medical cannabis use registry identification card, (ii) the amount and type of

cannabis dispensed matches the physician certification in the registry for the qualified patient, and (iii) the physician certification has not already been filled. An MMTC may not dispense to a qualified patient younger than 18 years of age, only to such patient's caregiver. An MMTC may not dispense or sell any other type of cannabis, alcohol, or illicit drug-related product, except a cannabis delivery device as specified in the physician certification. An MMTC must, upon dispensing, record in the registry: (i) the date, time, quantity and form of cannabis dispensed, (ii) the type of cannabis delivery device dispensed, and (iii) the name and registry identification number of the qualified patient or caregiver to whom the cannabis delivery device was dispensed. An MMTC must ensure that patient records are not visible to anyone other than the patient, caregiver, and MMTC employees.

Florida Security Requirements

Each MMTC must maintain a video surveillance system that records continuously 24 hours per day and has specified features. MMTCs must retain video surveillance recordings for at least 45 days, or longer upon the request of law enforcement.

An MMTC's outdoor premises must have sufficient lighting from dusk until dawn. An MMTC's dispensing facilities must include a waiting area with sufficient space and seating to accommodate qualified patients and caregivers and at least one private consultation area and such facilities may not display products or dispense cannabis or cannabis delivery devices in the waiting area and may not dispense cannabis from its premises between the hours of 9:00 p.m. and 7:00 a.m. but may perform all other operations and deliver cannabis to qualified patients 24-hours a day.

Cannabis must be stored in a secured, locked room or a vault. An MMTC must have at least two employees, or two employees of a security agency, on the premises at all times where cultivation, processing, or storing of cannabis occurs. MMTC employees must wear a photographic identification badge and visitors must wear a visitor pass at all times on the premises. An MMTC must report to law enforcement within 24 hours after the MMTC is notified of or becomes aware of the theft, diversion or loss of cannabis.

Florida Transportation

A cannabis transportation manifest must be maintained in any vehicle transporting cannabis or a cannabis delivery device. The manifest must be generated from the MMTC's seed-to-sale tracking system and must include the: (i) departure date and time, (ii) name, address, and license number of the originating MMTC, (iii) name and address of the recipient, (iv) quantity and form of any cannabis or cannabis delivery device being transported, (v) arrival date and time, (vi) delivery vehicle make and model and license plate number; and (vii)name and signature of the MMTC employees delivering the product. Further, a copy of the transportation manifest must be provided to each individual, MMTC that receives a delivery. MMTCs must retain copies of all cannabis transportation manifests for at least three years. Cannabis and cannabis delivery devices must be locked in a separate compartment or container within the vehicle and employees transporting cannabis or cannabis delivery devices must have their employee identification on them at all times. Lastly, at least two people must be in a vehicle transporting cannabis or cannabis delivery devices, and at least one person must remain in the vehicle while the cannabis or cannabis delivery device is being delivered.

Florida Inspections

The FDOH conducts announced and unannounced inspections of MMTCs to determine compliance with the laws and rules. The FDOH shall inspect an MMTC upon receiving a complaint or notice that the MMTC has dispensed cannabis containing mold, bacteria, or other contaminants that may cause an adverse effect to humans or the environment. The FDOH shall conduct at least a biennial inspection of each MMTC to evaluate the MMTC's records, personnel, equipment, security, sanitation practices, and quality assurance practices.

Illinois

Illinois Regulatory Landscape

The Compassionate Use of Medical Cannabis Pilot Program Act (the " **IL Act**") was signed into law in August 2013 and took effect on January 1, 2014. The IL Act provides medical cannabis access to registered patients who suffer from a list of over 40 medical conditions including epilepsy, cancer, HIV/AIDS, Crohn's disease and post-traumatic stress disorder. As of April 9, 2019, approximately 61,200 patients have been registered under the IL Act and are qualified to purchase cannabis and cannabis products from registered dispensaries. On August 12, 2019 changes to this IL Act were effective, including making the medical program a permanent program and removing the pilot designation attached to the program. In addition to making the program permanent, new conditions were added as qualifying conditions.

Illinois Licensing Regime

The IL Act requires prospective cannabis business license holders to adhere to a thorough application process. Applicants for cannabis business licenses must meet, among others, the following requirements: (a) the proposed location for a dispensary must be suitable for public access, (b) the proposed location must not pose a detrimental impact to the surrounding community, (c) demonstrate compliance with safety procedures for dispensary employees, patients, and caregivers, and safe delivery and storage of cannabis and currency, (d) provide an adequate plan for recordkeeping, tracking and monitoring inventory, quality control, destruction and disposal of cannabis, and procedures to discourage unlawful activity, (e) develop a business plan specifying products to be sold, and (f) demonstrate knowledge of, experience, and proven record of ensuring optimal safety and accuracy in the dispensing and sale of cannabis. Once a license is granted, licensees have a continuing obligation to ensure no cannabis is sold, delivered, transported, or distributed to a location outside of Illinois.

Under the IL Act, dispensary, grower, and processing licenses are valid for one year. After the initial term, licensees are required to submit renewal applications. Pursuant to the IL Act, registration renewal applications must be received 45 days prior to expiration and may be denied if the licensee has a history of non-compliance and penalties.

MAG current holds one hemp grower license and one hemp processor license in Illinois. The Company does not, directly or indirectly, currently conduct any cannabis-related activities in Illinois. MAG is awaiting a response from regulatory authorities regarding a pending cannabis license application for a craft cannabis grower license that it applied for on March 17, 2020.

Illinois Agencies Regulating the Commercial Cannabis Industry

Oversight and implementation under the IL Act are divided among three Illinois state departments: the Department of Public Health (the "**IL DPH**"), the Department of Agriculture (the " **IL DA**"), and the Department of Financial and Professional Regulation (the "**IL DFPR**"). The IL DPH oversees the following IL Act mandates: (a) establish and maintain a confidential registry of caregivers and qualifying patients authorized to engage in the medical use of cannabis, (b) distribute educational materials about the health risks associated with the abuse of cannabis and prescription medications, (c) adopt rules to administer the patient and caregiver registration program, and (d) adopt rules establishing food handling requirements for cannabis-infused products that are prepared for human consumption. It is the responsibility of the IL DA to enforce the provisions of the IL Act relating to the registration and oversight of cultivation centers and the responsibility of the IL DFPR to enforce the provisions of the IL Act relating to the registration and oversight of dispensing organizations. The IL DPH, IL DA and IL DFPR may enter into inter-governmental agreements, as necessary, to carry out the provisions of the IL Act.

On June 25, 2019, Illinois Gov. J.B. Pritzker signed into law the Cannabis Regulation & Tax Act, which as of January 1, 2020, permits persons 21 years of age or older to possess, use, and purchase limited amounts of cannabis for personal/recreational use, beginning on January 1, 2020. In summary the act allows possession for Illinois residents of no more than 30 grams of cannabis flower; 5 grams of cannabis concentrate; no more than 500 milligrams of THC contained in a cannabis infused product; and patients registered under the medical cannabis program may possess more than 30 grams of cannabis if it is grown in their residence, in a secure location under

the conditions set forth in the IL Act. The IL Act also contains possession limits for non-Illinois residents. The Act IL contains very clear social equity language and requirements in order to qualify for a license.

Illinois has issued a limited amount of dispensary, producer/grower, and processing licenses. There are currently over 60 licensed dispensaries and 22 licensed cultivators.

Illinois Recordkeeping and Reporting

Illinois uses the BioTrack THC T&T system to manage the flow of reported data between each licensee and the state. NCC also uses the T&T system to ensure all reporting requirements are met. Information processed through the T&T system must be maintained in a secure location at the dispensing organization for five years.

Licensees are mandated by the IL Act to maintain records electronically and make them available for inspection by the IL DFPR upon request. Records that must be maintained and made available, as described in the IL Act, include: (a) operating procedures, (b) inventory records, policies, and procedures, (c) security records, and (d) staffing plans. All dispensing organization records, including business records such as monetary transactions and bank statements, must be kept for a minimum of three years. Records of destruction and disposal of all cannabis not sold, including notification to the IL DFPR and State Police, must be retained at the dispensary organization for a period of not less than five years.

Illinois Inventory and Storage

An organization's agent-in-charge has primary oversight of the dispensing organization's medical cannabis inventory control system. Under the IL Act, a dispensary's inventory control system must be real-time, web-based, and accessible by the IL DFPR 24 hours a day, seven days a week. The T&T system used by NCC complies with such requirements.

The inventory control system of a dispensing organization must record all cannabis sales, waste, and acquisitions. Specifically, the inventory system must track and reconcile through the T&T system each day's cannabis beginning inventory, acquisitions, sales, disposal and ending inventory. Tracked information must include (a) product descriptions including the quantity, strain, variety and batch number of each product received, (b) the name and registry identification number of the permitted cultivation center providing the medical cannabis, (c) the name and registry identification number of the permitted cultivation center agent delivering the medical cannabis, (d) the name and registry identification number of the dispensing organization agent receiving the medical cannabis, and (e) the date of acquisition. Dispensary managers are tasked with conducting and documenting monthly audits of the dispensing organization's daily inventory according to generally accepted accounting principles.

The inventory control system of a cultivator and processing organization must conduct a weekly inventory of cannabis stock, which includes at a minimum, the date of the inventory, a summary of the inventory findings, the name, signature and title of the individuals who conducted the inventory and the agent-in-charge who oversaw the inventory, and the product name and quantity of cannabis plants or cannabis-infused products at the facility. The record of all medical cannabis sold must include the date of sale, the name of the dispensary facility to which the medical cannabis was sold and the batch number, product name and quantity of cannabis sold.

Storage of cannabis and cannabis product inventory is also regulated by the IL Act. Inventory must be stored on the dispensary's licensed premises in a restricted access area. Appropriate storage temperatures, containers, and lighting are required to ensure the quality and purity of cannabis inventory is not adversely affected.

Illinois Security Requirements

Under the IL Act, dispensaries must implement security measures to deter and prevent entry into and theft from restricted access areas containing either cannabis or currency. Mandated security measures include security systems, panic alarms, and locked doors or barriers between the facility's entrance and limited access areas. Admission to the limited access areas must be restricted to only registered qualifying patients, designated caregivers, principal officers, and agents conducting business with the dispensing organization. Visitors and persons conducting business with the licensee in limited access areas must always wear identification badges and

be escorted by a licensee's agent authorized to enter the restricted access area. A visitor's log must be kept on- site and be maintained for five years.

The IL Act states 24-hour video surveillance of both a licensee's interior and exterior are required to be taken and kept for at least 90 days. Unless prohibited by law, video of all interior dispensary areas, including all points of entry and exit, safes, sales areas, and storage areas must be kept. Unobstructed video of the exterior perimeter, including the storefront, grow facility and the parking lot, must also be kept. Video surveillance cameras are required to be angled to allow for facial recognition and the capture of clear and certain identification of any person entering or exiting the dispensary area. Additionally, all video must be taken in lighting sufficient for clear viewing during all times of night or day. The IL Act also requires all security equipment to be inspected and tested within regular 30-day intervals.

Illinois Transportation

Prior to transporting any cannabis or cannabis-infused product, a cultivation facility must:

- Complete a shipping manifest using a form prescribed by the IL DA; and

- Securely transmit a copy of the manifest to the dispensary facility that will receive the products and to the IL DA before the close of business the day prior to transport. The manifest must be made available to the Illinois State Police upon request.

The cultivation facility shall maintain all shipping manifests and make them available at the request of the IL DA. Cannabis products that are being transported shall:

- Only be transported in a locked, safe and secure storage compartment that is part of the motor vehicle transporting the cannabis, or in a locked storage container that has a separate key or combination pad; and

- Not be visible from outside the motor vehicle.

Any motor vehicle transporting cannabis is required travel directly from the cultivation facility to the dispensary facility, or a testing laboratory, and must not make any stops in between except to other dispensary facilities or laboratories, for refueling or in case of an emergency. A cultivation center shall ensure that all delivery times and routes are randomized. A cultivation center shall staff all transport motor vehicles with a minimum of two employees. At least one delivery team member shall remain with the motor vehicle at all times that the motor vehicle contains cannabis. Each delivery team member shall have access to a secure form of communication with personnel at the cultivation center and the ability to contact law enforcement through the 911 emergency system at all times that the motor vehicle contains cannabis. Each delivery team member shall possess his or her department issued identification card at all times when transporting or delivering cannabis and shall produce it for the IL DA or IL DA's authorized representative or law enforcement official upon request.

Illinois Inspections

Dispensing organizations are subject to random and unannounced dispensary inspections and cannabis testing by the IL DFPR and Illinois State Police. The IL DFPR and its authorized representatives may enter any place, including a vehicle, in which cannabis is held, stored, dispensed, sold, produced, delivered, transported, manufactured or disposed of and inspect in a reasonable manner, the place and all pertinent equipment, containers and labeling, and all materials, data and processes, and inventory any stock of cannabis and obtain samples of any cannabis or cannabis product, any labels or containers for cannabis, or paraphernalia.

The IL DFPR may conduct an investigation of an applicant, application, dispensing organization, principal officer, dispensary agent, third party vendor or any other party associated with a dispensing organization for an alleged violation of the IL Act or to determine qualifications to be granted a registration by the IL DFPR. The IL DFPR may

require an applicant or dispensing organization to produce documents, records or any other material pertinent to the investigation of an application or alleged violations of the IL Act.

Medical cannabis cultivation centers are also subject to random inspections by the IL DA.

Massachusetts

Massachusetts Regulatory Landscape

The Commonwealth of Massachusetts has authorized the cultivation, possession and distribution of marijuana for medical purposes by certain licensed Massachusetts marijuana businesses. The Medical Use of Marijuana Program (the "**MUMP**") registers qualifying patients, personal caregivers, Marijuana Treatment Centers (" **MTCs**"), and MTC agents. The MUMP was established by Chapter 369 of the Acts of 2012, "An Act for the Humanitarian Medical Use of Marijuana", following the passage of the Massachusetts Medical Marijuana Initiative, Ballot Question 3, in the 2012 general election. This act was repealed by Chapter 55 of the Acts of 2017. Additional statutory requirements governing the MUMP were enacted by the Legislature in 2017 and codified at G.L. c. 94I, et. seq. MTC Certificates of Registration are vertically integrated licenses in that each MTC Certificate of Registration entitles a license holder to one cultivation facility, one processing facility and one dispensary locations.

The Commonwealth of Massachusetts has also authorized the cultivation, possession, and use of marijuana by adults 21 years of age and older, as well as the licensure of certain marijuana-related businesses, through Chapter 334 of the Acts of 2016, "The Regulation and Taxation of Marijuana Act," following the passage of Ballot Question 4 in the 2016 general election. Additional statutory requirements were enacted by the Legislature in 2017 and codified at G.L. c. 94g, et seq.

The Commonwealth of Massachusetts Cannabis Control Commission (" **CCC**") regulations, 935 CMR 501.000 et seq. ("**Massachusetts Medical Regulations**"), provide a regulatory framework that requires MTCs to cultivate, process, transport and dispense medical cannabis in a vertically integrated marketplace. Patients with debilitating medical conditions qualify to participate in the program, including conditions such as cancer, glaucoma, positive status for HIV, AIDS, hepatitis C, ALS, Crohn's disease, Parkinson's disease, and MS when such diseases are debilitating, and other debilitating conditions as determined in writing by a qualifying patient's healthcare provider. The CCC assumed control of the MUMP from the Department of Public Health on December 23, 2018.

The CCC regulations, 935 CMR 500.000 et seq. (" **Massachusetts Adult Use Regulations**"), provide a regulatory framework for "marijuana establishments," which includes: (a) "Marijuana Cultivator" licenses, whether indoor or outdoor, (b) "Craft Marijuana Cooperative" licenses, (c) "Marijuana Product Manufacturer" licenses, (d) "Marijuana Microbusiness" licenses, (e) "Independent Testing Laboratory" licenses, (f) "Marijuana Retailer" licenses, (g) "Marijuana Transporter" licenses, (h) "Delivery-only Licensee", (i) "Marijuana Research Facility" licenses, (j) "Social Consumption Establishment" licenses, and (k) any other type of licensed marijuana-related business, except a MTC.

The CCC regulations, 935 CMR 502.000 et seq., provide a regulatory framework for MTCs who are also licensed to conduct adult-use operations as a Cultivator, Product Manufacturer and Retailer.

Massachusetts Licensing Regime

The Massachusetts Medical Regulations delineate the licensing requirements for MTCs in Massachusetts. Licensed entities must demonstrate the following: (i) they are licensed and in good standing with the Secretary of the Commonwealth of Massachusetts; (ii) no executive, member or any entity owned or controlled by such executive or member directly or indirectly controls more than three MTC licenses; (iii) an MTC may not cultivate and dispense medical cannabis from more than two locations statewide; (iv) dispensary agents must be registered with the Massachusetts Department; (v) an MTC must have a program to provide reduced cost or free marijuana to patients with documented verifiable financial hardships; (vi) one executive of an MTC must register with the Massachusetts Department of Criminal Justice Information Services on behalf of the entity as an organization user of the Criminal Offender Record Information (iCORI) system; (vii) the MTC applicant has at least $500,000 in its

control as evidenced by bank statements, lines of credit or equivalent for its first application, and $400,000 for subsequent application; and (viii) payment of the required application fee.

After November 1, 2019, in an MTC application, an applicant must submit the following: (i) an application of intent, including, among other documentation, proof that the applicant is registered to do business in Massachusetts, a list of all persons or entities having direct or indirect control over the applicant, and documentation of the amounts and sources of capital resources available to the applicant; (ii) information in order to allow the State to conduct a background check for certain individuals affiliated with the applicant, and (iii) a management and operations profile, including, among other documentation, the applicant's entity formation documents, a proposed timeline regarding when the marijuana establishment will be operational, and a detailed summary of operating policies and procedures for the applicant.

The CCC shall review applications from applicants in the order they were submitted as determined by the CCC's electronic licensing system. The CCC shall grant or deny a provisional license not later than 90 days following notification to the applicant that all required packets are considered complete. On selection by the CCC, an applicant shall submit the required License fee and subsequently be issued a provisional license to develop an MTC, in the name of the entity. An MTC shall construct its facilities in accordance with the Massachusetts Medical Regulations, conditions set forth by the CCC in its provisional License and architectural review, and any applicable state and local laws, regulations, permits or licenses. On completion of all inspections required by the Commission, an MTC is eligible for a final License.

The Massachusetts Adult Use Regulations delineate the licensing requirements for marihuana establishments in Massachusetts. Licensed entities must submit the following: (i) an application of intent, including, among other documentation, proof that the applicant is registered to do business in Massachusetts, a list of all persons or entities having direct or indirect control over the applicant, and documentation of the amounts and sources of capital resources available to the applicant; (ii) information in order to allow the State to conduct a background check for certain individuals affiliated with the applicant, and (iii) a management and operations profile, including, among other documentation, the applicant's entity formation documents, a proposed timeline regarding when the marijuana establishment will be operational, and a detailed summary of operating policies and procedures for the applicant.

Upon the determination by the CCC that a marihuana establishment applicant has responded to the application requirements in a satisfactory fashion, a copy of the completed application, to the extent permitted by law, will be forwarded to the municipality in which the marijuana establishment will be located. The CCC shall request that the municipality respond within 60 days of the date of the correspondence that the applicant's proposed marijuana establishment is in compliance with municipal bylaws or ordinances. On selection by the CCC, an applicant shall submit the required license fee and subsequently be issued a provisional license to develop a marijuana establishment, in the name of the entity. On completion of all inspections required by the CCC, a marijuana establishment is eligible for a final license.

The Company does not, directly or indirectly, currently conduct any cannabis-related activities in Massachusetts. The Company submitted a change of control application to the CCC in September 2020 for the 2 cultivation licenses and 1 product manufacturing license to be acquired pursuant to the TDMA MIPA and is awaiting approval.

Massachusetts Dispensary Requirements

An MTC shall follow its written and approved operation procedures in the operation of its dispensary locations. Operating procedures shall include (i) security measures in compliance with the Massachusetts Regulations; (ii) employee security policies including personal safety and crime prevention techniques; (iii) hours of operation and after-hours contact information; (iv) storage and waste disposal policies;; (v) storage protocols in compliance with state law; (vi) a description of the various strains of marijuana that will be cultivated and dispensed, and the forms that will be dispensed; (vii) a price list for marijuana and MIPs, as well as an alternate price list for patients with documented verified financial hardship; (viii) procedures to ensure accurate recordkeeping including inventory protocols; (ix) plans for quality control; (x) a staffing plan and staffing records; (xi) emergency procedures; (xii) alcohol, smoke, and drug free workplace policies; (xiii) a plan to describe how confidential information will be maintained; (xiv) a policy for the immediate dismissal of an MTC agent who violates laws or regulations; (xv) a list

of all board members and executives; (xvi) policies and procedures for the handling of cash on the premises; (xvii) the standards and procedures by which the MTC determines the price it charges for marijuana; (xviii) policies and procedures for energy efficiency and conservation; and (xix) policies and procedures to promote workplace safety.

A marijuana retailer shall follow its written and approved operation procedures in the operation of its dispensary locations. Operating procedures shall include (i) security measures in compliance with the Massachusetts Adult Use Regulations; (ii) employee security policies including personal safety and crime prevention techniques; (iii) hours of operation and after-hours contact information; (iv) storage and waste disposal protocols in compliance with state law; (v) a description of the various strains of marijuana that will be cultivated and dispensed, and the forms that will be dispensed; (vi) price list for marijuana and marijuana products and alternate price lists for patients with verified financial hardship; (vii) procedures to ensure accurate recordkeeping including inventory protocols; (viii) plans for quality control; (ix) plans for quality control, including product testing for contaminants; (x) a staffing plan and staffing records; (xi) diversion identification and reporting protocols; (xii) emergency procedures, including a disaster plan; (xiii) alcohol, smoke, and drug-free workplace policies; (xiv) a plan describing how confidential information and other records will be maintained confidentially; (xv) policies related to the immediate dismissal of certain marijuana establishment agents who violate laws or regulations; (xvi) a list of all board members and executives of the licensee; (xvii) policies and procedures for the handling of cash on premises including storage, collection frequency and transport to financial institutions; (xviii) policies and procedures to prevent the diversion of marijuana to anyone younger than 21 years old; policies and procedures for energy efficiency and conservation; and (xiv) policies and procedures to promote workplace safety.

Massachusetts Security Requirements

An MTC shall implement sufficient security measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana. These measures must include: (i) allowing only registered qualifying patients, caregivers, dispensary agents, authorized persons, or approved outside contractors access to the MTC facility; (ii) preventing individuals from remaining on the premises of an RMD if they are not engaging in activities that are permitted; (iii) disposing of marijuana or byproducts in compliance with law; (iv) securing all entrances to the MTC to prevent unauthorized access; (v) establishing limited access areas accessible only to authorized personnel; (vi) storing finished marijuana in a secure locked safe or vault; (vii) keeping all locks and security equipment in good working order; (viii) prohibiting keys from being left in locks or stored in an accessible area; (ix) prohibiting accessibility of security measures to persons other than authorized personnel; (x) ensuring that the outside perimeter of the MTC is sufficiently lit to facilitate surveillance; (xi) ensuring that all marijuana products are kept out of plain sight; (xii) developing emergency policies and procedures for securing all product; (xiii) developing sufficient addition safeguards as required by the CCC; (xiv) sharing the MTC's floorplan or layout with law enforcement authorities; and (xv) inside the MTC, keeping all marijuana within a limited access area.

A marijuana establishment shall implement sufficient security measures to deter theft of marijuana and marijuana products, prevent unauthorized entrance into areas containing marijuana and marijuana products, and ensure the safety of employees, consumers and the general public. These measures must include: (i) positively identifying individuals seeking access to the premises of the marijuana establishment or to whom or marijuana products are being transported in order to limit access solely to individuals 21 years of age or older; (ii) adopting procedures to prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication are allowed to remain on the premises; (iii) disposing of Marijuana in accordance with the Massachusetts Adult Use Regulations in excess of the quantity required for normal, efficient operation; (iv) securing all entrances to the marijuana establishment to prevent unauthorized access; (v) establishing limited access areas, which shall be accessible only to specifically authorized personnel; (vi) storing all marijuana products in a secure, locked safe or vault in such a manner as to prevent diversion, theft and loss; (vii) keeping all safes, vaults, and any other equipment or areas used for the production, cultivation, harvesting, processing or storage, including prior to disposal, of marijuana or marijuana products securely locked and protected from entry, except for the actual time required to remove or replace marijuana; (viii) keeping all locks and security equipment in good working order; (ix) prohibiting keys, if any, from being left in the locks or stored or placed in a location accessible to persons other than specifically authorized personnel; (x) prohibiting accessibility of security measures such as combination numbers, passwords or electronic or biometric security systems, to persons other than specifically authorized personnel; (xi) ensuring that the outside perimeter of the marijuana establishment is sufficiently lit to facilitate surveillance, where applicable; (xii) ensuring that all marijuana products are kept out of plain sight and are not

visible from a public place, outside of the marijuana establishment, without the use of binoculars, optical aids or aircraft; (xiii) developing emergency policies and procedures for securing all product following any instance of diversion, theft or loss of marijuana, and conduct an assessment to determine whether additional safeguards are necessary; (xiv) developing sufficient additional safeguards as required that present special security concerns; (xv) at marijuana establishments where transactions are conducted in cash, establishing procedures for safe cash handling and cash transportation to financial institutions to prevent theft, loss and associated risks to the safety of employees, customers and the general public; (xvi) sharing the marijuana establishment's floor plan or layout of the facility with law enforcement authorities, and in a manner and scope as required by the municipality and identifying when the use of flammable or combustible solvents, chemicals or other materials are in use at the marijuana establishment; and (xvii) sharing the marijuana establishment's security plan and procedures with law enforcement authorities, including police and fire departments, in the municipality where the marijuana establishment is located and periodically updating law enforcement authorities, police and fire departments, if the plans or procedures are modified in a material way.

Massachusetts Transportation

Marijuana or marijuana-infused products ("**MIPs**") may only be transported by marijuana transporters or MTC agents on behalf of a MTC between separately-owned MTCs, a patient or his or her caregiver, or a laboratory in compliance with the Massachusetts Medical Regulations. An MTC shall staff transport vehicles with a minimum of two MTC agents. At least one MTC agent shall remain with the vehicle when the vehicle contains marijuana or MIPs. Prior to leaving the origination location, an MTC must weigh, inventory, and account for, on video, the marijuana to be transported.

Marijuana must be packaged in sealed, labeled, and tamper-proof packaging prior to and during transportation. In the case of an emergency stop, a log must be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. An MTC shall ensure that delivery times and routes are randomized. Each dispensary agent shall carry his or her CCC-issued agent registration card when transporting marijuana or MIPs and shall produce it to CCC representatives or law enforcement officials upon request. Where videotaping is required when weighing, inventorying, and accounting of marijuana before transportation or after receipt, the video must show each product being weighed, the weight, and the manifest. An MTC must document and report any unusual discrepancy in weight or inventory to the CCC and local law enforcement within 24 hours. An MTC shall report to the CCC and local law enforcement any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, within 24 hours. An MTC shall retain transportation manifests for no less than one year and make them available to the CCC upon request. Any cash received from a qualifying patient or personal caregiver must be transported to an MTC immediately upon completion of the scheduled deliveries. Vehicles used in transportation must be owned, leased or rented by the MTC, be properly registered, and contain a GPS system that is monitored by the MTC during transport of marijuana and said vehicle must be inspected and approved by the CCC prior to use.

During transit, an MTC shall ensure that: (i) marijuana or MIPs are transported in a secure, locked storage compartment that is part of the vehicle; (ii) the storage compartment cannot be easily removed (for example, bolts, fittings, straps or other types of fasteners may not be easily accessible and not capable of being manipulated with commonly available tools); and (iii) product is transported in a vehicle that bears no markings indicating that the vehicle is being used to transport marijuana or MIPs and does not indicate the name of the MTC. Each MTC agent transporting marijuana or MIPs shall have access to a secure form of communication with personnel at the origination location when the vehicle contains marijuana or MIPs.

Marijuana or MIPs may only be transported by marihuana establishment agents on behalf of a marihuana establishment between separately-owned marihuana establishments in compliance with the Massachusetts Adult Use Regulations. A licensed marijuana transporter may contract with a licensed marijuana establishment to transport that licensee's marijuana products to other licensed marijuana establishments.

Marijuana must be packaged in sealed, labeled, and tamper-proof packaging prior to and during transportation. In the case of an emergency stop, a log must be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. The originating and receiving licensed marijuana establishments shall ensure that all transported marijuana products are linked to the seed-to-sale tracking program.

Prior to leaving a marijuana establishment for the purpose of transporting marijuana products, the originating marijuana establishment must weigh, inventory, and account for, on video, all marijuana products to be transported. Within eight hours after arrival at the destination marijuana establishment, the destination establishment must reweigh, re-inventory, and account for, on video, all marijuana products transported A marihuana establishment shall report to the CCC and local law enforcement any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, within 24 hours. An marihuana shall retain transportation manifests for no less than one year and make them available to the CCC upon request. Vehicles used in transportation must be owned, leased or rented by the marihuana establishment or marihuana transporter, be properly registered, and contain a GPS system that is monitored by the marihuana establishment during transport of marijuana and said vehicle must be inspected and approved by the CCC prior to use.

During transit, a marijuana establishment or marijuana transporter shall ensure that: (i) marijuana or MIPs are transported in a secure, locked storage compartment that is part of the vehicle; (ii) the storage compartment cannot be easily removed (for example, bolts, fittings, straps or other types of fasteners may not be easily accessible and not capable of being manipulated with commonly available tools); and (iii) product is transported in a vehicle that bears no markings indicating that the vehicle is being used to transport marijuana or MIPs and does not indicate the name of the marihuana establishment. Each marihuana establishment agent transporting marijuana or MIPs shall have access to a secure form of communication with personnel at the origination location when the vehicle contains marijuana or MIPs.

Massachusetts Inspections

The CCC or its agents may inspect an MTC, marijuana establishment, and affiliated vehicles at any time without prior notice. An MTC or marijuana establishment shall immediately upon request make available to the CCC information that may be relevant to a CCC inspection, and the CCC may direct an MTC or marijuana establishment to test marijuana for contaminants. Any violations found will be noted in a deficiency statement that will be provided to the MTC or marijuana establishment, and the MTC or marijuana establishment shall thereafter submit a Plan of Correction to the CCC outlining with particularity each deficiency and the timetable and steps to remediate the same. The CCC shall have the authority to suspend or revoke a certificate of registration. The CCC is also authorized to conduct a secret shopper program to ensure compliance with all applicable laws and regulations.

U.S. Attorney Statements in Massachusetts

In January 2018, Andrew E. Lelling, the US Attorney for the District of Massachusetts, issued the following statement: “I understand that there are people and groups looking for additional guidance from this office about its approach to enforcing federal laws criminalizing marijuana cultivation and trafficking. I cannot, however, provide assurances that certain categories of participants in the state-level marijuana trade will be immune from federal prosecution. This is a straightforward rule of law issue. Congress has unambiguously made it a federal crime to cultivate, distribute and/or possess marijuana. As a law enforcement officer in the Executive Branch, it is my sworn responsibility to enforce that law, guided by the Principles of Federal Prosecution. To do that, however, I must proceed on a case-by-case basis, assessing each matter according to those principles and deciding whether to use limited federal resources to pursue it. Deciding, in advance, to immunize a certain category of actors from federal prosecution would be to effectively amend the laws Congress has already passed, and that I will not do. The kind of categorical relief sought by those engaged in state-level marijuana legalization efforts can only come from the legislative process.”

Michigan

Michigan Medical Regulatory Landscape

In November 2008, Michigan residents approved the Michigan Medical Marihuana Act (the “ **MMMA**”) to provide a legal framework for a safe and effective medical marijuana program. In September 2016, the Michigan Legislature passed the Medical Marihuana Facilities Licensing Act (the “**MMFLA**”) and the Marihuana Tracking Act (the “ **MTA**”) to provide a comprehensive licensing and tracking scheme, respectively, for the medical marijuana program. On November 6, 2018, Michigan voters approved Proposal 1, to make marijuana legal under state and local law for adults 21 years of age or older and to control the commercial production and distribution of marijuana under a

system that licenses, regulates, and taxes the businesses involved. The act is known as the Michigan Regulation and Taxation of Marihuana Act (" **MRTMA**" and together with the MMMA, the MMFLA, and the MTA, the " **Michigan Cannabis Regulations**"). Additionally, the Michigan Marijuana Regulatory Agency (" **MRA**") has supplemented the Michigan Cannabis Regulations with administrative rules to further clarify the regulatory landscape surrounding the cannabis industry in Michigan. MRA is the main regulatory authority for the licensing of marijuana businesses.

In 2016, the Michigan legislature passed two new acts and also amended the original MMMA. The first act, amended effective January 1, 2019, establishes a licensing and regulation framework for medical marijuana growers, processors, secure transporters, provisioning centers, and safety compliance facilities. The second act establishes a "seed-to-sale" system to track marijuana that is grown, processed, transferred, stored, or disposed of under the Medical Marihuana Facilities Licensing Act.

The MRA is responsible for the oversight of cannabis in Michigan and consists of the Licensing Division and the Michigan Medical Marihuana Program Division. The MMMA provides access to state residents to cannabis and cannabis related products under one of 11 debilitating conditions, including epilepsy, cancer, HIV, AIDS, cancer and PTSD. In July 2018, the Medical Marihuana Facility Licensing Division approved 11 additional conditions to the list of aliments to qualify for medical cannabis, including chronic pain, colitis and spinal cord injury.

Allowable forms of marijuana includes smokable dried flower, dried flower for vaporizing and marijuana-infused products, which are defined under the Act to include topical formulations, tinctures, beverages, edible substances or similar products containing usable marijuana that is intended for human consumption in a matter other than smoke inhalation. Under the Michigan Cannabis Regulations, marijuana-infused products shall not be considered food.

Michigan Licensing Requirements

Under the MMFLA, MRA administrates five types of "state operating licenses" for medical marijuana businesses: (a) a "grower" license, (b) a "processor" license, (c) a "secure transporter" license, (d) a "provisioning center" license and (e) a "safety compliance facility" license. There are no stated limits on the number of licenses that can be made available on a state level; however, MRA has discretion over the approval of applications and municipalities can pass additional restrictions.

According to the MRTMA, MRA was required to start accepting applications for adult use establishments within 12 months of the measure's effective date, and did so beginning in November 2019. Under the MRTMA, MRA administrates six types of "state operating licenses" for adult use marijuana businesses: (a) a "grower" license, (b) a "processor" license, (c) a "secure transporter" license, (d) a "provisioning center" license (e) a "safety compliance facility" license, and (f) a "microbusiness" license. The MRTMA also allows MRA to create additional license types and, to date, it has created three additional license types: (a) a "designated consumption establishment" license, (b) a "marihuana event organizer" license, (c) a "temporary marihuana event" license, and (d) an "excess marihuana grower" licenses. There are no stated limits on the number of licenses that can be made available on a state level; however, MRA has discretion over the approval of applications and municipalities can pass additional restrictions.

PharmaCo currently holds the following licenses (as more fully described in " *Regulatory Overview – Cannabis Licenses Held by State and Investee* "):

- Provisioning Centers: 8 medical municipal licenses, 5 adult use municipal licenses, 8 medical state licenses and 5 adult use state licenses;
- Cultivation: 8 medical municipal licenses, 1 adult use municipal license, 6 medical state licenses and 1 adult use state license for cultivation;
- Processing: 2 medical municipal licenses; and
- Events: 1 adult use state license.

To the Company's knowledge, PharmaCo operates in full compliance with licensing requirements and state and local regulations for cannabis-related activities and has not received any unresolved notices of violations with respect to any of its cannabis-related activities by any regulatory authority. PharmaCo will promptly disclose to the Company any non-compliance, citations or notices of violation which may have an impact on its licenses, business activities or operations.

Michigan Recordkeeping and Reporting

Pursuant to the requirements of the MTA, Michigan selected Franwell Inc.'s Marijuana Enforcement Tracking Reporting Compliance ("**METRC**") software as the state's third-party solution for integrated marijuana industry verification. Using METRC, regulators are able to track third party inventory, permissible sales and seed-to-sale information. Additionally, provisioning centers can use the METRC API to connect their own inventory management and/or point-of-sale systems to verify the identity as well as permissible sales for Michigan Qualified Purchasers.

Michigan Storage and Security

To ensure the safety and security of cannabis business premises and to maintain adequate controls against the diversion, theft, and loss of cannabis or cannabis products, a provisioning center is required to maintain and submit a security operations plan that includes the following at a minimum:

- Escorts for all non-employee personnel in limited access areas;

- Secure locks for all interior rooms, windows and points of entry and exits with commercial grade, non-residential door locks;

- An alarm system, with all information related to such alarm system including monitoring and alarm activity available to MRA;

- A video surveillance system that, at a minimum, consists of digital or network video recorders, cameras, video monitors, digital archiving devices and a color printer capable of delivering still photos;

- 24-hour surveillance footage with fixed, mounted cameras, tamper/theft proof secured storage mediums and a notification system for interruption or failure of surveillance footage or storage of surveillance footage. All surveillance footage must be of sufficient resolution to identify individuals, have accurate time/date stamps and be stored for a minimum of 14 days unless state regulators notify that such recordings may be destroyed. Surveillance footage must cover:

    - All activity within 20 feet of all points of entry and exit to a facility;

    - Any areas where marijuana products are weighed, packed, stored loaded, and unloaded for transportation, prepared or moved within the marijuana facility;

    - Limited-access areas and security rooms, transfers between rooms;

    - Areas storing a surveillance system storage device with at least 1 camera recording the access points to the secured surveillance recording area;

    - All entrances and exists to the building must be recorded from both indoor and outdoor vantage points, the areas of entrance and exit between marijuana facilities at the same location if applicable, including any transfers between marijuana facilities;

    - Point of sale areas where Michigan Marijuana products are sold and displayed for sale;

    - State access to view and obtain copies of any surveillance footage through MRA or related investigators, agents, auditors and/or state police. A facility shall also provide copies of recordings to MRA upon request;

· Logs of the following: the identities of the employee or employees responsible for monitoring the video surveillance system, the identity of the employee who removed the recording from the video surveillance system storage device and the time and date removed, and the identity of the employee who destroyed any recording.

Maintain marijuana storage plan for provisioning centers that includes at a minimum:

* A secured limited access area for inventories of Michigan Marijuana Products;

* Clearly labeled containers that are:
    - Marked, labeled or tagged;
    - Enclosed on all sides;
    - Latched or locked to keep all contents secured within. All such containers must be identified and tracked in accordance with the MTA;

* A locked area for chemical and solvents separate from Michigan Marijuana Products;

* Separation of marijuana-infused products from toxic or flammable materials;

* A sales or transfer counter or barrier separated from stock rooms to ensure registered qualifying patients or registered primary caregivers do not have direct access to Michigan Marijuana Products.

Michigan Dispensary Requirements

Michigan marijuana products may be purchased in a retail setting from a provisioning center by a Michigan Qualified Purchaser that presents a valid registry identification card issued by MRA (a "**Michigan Registry ID**"). For a Michigan Qualified Purchaser to receive marijuana products, provisioning centers must deploy an inventory control and tracking system that is capable of interfacing with the statewide monitoring system to determine (a) whether a Michigan Qualified Purchaser holds a Michigan Registry ID and (b) whether the sale or transfer will exceed the then-current daily and monthly purchasing limit for the holder of the Michigan Registry ID.

Michigan marijuana products may also be purchased by an adult 21 years of age or older at an adult use retailer, so long as the individual provides sufficient identification indicating their age. For an individual to receive marijuana products, adult use retailers must deploy an inventory control and tracking system that is capable of interfacing with the statewide monitoring system to determine whether the sale or transfer will exceed the then-current daily and monthly purchasing limit for the individual.

U.S. Attorney Statements in Michigan

On November 8, 2018, United States Attorneys Matthew Schneider and Andrew Birge for the Eastern and Western Districts of Michigan, respectively, issued a joint statement regarding the legalization of adult-use marijuana in Michigan. They stated that since they had taken oaths to protect and defend the Constitution and the laws of the United States, they would not immunize the residents of Michigan from federal law enforcement. They stated that they would continue to the investigation and prosecution of marijuana crimes as they do with any other crime. They stated they would consider the federal law enforcement priorities set by the DOJ, the seriousness of the crime, the deterrent effect of prosecution, and the cumulative impact of the crime on a community, while also considering their ability to prosecute with limited resources. They stated that combating illegal drugs was just one of many priorities, and that even within the area of drugs, they were focused on combating the opioid epidemic. They stated that they have not focused on prosecution of low-level offenders, which they stated would not change (unless aggravating factors were present). They did state that certain crimes involving marijuana could pose serious risks and harm to a community, including interstate trafficking, involvement of other illegal drugs or activity, persons with criminal records, presence of firearms or violence, criminal enterprises, gangs and cartels, bypassing local laws and regulations, potential for environmental contamination, risks to minors, and cultivation on federal property.

Oklahoma

Oklahoma Regulatory Landscape

In 2018, Oklahoma voters approved State Question 788, which was codified as Sections 420-426 of Title 63 of the Oklahoma Statutes and known as the Oklahoma Medical Marijuana and Patient Protection Plan. The new law allows individuals to receive a medical marijuana license if an Oklahoma Board certified physician recommends such in accordance with accepted standards that a reasonable and prudent physician would follow when recommending any medication. Such license holders are allowed to lawfully possess certain amounts of marijuana. If a medical marijuana license holder is homebound, than the Oklahoma State Department of Health ("**OSHD**") is required to make a caregiver license available, which allows the caregiver to serve as the designee of the medical marijuana license holder and to have the same rights as the medical marijuana license holder.

The OSHD created the Oklahoma Medical Marijuana Authority (" **OMMA**") to oversee the state's medical marijuana program. Under the Oklahoma Medical Marijuana and Patient Protection Plan, the OSHD is required to issue four primary types of licenses: medical marijuana dispensary, commercial grower, processor, and marijuana transporter. Applications for dispensary, grower, and processor license types were required to be made available on the OSHD website no later than 30 days after the passage of State Question 788 and, upon receipt of an application, the OSHD has two weeks to review each application. The OSHD also issues a number of other types of licenses, including for marijuana research facilities, marijuana education facilities, marijuana waste disposal facilities, and marijuana testing laboratories.

Oklahoma Licensing Regime

A medical marijuana dispensary licensee is permitted to conduct retail sales of marijuana or marijuana derivatives only to medical marijuana license holders of their caregivers. A dispensary is prohibited from being located within 1,000 feet of any public or private school entrance.

A commercial grower licensee may sell marijuana to a licensed retailer or processor, but not directly to a medical marijuana license holder. Such sales to licensed retailers or processors are considered wholesale sales and are not subject to taxation. There is no limit on how much marijuana a licensed grower can cultivate.

A processor licensee may take marijuana plants and distill or process such plants into concentrates, edibles, and other forms for consumption. A licensed processor may sell its products to a licensed retailer or other licensed processor, but may not sell products directly to a medical marijuana license holder. Sales to a licensed retailer or other processor are considered wholesale sales and not subject to taxation. A processor license may also process cannabis into a concentrated form for medical marijuana license holders for a fee.

A medical marijuana transporter license allows an entity to transport, store, and distribute marijuana and marijuana products between licensed facilities. A transporter license will be issued to qualifying applicants for grower, processor, or dispensary licenses to transport marijuana or marijuana products on behalf of that licensee to other licensees. A transporter license may also be issued to an independent business.

The Company has limited, indirect cannabis activities in Oklahoma through RWB Platinum Vape, which sublicenses its brand to arm's length entities. None of the Company, its subsidiaries or investees currently have any cannabis licenses or pending cannabis license applications in Oklahoma.

Oklahoma Licensing Requirements

All applicants for a dispensary license must be Oklahoma residents, and if an applicant is an entity, it must be owned by an Oklahoma state resident (defined as residency in Oklahoma for at least two years immediately preceding the application date or five years of continuous Oklahoma residency in the 25 years immediately preceding the application) and be registered to do business in the state. If a commercial grower or processor license applicant is an individual, the applicant must be an Oklahoma resident. Commercial grower or processor license applicants who are entities are not required to be owned by Oklahoma residents, but all members,

managers, and board members must be Oklahoma residents and out-of-state residents may not own more than 25% of the entity.

If an applicant meets relevant residency requirements, the OSHD must approve applications where: (i) the applicant is at least 25 years of age; (ii) the applying individual or entity is registered to conduct business in Oklahoma; (iii) the applicant is not a sheriff, deputy sheriff, police officer, prosecuting officer, officer or employee of OMMA, or officer or employee of a municipality in which the commercial licensee is located; (iv) the applicant has not had his or her authority to be a caregiver revoked; (v) the applicant discloses all ownership; (vi) the applicant pays the relevant application fee; (vii) the applicant has not failed to file required taxes; and (viii) the applicant or, if a corporation, any of its officers, directors, or stockholders, has not been convicted of a nonviolent felony within the past two years, a felony within the past five years, or be currently incarcerated.

Oklahoma Recordkeeping and Reporting

Dispensaries are required to complete a monthly sales report to the OSDH on the 15 th of each following month. The report must provide the weight of marijuana purchased at wholesale, the weight of marijuana sold to medical marijuana license holders, and account for any waste. The report must also show the dispensary's total sales in dollars, tax collected in dollars, and taxes due in dollars. A dispensary may be subject to penalty if a gross discrepancy exists and cannot be explained. Fraudulent reporting violations within a two-year time period result in an initial fine of $5,000 for a first violation and license revocation for a second violation.

A licensed grower is required to complete a monthly sales report to the OSDH on the 15 th of each subsequent month. The report must provide the amount of marijuana harvested in pounds, the amount of drying or dried marijuana on hand, the amount of marijuana sold to dispensaries and processors in pounds, and the amount of waste in pounds. The report must also show total wholesale sales in dollars. A licensed grower may be subject to penalty if a gross discrepancy exists and cannot be explained. Fraudulent reporting violations within a two-year time period result in an initial fine of $5,000 for a first violation and license revocation for a second violation.

A licensed processor is required to complete a monthly sales report to the OSDH on the 15 th of each subsequent month. The report must provide the amount of marijuana purchased in pounds, the amount of marijuana cooked or processed in pounds, the amount of waste in pounds, and the total wholesale sale in dollars. A licensed processor may be subject to penalty if a gross discrepancy exists and cannot be explained. Fraudulent reporting violations within a two-year time period result in an initial fine of $5,000 for a first violation and license revocation for a second violation.

All marijuana licensees must keep certain records for a period of at least seven years from the date of creation, including all business records; any documents related to the processing, preparation, and/or testing of marijuana; documentation of every instance in which medical marijuana was sold or otherwise transferred or purchased or otherwise obtained from another licensee; and any and all records relating to the disposal or destruction of marijuana or waste.

Oklahoma Security Requirements

All commercial licensees must implement appropriate security measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft and diversion of marijuana. All commercial licensees are responsible for the security of all marijuana items on the licensed premises or all marijuana items in their possession during transit.

Oklahoma Transportation

Qualified applicants for a dispensary, grower, or processor license will also be issued a marijuana transportation license at the time of their dispensary, grower, or processor approval. Independent businesses may also receive a transportation license. Such a license allows the licensee to transport marijuana between licensed facilities. All marijuana or marijuana products must be transported in a locked container that is shielded from public view, clearly labeled as "Medical Marijuana or Derivative," and in a secured area of the vehicle that is not accessible to the driver during transit. All vehicles used to transport marijuana must be equipped with GPS trackers and properly

insured. All commercial transporters, growers, processors, and dispensaries must maintain accurate records and information on all vehicles engaged in the transport of marijuana. Agents of the transporter must keep a copy of the license on hand while transporting marijuana. Transporters must abide with all applicable motor vehicle laws and implement appropriate security measures to deter and prevent the theft and diversion of marijuana during transport.

Only agents, employees, officers, or owners of commercial transporters, growers, processors, or dispensaries who are issued a transporter agent license shall be qualified to transport marijuana. Commercial transporters, growers, processors, and dispensaries must utilize an electronic inventory management system to create and maintain shipping manifests documenting all transport of marijuana. A copy of such manifest shall be provided to each originating and receiving licensee at the time the product changes hands.

Oklahoma Inspections

Submission of an application for a commercial license constitutes permission for entry to and inspection of any licensed premises and any vehicle on the licensed premises used for the transportation of marijuana during hours of operation and other reasonable times. The OSHD may perform two on-site inspections per calendar year of each licensed grower, processor, dispensary, or commercial transporter to determine compliance with applicable law and rules. The OSHD must complete one on-site inspection of a testing laboratory applicant prior to initial licensure and one on-site inspection annually thereafter. The OSHD may conduct additional inspections to ensure correction of or investigate violations of applicable Oklahoma law and rules. The OSHD may review any and all records of a licensee and may require and conduct interviews with such persons or entities and persons affiliated with such entities, for the purpose of determining compliance with applicable laws and rules.

Cannabis Licenses Held by State and Investee

The below table describes the cannabis licenses held by Company's subsidiaries and material investees, as well as information about state licenses currently outstanding and maximum licenses by state.

The Company's subsidiaries and investees, to the Company's knowledge, are compliant with all applicable state and local laws. The Company works with legal counsel to ensure that its subsidiaries with involvement in the U.S. legal cannabis industry maintain rigorous compliance programs, including developing, implementing and maintaining compliance programs and personnel training to ensure that operations do not endanger the health and safety of personnel or the communities in which the subsidiaries operate. The Company's investees operate at arm's length and, to the Company's knowledge, maintain robust compliance and training programs to ensure full compliance with applicable cannabis laws.

The Company retains regulatory counsel in each jurisdiction in which it operates to ensure ongoing compliance and awareness of regulatory developments to continually enhance its compliance program. When evaluating new acquisition and investment opportunities, the Company engages proficient local counsel in a prospective new jurisdiction to ensure that any target is operating in compliance with all applicable state and local cannabis laws.

California

Holder	Relationship to Company	License Type	License Number	Approval Date	Expiry Date
Vista Prime Management LLC(1)	Subsidiary of RWB Platinum Vape	Medicinal Distributor Provisional License	C11-0000680-LIC	7/5/2019	7/4/2021
Vista Prime Management LLC(1)	Subsidiary of RWB Platinum Vape	Annual Manufacturing License (Adult and medicinal) Type 6: non-	CDPH-10002204	3/28/2020	3/8/2021

			volatile solvent extraction			

(1) The Company intends to submit a change of control application to applicable state regulatory authorities for the foregoing licenses to transfer ownership to RWB Platinum Vape.

Number of licenses issued in state	As of September 9, 2020, the California Bureau of Cannabis Control has issued 3,079 cannabis licenses and the California Department of Public Health has issued 1,021 cannabis licenses.
Number of licenses allowed by law in state	There is no limit on cannabis licenses that can be issued in California. However, licenses are issued by the state after receiving permission from a local jurisdiction (a city or unincorporated area of a county), therefore the number of licenses available is a function of what is made available in each local jurisdiction, each of which oversees its own license allocation process.
Additional pending license applications for the Company, its subsidiaries and/or investees (including application date)	None.
Florida	
Licenses held and name of holder (including approval and expiry dates)	The Company has limited, indirect cannabis activities in Florida through High Times, which sublicenses its brand to arm's length entities. None of the Company, its subsidiaries or investees currently have any cannabis licenses or pending cannabis license applications in Florida.
Number of licenses issued in state	Florida has issued licenses to 22 Medical Marijuana Treatment Centers (MMTCs) and currently has approximately 227 dispensing organizations. Each MMTC is, as of April 2020, allowed to open an unlimited number of dispensary locations.
Number of licenses allowed by law in state	Florida permits a maximum of 22 MMTC licenses. Additional MMTC licenses are issued each time more than 100,000 new patients are registered in the state.
Additional pending license applications for the Company, its subsidiaries and/or investees (including application date)	None.
Illinois	
Licenses held and name of holder (including approval and expiry dates)	The Company does not, directly or indirectly, currently conduct any cannabis-related activities in Illinois.
Number of licenses issued in state	As of January 1, 2020, Illinois had issued 55 medical cannabis dispensary licenses.
Number of licenses allowed by law in state	Illinois permits a maximum of 60 medical cannabis dispensary licenses and 22 cultivation center registrations. Licensed medical cannabis dispensaries may apply for adult retail licenses and apply to open a second retail location. State law permits up to 75 adult use cannabis retail licenses (to be issued in September 2020), up to 40 craft cannabis grower licenses, 40 cannabis infuser licenses and unlimited transporter licenses.
Additional pending license applications for the Company, its	MAG applied for a craft cannabis grower license on March 17, 2020 and is awaiting a response from state regulatory authorities.

subsidiaries and/or investees (including application date)						
Massachusetts						
Licenses held and name of holder (including approval and expiry dates)	**Holder**	**Relationship to Company**	**License Type**	**License Number**	**Approval Date**	**Expiry Date**
	TDMA Orange, LLC(1)	Subsidiary of Diem	Cultivation – Tier 2 / Indoor (5,001 to 10,000 sq.ft)	MCN281982	October 10, 2019	December 10, 2020
	TDMA Orange, LLC(1)	Subsidiary of Diem	Cultivation – Tier 5 / Outdoor (30,001 to 40,000 sq.ft)	MCN282031	October 10, 2019	December 10, 2020
	TDMA Orange, LLC(1)	Subsidiary of Diem	Product Manufacturing	MPN281616	October 10, 2019	December 10, 2020
	(1) The Company submitted change of control applications to the state regulatory authorities in September 2020 to transfer ownership to RLTY Development Springfield LLC and RLTY Development Orange LLC. The closing of the TDMA MPA is conditional upon regulatory approval of the change of control application.					
Number of licenses issued in state	Massachusetts has issued approximately 143 marijuana establishment licenses, including 72 retailers, 30 product manufacturers, 34 cultivation licenses, three transporters, two microbusinesses, and two laboratories.					
Number of licenses allowed by law in state	Massachusetts permits a maximum of 35 registrations for non-profit medical marijuana treatment centers, provided that at least one treatment center shall be located in each county and not more than five shall be located in any one county. The state can increase this amount if it deems it to be insufficient to meet patient needs. Adult use licenses are overseen by municipalities, each with their own allocation process and maximum amounts within their jurisdiction. Statute specifies that no licensee shall be granted more than 3 marijuana retailer licenses, 3 medical marijuana treatment center licenses, 3 marijuana product manufacturer licenses or 3 marijuana cultivator licenses; provided, however, that a licensee may hold 3 marijuana retailer licenses, 3 medical marijuana treatment center licenses, 3 marijuana product manufacturer licenses and 3 marijuana cultivator licenses.					
Additional pending license applications for the Company, its subsidiaries and/or investees (including application date)	None.					
Michigan						
Licenses held and name of holder (including approval and expiry dates)	**Holder**	**Relationship to Company**	**License Type**	**License Number**	**Approval Date**	**Expiry Date**
	State Licenses					
	PharmaCo	Investee	Medical Cultivation	GR-C-000376	3/4/2020	2/21/2021
	PharmaCo	Investee		GR-C-000457	4/3/2020	2/21/2021

PharmaCo	Investee		GR-C-000463	4/3/2020	2/21/2021
PharmaCo	Investee		GR-C-000464	4/3/2020	2/21/2021
PharmaCo	Investee		GR-C-000465	4/3/2020	2/21/2021
PharmaCo	Investee		GR-C-000286	5/2/2019	2/21/2021
PharmaCo	Investee	Adult Use Cultivation	AU-G-C-000122	1/28/2020	12/17/2020
PharmaCo	Investee	Medical Provisioning Center	PC-000249	3/21/2019	2/21/2021
PharmaCo	Investee		PC-000261	4/25/2019	2/21/2021
PharmaCo	Investee		PC-000232	2/21/2019	2/21/2021
PharmaCo	Investee		PC-000259	4/25/2019	2/21/2021
PharmaCo	Investee		PC-000226	3/21/2019	2/21/2021
PharmaCo	Investee		PC-000260	4/25/2019	2/21/2021
PharmaCo	Investee		PC-000267	6/24/2019	2/21/2021
PharmaCo	Investee		PC-000205	2/21/2019	2/21/2021
PharmaCo	Investee	Adult Use Provisioning Center	AU-R-000130	12/20/2019	12/17/2020
PharmaCo	Investee		AU-R-000193	3/11/2020	12/17/2020
PharmaCo	Investee		AU-R-000194	3/4/2020	12/17/2020
PharmaCo	Investee		AU-R-000143	12/17/2019	12/17/2020
PharmaCo	Investee		AU-R-000145	1/7/2020	12/17/2020
PharmaCo	Investee	Adult Use Event License	AU-MEOA-000114	4/1/2020	4/1/2021
Municipal Licenses					
PharmaCo	Investee	Medical Cultivation	BUS2020-00030	2/7/2020	2/7/2021
PharmaCo	Investee		BUS2020-00030	2/7/2020	2/7/2021
PharmaCo	Investee		BUS2020-00030	2/7/2020	2/7/2021
PharmaCo	Investee		BUS2020-00030	2/7/2020	2/7/2021
PharmaCo	Investee		BUS2020-00030	2/7/2020	2/7/2021
PharmaCo	Investee		MMP20-0184	4/12/2019	6/30/2021

	PharmaCo	Investee		MMP20-0199	2/26/2019	6/30/2021
	PharmaCo	Investee		ClsCGrower 2019-0003	8/13/2019	8/13/2021
	PharmaCo	Investee	Adult Use Cultivation	RECP20-0042	12/10/2019	6/30/2021
	PharmaCo	Investee	Medical Provisioning Center	BUS2019-00070	3/14/2019	7/30/2021
	PharmaCo	Investee		BUS2019-00068	3/14/2019	7/30/2021
	PharmaCo	Investee		BUS2019-00069	3/14/2019	6/30/2021
	PharmaCo	Investee		MMP20-0202	3/21/2019	6/30/2021
	PharmaCo	Investee		MMP20-0198	6/11/2019	6/30/2021
	PharmaCo	Investee		2020-01	6/30/2019	5/14/2021
	PharmaCo	Investee		Letter of License-no number	4/5/2019	12/30/2020
	PharmaCo	Investee		2019-19	3/8/2019	12/12/2020
	PharmaCo	Investee	Adult Use Provisioning Center	RECP20-0038	9/10/2019	6/30/2021
	PharmaCo	Investee		RECP20-0039	11/12/2019	6/30/2021
	PharmaCo	Investee		2020-01	2/25/2020	2/24/2021
	PharmaCo	Investee		Letter of License-no number	5/19/2020	12/31/2020
	PharmaCo	Investee		2019-3	11/11/2019	12/12/2020
	PharmaCo	Investee	Medical Processing Facility	Processor 2019-002	8/30/2019	8/30/2021
	PharmaCo	Investee		MMP20-0200	2/26/2019	6/30/2021
Number of licenses issued in state	As of the date of this prospectus, Michigan had issued 616 state cannabis licenses.					
Number of licenses allowed by law in state	There is no limit on medical or adult use licenses that can be issued in Michigan. However, a state and municipal license is required to operate and only certain municipalities have opted to allow cannabis businesses with local limits on permits and licenses. An individual can have an ownership interest in a maximum of five licensed adult use growers.					
Additional pending license applications for the Company, its subsidiaries and/or investees (including application date)	None.					

Oklahoma	
Licenses held and name of holder (including approval and expiry dates)	The Company has limited, indirect cannabis activities in Oklahoma through RWB Platinum Vape, which sublicenses its brand to arm's length entities. None of the Company, its subsidiaries or investees currently have any cannabis licenses or pending cannabis license applications in Oklahoma.
Number of licenses issued in state	As of September 9, 2020, the state has issued 5,971 grower licenses, 1,328 processor licenses, 2,087 dispensary licenses, 39 transporter licenses, 23 laboratory licenses, and no waste disposal facility licenses.
Number of licenses allowed by law in state	There is no limit on medical or adult use cannabis licenses that can be issued in Oklahoma.
Additional pending license applications for the Company, its subsidiaries and/or investees (including application date)	None.

CONSOLIDATED CAPITALIZATION

Change in Capitalization

The following summarizes the changes in the Company's capitalization since January 31, 2020, the last day of the Company's most recently completed fiscal period in respect of which financial statements have been filed, after giving effect to the Offering. The following table should be read in conjunction with the Annual Financial Statements and the Annual MD&A incorporated by reference in this Prospectus.

Description of Capital	**Outstanding as at January 31, 2020(1)**	**Outstanding as at June 30, 2020 prior to giving effect to the Offering**	**Outstanding as at the date of this Prospectus after giving effect to the Offering (assuming the full exercise of the Over-Allotment Option and issuance of Compensation Options)**
Share Capital	Unlimited Common Shares; unlimited Series I Preferred Shares	Unlimited Common Shares; unlimited Series I Preferred Shares; unlimited Series II Preferred Shares	Unlimited Common Shares; unlimited Series I Preferred Shares; unlimited Series II Preferred Shares
Common Shares	304,572,662	151,421,886	187,272,886
Series I Preferred Shares	50,900,000	3,181,250	3,181,250
Series II Preferred Shares(2)	Nil	112,040,549	112,540,549
Options	28,785,766	8,599,289(3)	8,099,289(5)

Warrants	113,806,365	595,340(4)	35,946,340(6)
MAG Milestone Share Rights	Nil	2,640,000(7)	2,640,000(7)
Special Warrant	Nil	4,500,000(8)	4,500,000(8)
Rights Under the PharmaCo Put/Call Agreement	Nil	37,000,000(9)	37,000,000(9)

Notes:

(1) The outstanding securities of the Company were consolidated on a 16:1 basis immediately prior to closing of the Business Combination Transaction.
(2) The Series II Preferred Shares were created immediately prior to closing of the Business Combination Transaction. In connection with the Business Combination Transaction, holders of MichiCann common shares received one Common Share and one Series II Preferred Share. (3) Exercisable for 8,599,289 Common Shares and 7,401,429 Series II Preferred Shares.
(4) Exercisable for 595,430 Common Shares and 595,340 Series II Preferred Shares.
(5) Exercisable for 8,099,289 Common Shares and 7,401,429 Series II Preferred Shares. (6) Exercisable for 35,946,340 Common Shares and 595,340 Series II Preferred Shares.
(7) Issuable pursuant to the Agreement and Plan of Merger dated as of January 9, 2020 as amended by and among MichiCann, MAG, RWB Illinois and Arthur VanWingerden and Ken VanWingerden upon the issuance of a commercial cultivation center license by the State of Illinois Department of Agriculture for MAG's Illinois facility by December 31, 2021.
(8) Exercisable for 4,500,000 Common Shares.
(9) Exercisable for 37,000,000 Common Shares and 37,000,000 Series II Preferred Shares.

Debt Obligations

On February 25, 2019, the Company advanced $15,000,000 to MichiCann pursuant to a senior secured convertible debenture which was amended on August 28, 2019 pursuant to a first amending agreement (the "**First Amending Agreement**"), September 11, 2019 pursuant to a second amending agreement and March 12, 2020 pursuant to a third amending agreement (the "**Third Amending Agreement**") (together, the "**MichiCann Debenture**"). The MichiCann Debenture is non-interest bearing, other than in the event of default by MichiCann. The MichiCann Debenture is secured by way of a security interest against the personal property of MichiCann which security interest is subordinated to the security interest held by Bridging. On August 28, 2019, the Company advanced MichiCann an additional US$2,000,000 pursuant to the First Amending Agreement and on March 12, 2020, an additional US$500,000 pursuant to the Third Amending Agreement to fund MichiCann working capital.

The MichiCann Debenture is secured against the assets of MichiCann pursuant to a general security and pledge agreement dated February 25, 2019 which security interests have been subordinated behind the security interest held by Bridging.

Following the completion of the Business Combination Transaction, the MichiCann Debenture remains as an intercorporate debt as between the Company and MichiCann.

On June 4, 2019, MichiCann and PharmaCo (collectively, the "**Borrowers**") entered into a credit agreement (the "**Credit Agreement**") with Bridging pursuant to which Bridging established a non-revolving credit facility (the "**Facility**") for the Borrowers in a maximum principal amount of $36,374,400 (the "**Facility Limit**").

The purpose of the Facility is so that PharmaCo can purchase certain real estate and business assets in the state of Michigan, to make additional permitted acquisitions and for general corporate and operating purposes.

The obligations under the Facility were due and payable on the earlier of: (a) the termination date (being January 4, 2020); and (b) the acceleration date (being the earlier of the date of an insolvency event or that a demand notice is delivered pursuant to the terms of the Credit Agreement). In respect of the advance made by Bridging to the Borrowers under the Facility, the Borrowers agreed to pay Bridging: Interest at the prime rate plus 10.55% per annum calculated and compounded monthly, payable monthly in arrears on the last day of each month; and a work fee equal to $909,360 (the "**Work Fee**") was paid to Bridging.

The obligations under the Facility are secured by general security agreements on each Borrower, mortgages on certain owned real property of PharmaCo among other security obligations. As the funds under the Facility (net of

the Work Fee, commissions and other transaction expenses of Bridging) were advanced by Bridging directly to MichiCann, MichiCann in turn advanced the funds (net of MichiCann's transaction expenses) to PharmaCo pursuant to a Promissory Note (the "**Promissory Note**") issued by PharmaCo to MichiCann in the principal amount of $30,648,516.53 (the "**Principal**"). The Principal was due and payable in full on January 2, 2020 (the " **Maturity Date**").

On January 10, 2020, the Facility was amended (the "**Amended Facility**") pursuant to an amended and restated credit agreement between Bridging, MichiCann (as guarantor, instead of as borrower) and PharmaCo, RWB Illinois and MAG (as borrowers) (the "**Amended Credit Agreement**"). The Company has guaranteed the obligations of PharmaCo, RWB Illinois and MAG under the Amended Credit Agreement.

The Amended Facility increased the Facility Limit to US$49,750,000 in the aggregate of which US$27,000,000 was to refinance the existing Facility and US$22,750,000 was used by the Company to complete the acquisition of MAG and for general corporate and operating purposes. The obligations under the Amended Facility are now due and payable on the earlier of: (a) the termination date (being July 10, 2021 subject to the right of the Borrowers to extend the termination date by paying a 1% fee for two additional six-month periods for a total of 30 months); and (b) the acceleration date (being the earlier of the date of an insolvency event or that a demand notice is delivered pursuant to the terms of the Amended Credit Agreement). In respect of the advance made by Bridging to the Borrowers under the Facility, the Borrowers agreed to pay Bridging: Interest at the prime rate plus 12% per annum calculated and compounded monthly, payable monthly in arrears on the last day of each month. PharmaCo may prepay the Principal in full in whole prior to the Maturity Date. Any amounts payable by PharmaCo or MichiCann to Bridging under the Facility will reduce the amount of PharmaCo's obligations to MichiCann on a dollar for dollar basis under the Promissory Note.

USE OF PROCEEDS

Proceeds

The net proceeds to the Company from the Offering are estimated to be $20,445,000, after deducting the payment of the Underwriters' Fee of $1,305,000, but before deducting the expenses of the Offering (estimated to be approximately $450,000 excluding taxes and disbursements). If the Over-Allotment Option is exercised in full for Over-Allotment Units, the net proceeds to the Company from the Offering are estimated to be $23,511,750, after deducting the Underwriters' Fee of $1,500,750, but before deducting the expenses of the Offering.

Principal Purposes, Business Objectives and Milestones

The Company intends to use the net proceeds from the Offering as follows:

(a) to finance acquisition and investment activity over the next 4 to 6 months, including the repayment of certain amounts advanced by 1260356 Ontario Limited on September 9, 2020 pursuant to the Convertible Debenture and in connection with the initial payment under the Platinum Vape Definitive Agreement (such transactions are more fully described in the material change reports dated September 8, 2020 and September 15, 2020 and incorporated by reference into this Prospectus);

(b) to finance ongoing MAG operations over the next 4 months, including cultivation, processing, packaging and delivery of hemp products to market;

(c) to expand the Company's executive team over the next 12 months with new members tasked with implementing brand expansion and optimal use of HT sublicensing rights. The Company will commence its search for additional executives in Q4 2020 and the Company's compensation committee will determine remuneration;

(d) to finance ongoing regulatory matters over the next 12 months related to the procurement of cannabis licenses in jurisdictions in which the Company currently operates or is contemplating operations, including, but not limited to, approximately $400,000 allocated to ongoing matters in

Michigan in connection with the proposed acquisition of PharmaCo, $400,000 allocated to a cannabis license application in Illinois, $400,000 allocated to the change of control application for cannabis licenses in Massachusetts, $400,000 allocated to the change of control application for cannabis licenses in California held by subsidiaries of RWB Platinum Vape and $400,000 allocated to regulatory matters related to High Times brand sublicensing pursuant to the terms of the RWB Licensing Acquisition. See "*Regulatory Overview*"; and

(e) inventory, ongoing capital expenditures and general corporate purposes, including approximately $995,000 allocated to purchasing packaging equipment, approximately $500,000 allocated to general maintenance and upkeep of existing facilities and equipment and approximately $500,000 allocated to general corporate purposes.

The use of the net proceeds from the Offering is consistent with the Company's business objective of achieving growth through investing in and financing companies in the U.S. legal cannabis industry. At this time, the Company has not set specific milestones for the achievement of this objective. To the extent the Company requires additional capital to further the above purposes, it may raise funds through debt and equity financing in the future. See "*Risk Factors – Risks Related to the Offering - Additional issuances and financings may result in dilution*".

The Company intends to allocate the net proceeds of the Offering for the following approximate purposes:

Purpose	**Net Proceeds of the Offering prior to exercise of the Over-Allotment Option(1) ($)**
General and administrative, including estimated expenses and fees related to the Offering	450,000
Acquisition and investment activity	10,000,000
MAG operations	4,000,000
Expansion of executive team	2,000,000
Ongoing regulatory matters related to cannabis licenses	2,000,000
Inventory, ongoing capital expenditures and general corporate purposes	1,995,000
TOTAL	**$20,445,000**

Notes:

(1) If the Over-Allotment Option is exercised in full, the excess net proceeds will be allocated to inventory, ongoing capital expenditures and general corporate purposes.

As at August 31, 2020, the Company's working capital was approximately ($22,900,000), a change of $70,800,000 from the end of the most recent financial period on June 30, 2020. This is due primarily to the Company's re-classification of the Amended Facility. With the termination date of the Amended Facility being July 10, 2021, the outstanding balance of the Amended Facility becomes a current liability instead of a long-term liability as of August 31, 2020 (subject to the Company exercising its right to extend the termination date. See "*Consolidated Capitalization – Debt Obligations*"). Without this re-classification, the Company's working capital was reduced by $3,000,000, an amount in line with its current average spending. The Company intends to repay the Amended

Facility on its maturity date using cash flow from operations, through the refinancing of the Amended Facility or through a subsequent financing. None of the proceeds from the Offering will be used to repay the Amended Facility.

The Company's intentions with respect to its use of proceeds are based on current knowledge, planning and expectations of management of the Company. Actual expenditures may differ from the expectations set forth above. There may be circumstances where for sound business reasons, the Company reallocates the use of proceeds, see "*Risk Factors – Risks Related to the Offering – Discretion in the Use of Proceeds* ". The Company had negative operating cash flow for the financial year ended July 31, 2019. The Company cannot guarantee that it will attain or maintain positive cash flow status in the future. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities in these periods. See *"Risk Factors – Risks Related to the Business – Cash flow from operations"* .

Until applied, the net proceeds will be held as cash balances in the Company's bank account or invested in certificates of deposit and other instruments issued by banks or obligations of or guaranteed by the Government of Canada or any province thereof in accordance with the Company's investment policies. If the Over-Allotment Option is exercised in full for Over-Allotment Units, the Company will receive additional net proceeds of $3,066,750 after deducting the Underwriters' Fee. The net proceeds from the exercise of the Over-Allotment Option, if any, is expected to be added to general working capital.

MARKET FOR SECURITIES

Trading Price and Volume

RWB Common Shares

The Common Shares are currently traded on the CSE under the symbol "RWB". The following table sets forth the reported price ranges and volume of trading for each month since August 2019. The Common Shares were halted on February 11, 2019 in connection with the Business Combination Transaction and resumed trading on June 5, 2020.

Period	High	Low	Volume
September 1-17, 2020	$0.74	$0.57	5,416,798
August 2020	$1.04	$0.62	12,665,233
July 2020	$1.30	$0.82	14,428,694
June 2020	$1.35	$0.86	19,472,219
May 2020	N/A	N/A	N/A
April 2020	N/A	N/A	N/A
March 2020	N/A	N/A	N/A
February 2020	N/A	N/A	N/A
January 2020	N/A	N/A	N/A
December 2019	N/A	N/A	N/A
November 2019	N/A	N/A	N/A
October 2019	N/A	N/A	N/A
September 2019	N/A	N/A	N/A

Prior Sales

The following table sets forth the details regarding all issuances of Common Shares, including issuances of all securities convertible or exchangeable into Common Shares, during the 12-month period before the date of this Prospectus:

Date of Issuance	Number of Securities Issued	Type	Issuance / Exercise Price Per Security	Nature of Consideration Received
January 20, 2020	62,500	Common Shares	0.80	Warrant Exercise
January 27, 2020	12,500	Common Shares	0.80	Warrant Exercise
January 29, 2020	100,000	Common Shares	0.80	Warrant Exercise
February 3, 2020	187,500	Common Shares	0.80	Warrant Exercise
February 4, 2020	62,500	Common Shares	0.80	Warrant Exercise
February 5, 2020	25,000	Common Shares	0.80	Warrant Exercise
February 6, 2020	915,625	Common Shares	0.80	Warrant Exercise
February 7, 2020	859,813	Common Shares	0.80	Warrant Exercise
February 24, 2020	45,000	Common Shares	0.80	Warrant Exercise
February 25, 2020	4,375	Common Shares	0.80	Warrant Exercise
February 27, 2020	1,410,000	Common Shares	0.80	Warrant Exercise
February 28, 2020	843,250	Common Shares	0.80	Warrant Exercise
February 28, 2020	75,625	Common Shares	0.80	Warrant Exercise
April 24, 2020	108,726,349	Common Shares	N/A	Business Combination
April 24, 2020	108,726,349	Series II Preferred Shares	N/A	Business Combination
April 24, 2020	37,000,000	Rights to acquire Common shares under PharmaCo Put/Call Agreement	N/A	Business Combination
April 24, 2020	37,000,000	Rights to acquire Series II Preferred Shares under PharmaCo Put/Call Agreement	N/A	Business Combination Transaction
April 24, 2020	2,640,000	Milestone Common Shares issuable to MAG shareholders(1)	N/A	Business Combination Transaction
April 24, 2020	2,640,000	Milestone Series II Preferred Shares issuable to MAG shareholders(1)	N/A	Business Combination Transaction
April 30, 2020	429,375	Common Shares	0.80	Warrant Exercise
May 25, 2020	187,500	Common Shares	0.80	Warrant Exercise
June 8, 2020	975,000	Common Shares	0.25	Stock Option Exercise
June 8, 2020	975,000	Series II Preferred Shares	0.25	Stock Option Exercise
June 10, 2020	15,300,000	Common Shares	1.50	RWB Licensing Acquisition
June 10, 2020	4,500,000	Special Warrant exercisable into Common shares(2)	N/A	RWB Licensing Acquisition
June 10, 2020	1,800,000	Common Shares(3)	N/A	RWB Licensing Acquisition
June 30, 2020	2,339,200	Common Shares	1.25	Debt Settlement re PharmaCo
June 30, 2020	2,339,200	Series II Preferred Shares	1.25	Debt Settlement re PharmaCo
August 13, 2020	500,000	Common Shares	0.25	Stock Option Exercise
August 13, 2020	500,000	Series II Preferred Shares	0.25	Stock Option Exercise
September 11, 2020	1	Convertible Debenture(4)	$10,000,000	Convertible Debenture

Notes:

(1) Issuable pursuant to the Agreement and Plan of Merger dated as of January 9, 2020 as amended by and among MichiCann, MAG, RWB Illinois and Arthur VanWingerden and Ken VanWingerden upon the issuance of a commercial cultivation center license by the State of Illinois Department of Agriculture for MAG's Illinois facility by December 31, 2021.

(2) Automatically exercisable into 4,500,000 Common Shares, if the volume weighted average price of the Common Shares on the CSE, for the first 180 days following June 10, 2020 is below $1.50.

(3) Issued to an arm's length finder upon completion of the RWB Licensing Acquisition.

(4) The Convertible Debenture matures and is due and payable upon closing of the Offering. In the event the Offering is terminated, the Convertible Debenture shall be convertible into such number of Units as is equal to the principal amount and accrued interest thereon.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The following is a summary of certain general terms and provisions of the Unit Shares and Warrants offered and the Compensation Options to be granted pursuant to this Prospectus. This summary does not purport to be complete and is qualified in its entirety to the full text of the Warrant Indenture to be entered into on Closing.

This Prospectus qualifies the distribution of the Offered Units and the Compensation Options. Each Offered Unit consists of one Unit Share and one Warrant. The Unit Shares and the Warrants will separate immediately upon Closing.

Offering

The Offering consists of Offered Units offered at the Offering Price of $0.75 per Offered Unit. Each Offered Unit will consist of one Unit Share and one Warrant.

The Company's Series I Preferred Shares and Series II Preferred Shares rank senior to the Company's Common Shares and are described below.

Common Shares

As at September 17, 2020, the Company had 151,921,886 Common Shares issued and outstanding.

The Common Shares of the Company entitle holders thereof to receive dividends as and when declared by the Board of Directors of the Company. In the event of liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to receive all the remaining property and assets of the Company. The holders of Common Shares are entitled to receive notice of and to attend and to vote at all meetings of the shareholders of the Company and each Common Share, when represented at any meeting of the shareholders of the Company, carries the right to one vote.

All of the Common Shares rank equally within their class as to dividends, voting rights, participation in assets and in all other respects. None of such Common Shares are subject to any call or assessment nor pre-emptive or conversion rights. Any modification, amendment or variation of any rights or other terms attached to the Common Shares would require special resolutions passed by the shareholders of the Company.

Common Shares issued to, or for the account or benefit of, persons in the United States or U.S. Persons, will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued or book entries representing such securities will bear a legend or notation to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

Series I Preferred Shares

The Company is authorized to issue an unlimited number of Series I Preferred Shares, which rank senior to the Common Shares. The terms of the Series I Preferred Shares provide, among other things, that they: (i) are non-voting; (ii) are convertible into Common Shares on a one for one basis, subject to customary adjustments; (iii) are eligible to participate in dividends if and when declared on the Common Shares; (iv) have priority rights on liquidation; and (v) are subject to a restriction that no holder of the Series I Preferred Shares may convert into a number of Common Shares that would result in such holder beneficially owning greater than 9.99% of the Company's Common Shares.

Series II Preferred Shares

The Company is authorized to issue an unlimited number of Series II Preferred Shares, which rank senior to the Common Shares and the Series I Preferred Shares. Each Series II Preferred Share shall be convertible into one validly issued, fully paid and non-assessable Common Share on the terms and conditions set out in the Company's constating documents. Each Series II Preferred Share is convertible into one Common Share any time after the date that is seven months after the closing date of the Business Combination Transaction and before the date that is twenty-four months after the closing date of the Business Combination Transaction.

Holders of Series II Preferred Shares shall be treated for all purposes as the record holder or holders of such underlying Common Shares on the date on which the Series II Preferred Shares are converted.

Holders of Series II Preferred Shares shall have voting rights and are entitled to vote on a matter with holders of Common Shares (and Series I Preferred Shares if required by law or otherwise entitled to vote with the holders of Common Shares), voting together as one class. Each Series II 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 Series II Preferred Share Conversion Rate (as defined in the Company's constating documents) is calculated. Holders of the Series II 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.

Holders of Series II 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 II Preferred Shares. Upon conversion of Series II Preferred Shares, the dividend shall be calculated pro rata as at the most recently completed month prior to the Series II Preferred Share Conversion Date (as defined in the Company's constating documents). Holders of Series II 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 Series II Preferred Share holders had converted each Series II 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 II Preferred Shares, and to otherwise recover from the Series II Preferred Share holder the full amount of taxes or other additional amounts required to be deducted or withheld by the Company under applicable laws.

Warrants

Each Warrant will be transferable and will entitle the holder thereof to acquire one Warrant Share at a price of $1.00 per Warrant Share at any time prior to 5:00 p.m. (EST) at any time up to 24 months following the Closing Date, subject to adjustment in certain customary events, after which time the Warrants will expire subject to an Accelerated Exercise Period.

The Warrants will be issued under and governed by the Warrant Indenture to be entered into on the Closing Date between the Company and National Securities Administrators Ltd., as warrant agent. The Company will appoint the principal transfer office of National Securities Administrators Ltd. in Vancouver as the location at which the Warrants may be surrendered for exercise, transfer or exchange. Under the Warrant Indenture, the Company may, subject to applicable law, purchase by private contract or otherwise, any of the Warrants then outstanding, and any Warrants so purchased will be cancelled.

The Warrant Indenture will provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or Exercise Price per Warrant Share in the event of the following additional events: (i) reclassifications of the Common Shares; (ii) consolidations, amalgamations, arrangements or mergers of the Company with or into any other corporation or other entity (other than consolidations, amalgamations, arrangements or mergers which do not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares); or (iii) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the Exercise Price or the number of Warrant Shares issuable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the Exercise Price or a change in the number of Warrant Shares issuable upon exercise by at least one one-hundredth of a Warrant Share, as the case may be.

The Company will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to National Securities Administrators Ltd. and to the holders of the Warrants of certain stated events, including events that would result in an adjustment to the Exercise Price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date of such event, if any.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants and no cash or other consideration will be paid in lieu of fractional Warrant Shares. Holders of Warrants will not have any voting, dividend or pre-emptive rights or any other rights which a holder of Common Shares would have.

The Warrant Indenture will provide that, from time to time, the Company may amend or supplement the Warrant Indenture for certain purposes, without the consent of the holders of the Warrants, including curing defects or inconsistencies or making any change that does not prejudice the rights of any holder. Any amendment or supplement to the Warrant Indenture that would prejudice the interests of the holders of Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy holding at least 25% of the aggregate number of the then outstanding Warrants (unless such meeting is adjourned to a prescribed later date due to the lack of quorum) and passed by the affirmative vote of the holders of Warrants present in person or by proxy representing not less than 66$^{2}/_{3}$% of the aggregate number of all the then outstanding Warrants represented at the meeting; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66$^{2}/_{3}$% of the aggregate number of all the then outstanding Warrants.

The foregoing is a summary of all of the material provisions of the Warrant Indenture, it does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture in the form to be agreed upon by the parties.

The Warrants may not be exercised in the United States, or by or for the account of a U.S. Person or a person in the United States except pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws, and the holder has delivered to the Company a written opinion of counsel, in form and substance satisfactory to the Company; provided, however, that a U.S. Purchaser that purchased the Warrants from the Company pursuant to Rule 144A or Rule 506(b) under Regulation D of the U.S. Securities Act for its own account, or for the account of another U.S. Purchaser for which it exercised sole investment discretion with respect to such original purchase (a "**Original Beneficial Purchaser**") will not be required to deliver an opinion of counsel if it exercises the Warrants for its own account or for the account of the Original Beneficial Purchaser, if any, if each of it and such Original Beneficial Purchaser, if any, was either an Institutional Accredited Investor or Qualified Institutional Buyer, as applicable, at the time of its purchase and exercise of the Warrants.

Warrant Shares

Upon exercise of the Warrants, holders of the Warrant Shares shall be entitled, as holders of Common Shares, to all rights as a shareholder of the Company including the right to receive notice of and to attend all meetings of the shareholders of the Company and have one vote for each Common Share held at all meetings of the shareholders of the Company.

Warrant Shares issuable upon exercise of the Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons, will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued or book entries representing such securities will bear a legend or notation to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

Compensation Options

As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue to the Underwriters such number of non-transferable Compensation Options to acquire that number of units of the Company on the same terms as the Offered Units as is equal to 6.0% of the number of Offered Units sold under the Offering (including upon the exercise of the Over-Allotment Option). Each Compensation Option shall be exercisable into one Compensation Unit consisting of one Compensation Share and one Compensation Warrant at the Offering Price for a period of 24 months following the Closing Date, subject to adjustment in certain customary events. Each Compensation Warrant will entitle the holder thereof to acquire one Compensation Warrant Share at the Exercise Price for a period of twenty-four (24) months following the Closing Date, subject to acceleration on the same terms as the Warrants. The Underwriters, as holders of the Compensation Options, will not as such have any voting right or other right attached to Common Shares until and unless the Compensation Options are duly exercised as provided for in the certificates representing the Compensation Options.

PLAN OF DISTRIBUTION

General

This Prospectus qualifies the distribution of the Offered Units in each of the provinces of Canada other than Québec, to purchasers upon completion of the Offering and any Over-Allotment Units issued pursuant to the exercise of the Over-Allotment Option.

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters have severally (and not jointly or jointly and severally) agreed to purchase, as principals, on the Closing Date, 29,000,000 Offered Units at the Offering Price, for aggregate gross consideration of $21,750,000 payable in cash to the Company against delivery of the Offered Units. The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several), are subject to certain closing conditions and may be terminated at their discretion on the basis of “disaster out”, “due diligence out”, “material adverse change out”, “restrictions on distributions out”, “breach of agreement out” and “regulatory proceedings out” provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take-up and pay for all of the Offered Units if any Offered Units are purchased under the Underwriting Agreement. The Offering Price was determined by arm’s-length negotiation between the Company and the Co-Lead Underwriter, on behalf of the Co-Lead Underwriters, with reference to the prevailing market price of the Common Shares.

The Underwriters have been granted an over-allotment option exercisable in whole or in part, at the sole discretion of the Underwriters by giving notice to the Company at any time, and from time to time, on or before 5:00 p.m. (EDT) on the 30th day following the Closing Date, to purchase up to an additional 15% of the number of Offered Units sold under the Offering, being up to 4,350,000 Over-Allotment Units and/or up to 4,350,000 Over-Allotment Unit Shares and/or up to 4,350,000 Over-Allotment Warrants, to cover the Underwriters’ Over-Allotment Option. The Over-Allotment Option may be exercised by the Underwriters to acquire: (a) Over-Allotment Units at the Offering Price; (b) Over-Allotment Unit Shares at a price of $0.67 per Over-Allotment Unit Share; (c) Over-Allotment Warrants at a price of $0.08 per Over-Allotment Warrant; or (d) any combination of Over-Allotment Units, Over- Allotment Unit Shares and Over-Allotment Warrants, so long as the aggregate number of Over-Allotment Unit Shares and Over-Allotment Warrants which may be issued under the Over-Allotment Option does not exceed 4,350,000 Over-Allotment Unit Shares and 4,350,000 Over-Allotment Warrants.

Upon completion of the Offering, the aggregate Underwriters’ Fees payable by the Company in respect of the Offering will be $1,305,000 ($1,500,750 if the Over-Allotment Option is exercised in full). The net proceeds to the Company, before deducting the expenses of the Offering, will be $20,445,000 ($23,511,750 if the Over-Allotment Option is exercised in full). The total number of Offered Units sold pursuant to the Offering will be 29,000,000 (33,350,000 if the Over-Allotment Option is exercised in full), and the total price to the public will be $21,750,000 ($25,012,500 if the Over-Allotment Option is exercised in full). As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue to the Underwriters such number of non-transferable Compensation Options to acquire that number of Compensation Units as is equal to 6.0% of the number of Offered Units sold under the Offering (including upon the exercise of the Over-Allotment Option). Each

Compensation Option will entitle the holder thereof to acquire one Compensation Unit consisting of one Compensation Share and one Compensation Warrant at an exercise price equal to the Offering Price for a period of 24 months following the Closing Date, subject to adjustment in certain customary events. Each Compensation Warrant will entitle the holder thereof to acquire one Compensation Warrant Share at the Exercise Price for a period of twenty-four (24) months following the Closing Date, subject to acceleration on the same terms as the Warrants. The Compensation Option Units will have the same terms as the Offered Units. This Prospectus qualifies the distribution of the Compensation Options to the Underwriters.

The expenses of the Offering, including the reasonable fees and disbursements and taxes thereon of the Underwriters' counsel but not including the Underwriters' Fees, are estimated to be $450,000 (excluding taxes and disbursements) and are payable by the Company.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to reimburse the Underwriters for certain expenses incurred in connection with the Offering and to indemnify the Underwriters and their directors, officers, employees, and agents against certain liabilities, including liabilities under securities legislation, and expenses and to contribute to payments the Underwriters may be required to make in respect thereof.

The Company has agreed, that until the date which is 90 days after the Closing Date, it will not, without the written consent of the Co-Lead Underwriters, after discussion therewith, which consent shall not be unreasonably withheld, directly or indirectly offer, issue, pledge, sell, contract to sell, announce an intention to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares or securities convertible into or exchangeable for Common Shares, other than: (i) the exercise of the Over-Allotment Option; (ii) the issuance of Common Shares in connection with the exercise of any currently outstanding options or warrants or other securities convertible into Common Shares of the Company, (iii) the issuance of options to acquire Common Shares pursuant to the Company's stock option plan or other compensation arrangements in place prior to the date hereof; and (iv) to satisfy any other currently outstanding instruments or other contractual commitments in relation to any transaction that has been previously disclosed in writing to the Underwriters. The Company has also agreed to cause each of its directors and officers of the Company (as constituted on the date of the final Prospectus) to enter into an agreement in favour of the Underwriters pursuant to which each of such individuals will agree not to sell, transfer or pledge, or otherwise dispose of, any securities of the Company until the date which is 90 days after the date of the Closing, in each case without the prior written consent of the Underwriters, such consent not to be unreasonably withheld or delayed, subject to customary exceptions.

Subscriptions for the Offered Units will be received, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about September 24, 2020, or such other date as may be agreed upon by the Company and the Co-Lead Underwriters, but in any event no later than 42 days after the date of the receipt for the (final) short form prospectus. It is anticipated that the Offered Units will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Offered Units will receive only a customer confirmation from the registered dealer from or through which the Offered Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Offered Units in accordance with the book-based system. No certificates will be issued unless specifically requested or required.

The Company has applied to list the Unit Shares, the Warrants and the Warrant Shares (including those underlying the Over-Allotment Units and the Compensation Units) and the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares on the CSE. Listing will be subject to the Company fulfilling all listing requirements of the CSE.

The Offering is being made in each of the provinces of Canada except Québec. The Offered Units will be offered in each of the relevant provinces of Canada through the Underwriters or their affiliates who are registered to offer the Offered Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Offered Units in such other jurisdictions outside of Canada and the United States as agreed between the Company and the Co-Lead Underwriters.

The Underwriters propose to offer the Offered Units initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Units at the Offering Price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Offered Units is less than the gross proceeds paid by the Underwriters to the Company.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. *See "Risk Factors – Risks Related to the Offering – Market for Warrants".*

United States Sales

The Offered Units, Unit Shares, Warrants and Warrant Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, a person in the United States or a U.S. Person, unless pursuant to an exemption to the registration requirements of such laws. Accordingly, the Underwriters have agreed that it will not offer, sell or deliver the Offered Units, Unit Shares, Warrants or Warrant Shares within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement will permit the Underwriters to (i) acting through its United States broker-dealer affiliate, to offer the Offered Units for sale by the Company in the United States and to or for the account or benefit of U.S. Persons to purchasers that are U.S. Accredited Investors, in compliance with Rule 506(b) of Regulation D under the U.S. Securities Act and applicable U.S. state securities laws, and (ii) offer and resell, acting through their United States broker-dealer affiliates, the Offered Units that they have acquired pursuant to the Underwriting Agreement in the United States and to, or for the account or benefit of U.S. Persons, that are Qualified Institutional Buyers in compliance with Rule 144A under the U.S. Securities Act and applicable U.S. state securities laws. In addition, the Underwriters will offer and sell the Offered Units outside the United States to non-U.S. Persons only in accordance with Regulation S under the U.S. Securities Act. The Unit Shares and Warrants comprising the Offered Units, and the Warrant Shares issuable upon exercise of the Warrants, as applicable, in each instance issued to, or for the account or benefit of, persons in the United States or U.S. Persons, will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued or book entries representing such securities will bear a legend or notation to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities to, or for the account or benefit of, a person in the United States or a U.S. Person. In addition, until 40 days after commencement of the Offering, an offer or sale of the Offered Units, Unit Shares and Warrants within the United States by any dealer (whether or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless such offer is made pursuant to an exemption from registration under the U.S. Securities Act and similar exemptions under applicable state securities laws.

Price Stabilization and Passive Market-Making

In connection with the Offering and subject to applicable laws, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Unit Shares or the Warrants, as applicable, at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters may carry out these transactions on the CSE, in the over-the-counter market or otherwise.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (i) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited

during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (iii) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period.

As a result of these activities, the price of the Unit Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or as otherwise permitted by applicable law.

RELATIONSHIP BETWEEN THE COMPANY AND CERTAIN UNDERWRITERS

A controlling shareholder of PI Financial Corp. is concurrently an influential shareholder of Bridging, which is a lender to certain subsidiaries of the Company (being MAG and RWB Illinois) pursuant to the Amended Facility under which such subsidiaries are currently indebted and which the Company has guaranteed. Consequently, the Company may be considered a "connected issuer" to PI Financial Corp. under applicable Canadian securities legislation. As at September 17, 2020, $65,490,910, was outstanding under the Amended Facility. Obligations under the Amended Facility are secured by general security agreements on each Borrower, mortgages on certain owned real property of PharmaCo among other security obligations.

As of the date hereof, the Company is in compliance, in all material respects, with the terms and conditions of all the agreements which govern its agreements with Bridging, and the Company has not received notice of any breach of any such terms or conditions.

The decision to distribute the Offered Units pursuant to the Offering and the determination of the terms of the Offering were made through arm's length negotiation between the Company and the Co-Lead Underwriters. Bridging did not have any involvement in such decision or determination and the Offering was not otherwise required by, suggested by or subject to the consent of Bridging. Bridging will not receive any benefits in connection with the Offering. The Company does not anticipate any proceeds from the Offering being applied against the outstanding credit facilities noted above. See "*Use of Proceeds*".

RISK FACTORS

An investment in the Offered Units is speculative and involves certain risks. When evaluating the Company and its business, prospective purchasers of the Offered Units should consider carefully the information set out in this Prospectus, including the documents incorporated by reference herein, and the risks described below and in the documents incorporated by reference herein, including those risks identified and discussed under the heading "*Risk Factors*" in the Annual Information Form, which is incorporated by reference herein. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below (or incorporated by reference herein) or other unforeseen risks. If any of the risks described below or in the Annual Information Form actually occur, then the Company's business, prospects, financial condition and operating results could be materially adversely affected with the result that the trading price of the Common Shares could decline and investors could lose all or part of their investment.

The risks and uncertainties described or incorporated by reference herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company is unaware of or that are currently deemed immaterial, may also adversely affect the Company and its business and prospects. The Company cannot provide any assurances that it will successfully address any or all of these risks. Investors should consult with their professional advisors to assess any investment in securities of the Company.

Risks Related to the Offering

Completion of the Offering

The completion of the Offering remains subject to a number of conditions. There can be no certainty that the Offering will be completed. Failure by the Company to satisfy all of the conditions precedent to the Offering would

result in the Offering not being completed. If the Offering is not completed, the Company may not be able to raise the funds required for the purposes contemplated under "Use of Proceeds" from other sources on commercially reasonable terms or at all.

Discretion in the Use of Proceeds

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditure. As a result, purchasers will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering other than as described under the heading "*Use of Proceeds*" if they believe it would be in the Company's best interest to do so and in ways that a purchaser may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company results of operations may suffer.

Additional Financing

The continued development and investment objectives of the Company will require additional financing. There is no guarantee that the Company will be able to achieve its business objectives. The Company expects to fund its business objectives by way of additional offerings of equity and/or debt financing. The failure to raise or procure such additional funds could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities or convertible debt, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve the granting of security against assets of the Company and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company may require additional financing to fund its operations and investment objectives. See "Additional Issuances and Financings May Result in Dilution".

Market for Warrants

There is currently no market through which the Warrants may be sold. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. There can be no assurance that an active or liquid market for the Warrants will develop following the Offering, or if developed, that such market will be maintained. If an active public market does not develop or is not maintained, purchasers may not be able to resell the Warrants purchased under this Offering.

No Rights as Shareholders

Holders of Warrants will not be entitled to any rights with respect to the Common Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Common Shares), but if a holder of Warrants subsequently exercises its Warrants, such holder will be subject to all changes affecting the Common Shares. Rights with respect to the Common Shares will arise only if and when the Company delivers Common Shares upon the exercising of a Warrant. For example, in the event that an amendment is proposed to the Company's constating documents requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to delivery of Common Shares to a holder, such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes in the powers or rights of Common Shares that result from such amendment.

Investment Eligibility

There can be no assurance that the Unit Shares, Warrants or Warrant Shares will continue to be "qualified investments" as defined in the Tax Act for trusts governed by Registered Plans or a DPSP. The Tax Act imposes penalties for the acquisition or holding of non-qualified or prohibited investments. See "*Eligibility for Investment*".

Trading Market

The Company cannot assure that a market will continue to develop or be sustained for the Common Shares. If a market does not continue to develop or is not sustained, it may be difficult for purchasers to sell Common Shares at an attractive price or at all. The Company cannot predict the prices at which the Common Shares will trade.

Significant Sales of Common Shares May Have an Adverse Effect on the Market Price of the Common Shares

Significant sales of Common Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Common Shares. A decline in the market prices of the Common Shares could impair the Company's ability to raise additional capital through the sale of securities should it desire to do so.

Volatile Market Price for the Common Shares

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which will be beyond the Company's control, including, but not limited to the following: (i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of companies in the industry in which the Company will operate; (iv) addition or departure of the Company's executive officers, directors and other key personnel and consultants; (v) release or expiration of transfer restrictions on outstanding Common Shares; (vi) sales or perceived sales of additional shares; (vii) operating and financial performance that vary from the expectations of management, securities analysts and purchasers; (viii) regulatory changes affecting the Company's industry generally and its business and operations both domestically and abroad; (ix) announcements of developments and other material events by the Company or its competitors; (x) fluctuations in the costs of vital production materials and services; (xi) changes in global financial markets, global economies, general market conditions, interest rates and pharmaceutical product price volatility which may be impacted by a variety of factors, including but not limited to the current COVID-19 pandemic; (xii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; (xiii) operating and share price performance of other companies that purchasers deem comparable to the Company or from a lack of market comparable companies; and (xiv) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies (such as the current COVID-19 pandemic). Accordingly, the market price of Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the trading price of Common Shares may be materially adversely affected.

Additional Issuances and Financings May Result in Dilution

Subject to compliance with applicable securities laws and stock exchange rules, the Company's articles allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by the Board of Directors, in many cases, without the approval of the Company's shareholders. As part of this Offering, and assuming full exercise of Warrants and Compensation Options, the Company may issue up to 61,480,000 Common Shares (or up to 70,702,000 Common Shares if the Over-Allotment Option is exercised in full). Except as described under the heading "*Plan of Distribution*", the Company may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of stock options or other securities exercisable for Common Shares. The Company may also issue Common Shares to finance future acquisitions. The Company cannot predict the size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the

perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, purchasers will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

Risks Related to the Business

Impact of the COVID-19 Pandemic

Catastrophic events in general can have a material impact on the potential continuity of the business. The Company's ability to cultivate cannabis and operate dispensaries, among other business activities, may be adversely affected or disrupted as a result. In addition, the Company relies, in part, on third-party service providers to assist them in managing, monitoring and otherwise carrying out aspects of its business and operations, and the outbreak may affect their ability to devote sufficient time and resources to perform work for the Company. Such events may result in a period of business disruption, reduced operations, any of which could materially affect our business, financial condition and results of operations.

The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing the Company's ability to access capital, which could in the future negatively affect our liquidity.

The global outbreak of COVID-19 continues to evolve rapidly. The extent to which COVID-19 may impact the Company's business, operations and financial performance will depend on future developments, including but not limited to, matters such as (a) the duration and/or severity of the outbreak, (b) government policies, restrictions and requirements as they relate to social distancing, forced quarantines and other requirements, (c) non- governmental influences or challenges such as the failure of banks and/or (d) any kind of ripple effect caused by the substantial economic damage that can be inflicted on society by a pandemic like COVID-19 such as lawlessness. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

Cash Flow from Operations

The Company had negative operating cash flow for the financial year ended July 31, 2019. The Company cannot guarantee that it will attain or maintain positive cash flow status into the future. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities in these periods, see *"Use of Proceeds"*.

No Assurance That Announced Transactions Will Be Completed or That the Company Will Realize Benefits

The Company has announced certain acquisitions and transactions with third parties including, but not limited to, PharmaCo, Avicanna and Critical 39 (the "**Proposed Transactions**"). Completion of each of the Proposed Transactions will be subject to conditions precedent and the procurement of regulatory, shareholder and other required approvals. There can be no assurance that the Company will complete any or all of the Proposed Transactions.

A number of non-recurring transaction-related costs will be incurred in connection with the Proposed Transactions and with integrating the Proposed Transactions with the business of the Company and achieving desired synergies. Non-recurring transaction costs include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and printing costs.

The estimates of benefits associated with the Proposed Transactions reflect estimates and assumptions made by the Company, and it is possible that these estimates and assumptions may not ultimately reflect actual results. In addition, these estimated benefits may not actually be achieved in the timeframe anticipated or at all. If the Company fails to realize anticipated benefits, synergies or revenue enhancements, it could have a material adverse effect on the Company's business, financial condition and results of operations. There can be no assurance that the realization of efficiencies related to the integration of the Proposed Transactions into the Company's business,

will offset the incremental transaction-related costs over time. Any net benefit may not be achieved in the near term, the long term or at all.

No Control Over Operations

The Company may not be directly involved in the ownership or operation of and may have no or limited contractual rights relating to the operations of its current and/or future royalty, equity, debt or other investee entities (collectively, the "**Investees**"). The Investees will generally have the power to determine the manner in which the business of such Investee is developed, expanded and operated. The interests of the Company and the Investees may not always be aligned. As a result, the cash flows of the Company from royalties, debt instruments or otherwise will be dependent upon the activities of the Investees, which creates the risk that at any time those Investees may: (i) have business interests or targets that are inconsistent with those of the Company; (ii) take action contrary to the Company's policies or objectives; (iii) be unable or unwilling to fulfill their obligations under their agreements with the Company; or (iv) experience financial, operational or other difficulties, including insolvency, which could limit or suspend an Investee's ability to perform its obligations under agreements with the Company. There is also the risk that such Investees may not comply with applicable laws, including by operating in jurisdictions where their activities are in breach of the laws of such jurisdictions. There can be no assurance that the Investees involved in the production of cannabis will ultimately meet forecasts or targets. Payments to the Company, in certain instances, will be calculated by the Investees based on reported production, and such payments are subject to, and dependent upon, the adequacy and accuracy of the operators' production and accounting functions. The Company must rely on the accuracy and timeliness of the public disclosure and other information it receives from the Investees. If the information contains material inaccuracies or omissions, the Company's ability to accurately forecast or achieve its stated objectives may be materially impaired. Failure to receive the Company's entitlements pursuant to the agreements it has entered into may have a material adverse effect on the Company.

Compliance With Laws

The Company's and the Investees' operations are subject to various laws, regulations and guidelines that may change over time. The Company will endeavour to cause the Investees to comply with all relevant laws, regulations and guidelines at all times. Although some of the Investees are contractually required to comply with laws pursuant to their agreements with the Company, certain Investees are not subject to such requirements, and in any event these contractual obligations do not guarantee compliance by Investees. In the event that an is discovered not to be in compliance with laws, including U.S. laws, the Company may be limited in its recourse against such Investee. In addition, the Investees may not maintain internal policies and procedures adequate to ensure compliance with the various laws, regulations and guidelines to which they are subject. There is also a risk that the Company's and the Investees' interpretation of laws, regulations and guidelines, including, but not limited to, various U.S. state regulations and applicable stock exchange rules and regulations, may differ from those of others, including those of government authorities, securities regulators and exchanges, and the Company's and the Investees' operations may not be in compliance with such laws, regulations and guidelines. The Company or the Investees, while they may be compliant today, may not be compliant following changes to any laws, regulations or guidelines. In addition, achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, and the impact of any delays in obtaining or failures to obtain regulatory approvals required by the Company or the Investees may significantly delay or impact the development of the Company's business and operations and could have a material adverse effect on the business, financial condition and results of operations of the Company. In addition, any potential noncompliance could cause the business, financial condition and results of operations of the Company to be adversely affected. Further, any amendment to or replacement of applicable rules and regulations governing the activities of the Company and the Investees may cause adverse effects on the Company's or the Investees' business, financial condition and results of operations. The risks to the business of the Company and the Investees associated with any amendment or replacement of applicable regulatory regime the United States could reduce the available market for products or services of the Investee and could materially and adversely affect the business, financial condition and results of operations of the Company.

The Company and the Investees will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, including orders

issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. Parties may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, court rulings or more stringent application of existing laws or regulations, may have a material adverse impact on the Company and/or the Investees, resulting in increased capital expenditures or production costs, reduced levels of cannabis production or abandonment or delays in the development of facilities, or other significant changes in the Company's and/or the Investees' business plans, which could have a material adverse effect on the business, financial condition and results of operations of the Company and/or the Investees.

The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in any of the countries in which the Company may operate could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in the Company's profits being subject to additional taxation or which could otherwise have a material adverse effect on the Company.

Due to the complexity and nature of the Company's operations, various legal and tax proceedings may be in progress from time to time. If the Company is unable to resolve any of these proceedings favourably, there may be a material adverse effect on the Company.

Business Strategy

The Company's business strategy involves constantly seeking new opportunities in the U.S. legal cannabis industry. In the pursuit and execution of such opportunities, the Company may fail to select appropriate investment candidates and/or fail to negotiate beneficial or advantageous contractual arrangements. The Company cannot provide assurance that it can complete any investment or business arrangement that it pursues or is pursuing, on favourable terms, or that any investments or business arrangements completed will ultimately benefit the Company.

In the event that the Company chooses to raise debt capital to finance investments, the Company's leverage will be increased. In addition, if the Company chooses to complete an equity financing, shareholders may suffer dilution.

Risks Inherent in Strategic Alliances and Investments

The Company may enter into further strategic alliances with third parties that it believes will complement or augment its existing business. The Company's ability to form strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Company's business, and/or may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and/or contingent liabilities, and there can be no assurance that future strategic alliances will achieve the expected benefits to the Company's business or that the Company will be able to consummate future strategic alliances on satisfactory terms, or at all.

While the Company conducted due diligence with respect to the Investees, there are risks inherent in any investment. Specifically, there could be unknown or undisclosed risks or liabilities of the Investees for which the Company is not sufficiently indemnified or at all. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Company's financial performance and results of operations. It is currently anticipated that the investments will be accretive; however, the performance of such an investment may be materially different. The Company could encounter additional transaction and enforcement-related costs, and may fail to realize all of the potential benefits from its investments. Any of the foregoing risks and uncertainties could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks Associated With Divestment and Restructuring

In certain circumstances, the Company may decide, or be required, to divest its investment in certain Investees. In particular, if any of the Investees violate any applicable laws and regulations, including U.S. federal law, the

Company may be required to divest its interest in such Investee or risk significant fines, penalties, administrative sanctions, convictions, settlements or delisting from the CSE. For instance, if the Company determines that the operations of an Investee are not compliant with U.S. laws or the policies of the CSE, the Company will use its commercially reasonable efforts to divest of its interest in the Investee in the event that it cannot restructure its holdings. There is no assurance that these divestitures will be completed on terms favourable to the Company, or at all. Any opportunities resulting from these divestitures, and the anticipated effects of these divestitures on the Company may never be realized, or may not be realized to the extent the Company anticipates. Moreover, there is no guarantee that the Company will realize gains on its investments based on the fair value of underlying financial assets. In pursuit of opportunities to dispose of any of the Company's investments, third parties may not ascribe similar value to such investments as the Company and the Company may not be able to obtain the value it ascribes to such investments. Not all of the Company's investments are liquid, and such investments may be difficult to dispose of and subject to illiquidity discounts on divestiture. The securities of the Investees are not generally listed on any stock exchange. Any required divestiture or an actual or perceived violation of applicable laws or regulations by the Company or any Investee could have a material adverse effect on the Company, including its reputation and ability to conduct business, its holdings (directly or indirectly) in the Investees, the listing of its securities on applicable stock exchanges, its financial position, operating results, profitability or liquidity or the market price of the Common Shares. In addition, it is difficult for the Company to estimate the time or resources that may be required for the investigation of any such matter or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

If the Company decides, or is required, to restructure its investments in any Investees to remain in compliance with laws or stock exchange requirements, such restructuring could result in the write-down of the value of the Company's investments, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Investors in the Company May Be Subject to Entry Bans into the United States

Cannabis remains illegal under U.S. federal law. Individuals employed at or investing in cannabis companies could face detention, denial of entry or lifetime bans from the U.S. for their business associations with cannabis businesses. Entry to the U.S. is granted at the sole discretion of Customs and Border Protection ("CBP") officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The government of Canada has started warning travelers that previous use of cannabis, or any substance prohibited by U.S. federal laws, could result in denial of entry to the U.S. Business or financial involvement in the cannabis industry in Canada or in the U.S. could also be reason enough for CBP officers to deny entry. On September 21, 2018, CBP released a statement outlining its position with respect to enforcement of the laws of the U.S. It stated that Canada's legalization of cannabis will not change CBP enforcement of U.S. laws regarding controlled substances and because cannabis continues to be a controlled substance under U.S. law, working in or facilitating the proliferation of the cannabis industry in U.S. states or Canada may affect admissibility to the U.S. On October 9, 2018, CBP released an additional statement regarding the admissibility of Canadian citizens working in the U.S. legal cannabis industry. CBP stated that a Canadian citizen working in or facilitating the proliferation of the U.S. legal cannabis industry in Canada coming into the U.S. for reasons unrelated to the cannabis industry will generally be admissible to the U.S.; however, if such person is found to be coming into the U.S. for reasons related to the cannabis industry, such person may be deemed inadmissible. Employees, directors, officers, managers and investors of companies involved in business activities related to cannabis in the U.S. or Canada (such as the Company), who are not U.S. citizens, face the risk of being barred from entry into the U.S. for life.

Difficulty to Forecast

The Company will need to rely largely on its own market research to forecast industry trends and statistics as detailed forecasts are, with certain exceptions, not generally available from other sources at this early stage of the cannabis industry. A failure in the demand for the products of certain Investees to materialize as a result of competition, technological change, change in the regulatory or legal landscape or other factors could have a material adverse effect on the business, financial condition and results of operations of the Company.

Cannabis Prices

The price of the Common Shares and the Company's financial results may be significantly and adversely affected by a decline in the price of cannabis. There is currently not an established market price for cannabis and the price of cannabis is affected by numerous factors beyond the Company's control. Any price decline may have a material adverse effect on the Company.

The profitability of the Company's interests under agreements with certain Investees is directly related to the price of cannabis. The Company's operating income may be sensitive to changes in the price of cannabis and the overall condition of the cannabis industry, as its operating income will be derived in part from royalty payments. In addition, the value of the Company's investments in the Investees may be affected as a result of changes in the prevailing market price of cannabis, which may have a material adverse effect on the ability of the Investees to generate positive cash flow or earnings.

Reputational Risk

The Company believes that the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception can be significantly influenced by scientific research or findings, regulatory proceedings, 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 currently held views. 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 cannabis industry and demand for its products and services, which could affect the business, financial condition and results of operations and cash flows of the Company. The Company's dependence upon consumer perception means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the business, financial condition, results of operations and cash flows of the Company. Further, adverse publicity, reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or the Investees' products specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately, or as directed.

In addition, parties outside of the cannabis industry with which the Company does business may perceive that they are exposed to reputational risk as a result of the Company's cannabis related business activities. For example, the Company could receive a notification from a financial institution advising it that they would no longer maintain banking relationships with those in the cannabis industry. The Company may in the future have difficulty establishing or maintaining bank accounts or other business relationships that it needs to operate its business. Failure to establish or maintain business relationships could have a material adverse effect on the Company.

Equity Price Risk

The Company may be exposed to equity price risk as a result of holding long-term investments in cannabis companies. Just as investing in the Company carries inherent risks, such as those set out in this Prospectus, the Company faces similar inherent risks by investing in other cannabis companies, and accordingly may be exposed to the risks associated with owning equity securities in the Investees.

Anti-Bribery Law Violations

The Company's business is subject to laws which generally prohibit companies and employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. In addition, the Company is or will be subject to the anti-bribery laws of any other countries in which it conducts business now or in the future. The Company's employees or other agents may, without its knowledge and despite its efforts, engage in prohibited conduct under the Company's policies and procedures and anti-bribery laws for

which the Company may be held responsible. The Company's policies mandate compliance with these anti-corruption and anti-bribery laws. However, there can be no assurance that the Company's internal control policies and procedures will always protect it from recklessness, fraudulent behaviour, dishonesty or other inappropriate acts committed by its affiliates, employees, contractors or agents. If the Company's employees or other agents are found to have engaged in such practices, the Company could suffer severe penalties and other consequences that may have a material adverse effect on its business, financial condition and results of operations.

Modifications to Investment Policy

Although the Company has adopted an investment policy regarding the types of interests that it seeks to invest in, acquire or otherwise enter into a strategic relationship with, the Company does not currently have any limitations on investments (including, among other things, geographic location, diversity, number or concentration of investments, timing of investments or the specific focus of investments). Further, senior management of the Company may propose, and the Board of Directors may use their discretion to approve, modifications or exceptions to the investment policy in the future for valid business reasons, subject to shareholder approval in certain circumstances as set forth in the investment policy. If the Company modifies its investment policy or makes exceptions to it, such modifications or exceptions may have the effect of materially increasing the risk profile of an investment in the Company. In addition, the Company's investment portfolio may be highly concentrated in a small number of investments, which may materially adversely affect the Company's financial position if any of those investments do not perform as anticipated.

Passive Foreign Investment Company Status

Under United States federal income tax laws, if a company is (or for any past period was) a 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 the Company is 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.

If the Company is deemed to be 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 Common Shares and any distributions such U.S. holders may receive.

Risks Relating to RWB Platinum Vape and the Investees

In addition to the risk factors that may impact the business, operations and financial condition of the Company and the Investees noted above, the following supplemental risk factors may directly impact the business, operations and financial condition of RWB Platinum Vape and certain Investees and, accordingly, may have an indirect material adverse effect on the Company.

Reliance on Licences

The Company will be dependent on the licences or ability to obtain a licence of RWB Platinum Vape and certain Investees, which are subject to ongoing compliance and reporting requirements. Failure to comply with the requirements of these licences or any failure to obtain or maintain those licences could have a material adverse impact on the business, financial condition and operating results of the Company. There can be no guarantee that a licence will be issued, extended or renewed or, if issued, extended or renewed, that they will be issued, extended or renewed on terms that are favourable to such licensee and the Company. Should a licence not be issued, extended or renewed or should it be issued or renewed on terms that are less favourable to the respective licensee and the Company than anticipated, the business, financial condition and results of the operations of the Company could be materially adversely affected.

Failure to Obtain Necessary Licences

The abilities of RWB Platinum Vape and certain Investees to grow, store and sell cannabis in the United Sates are dependent on securing and maintaining the appropriate licences with the applicable regulatory authorities. Failure to comply with the requirements of any license application or failure to obtain and maintain the appropriate licences with the relevant authorities could have a material adverse impact on the business, financial condition and results of operations of RWB Platinum Vape, the Investee and the Company. There can be no guarantees that regulatory authorities will issue the required licences.

Reliance on Facilities

The facilities used by RWB Platinum Vape and certain Investees could be subject to adverse changes or developments, including but not limited to a breach of security, which could have a material and adverse effect on the Company's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by regulatory authorities, could also have an impact on such Investee's ability to continue operating under their licences or the prospect of renewing their licences, which may have an adverse effect on the Company.

Governmental Regulations

Cannabis operations are subject to extensive laws and regulations. The costs of compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that RWB Platinum Vape and/or the Investees would not continue to develop or operate their businesses. Moreover, it is possible that future regulatory developments could result in substantial costs and liabilities for RWB Platinum Vape and/or the Investees in the future such that they would not continue to develop or operate their business. In addition, RWB Platinum Vape and the Investees are subject to various laws, regulations and guidelines, including, but not limited to the applicable stock exchange rules and regulations.

Operating Risks

Cannabis operations generally involve a high degree of risk. RWB Platinum Vape and the Investees are subject to the hazards and risks normally encountered in the cannabis industry. Should any of these risks or hazards affect RWB Platinum Vape or one of the Investees, it may (i) cause the cost of development or production to increase to a point where it would no longer be economic to produce cannabis, (ii) cause delays or stoppage of operations, (iii) cause personal injury or death and related legal liability, or (iv) result in the loss of insurance coverage. The occurrence of any of these risks or hazards could have a material adverse effect on the Company and the price of the Common Shares.

The production of cannabis involves significant risks. In the United States, not all applicants for a licence ultimately receive a licence to produce and sell cannabis. Major expenditures may be required in pursuit of a licence and it is impossible to ensure that the expenditures will result in receipt of a licence and a profitable operation. There can be no assurances that RWB Platinum Vape or any of the Investees will obtain and maintain a licence to produce and sell cannabis and be brought into a state of commercial production.

Increased Operational, Regulatory and Other Risks

RWB Platinum Vape and/or an Investee may in the future expand into other geographic areas, product categories or market segments, which could increase the Investee's operational, regulatory, compliance, reputational and foreign exchange rate risks. The failure of RWB Platinum Vape or the Investee's operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions. Future international expansion could require RWB Platinum Vape and/or the Investees to incur a number of upfront expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. RWB Platinum Vape and/or the Investees may not be able to successfully identify suitable acquisition, investment and/or expansion opportunities or integrate such operations successfully with RWB Platinum Vape's and/or the Investees' existing operations.

Access to Capital for Investees

Investees that operate in the U.S. may have difficulty accessing the services of banks and processing credit card payments, which may make it difficult for these Investees to operate. In February 2014, the FinCEN issued guidance with respect to financial institutions providing banking services to cannabis business, including burdensome due diligence expectations and reporting requirements. This guidance does not provide any safe harbors or legal defences from examination or regulatory or criminal enforcement actions by the Department of Justice, FinCEN or other federal regulators. Thus, most banks and other financial institutions do not appear to be comfortable providing banking services to cannabis-related businesses. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, Investees that operate in the U.S. may have limited or no access to banking or other financial services in the U.S., and may have to operate their businesses on an all-cash basis. The inability or limitation on certain Investees' ability to open or maintain bank accounts in the U.S., obtain other banking services and/or accept credit card and debit card payments may make it difficult for such Investees to operate and conduct their businesses as planned in the United States.

Enforceability of Contracts

Certain contracts of RWB Platinum Vape and/or Investees may involve cannabis or cannabis-related businesses and other activities that are not legal under U.S. federal law. In some jurisdictions, RWB Platinum Vape and/or such Investees may face difficulties in enforcing their contracts in U.S. federal and certain state courts.

Lack of Access to U.S. Bankruptcy Protections

As cannabis is a Schedule I substance under the Controlled Substances Act, many courts have denied cannabis businesses federal bankruptcy protections, making it difficult for lenders to recover their investments in the cannabis industry in the event of a bankruptcy. If the Company or one of the Investees were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to the Company or such Investee, which would have a material adverse effect on the Company.

Production Forecasts

The Company will prepare estimates and forecasts of future attributable production from certain Investees and will rely on public disclosure and other information it receives from the owners, operators and independent experts to prepare such estimates. Such information will be necessarily imprecise because it will depend upon significant judgment. In addition, the Company will rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industry. These production estimates and projections will be based upon existing plans and other assumptions which change from time to time, and over which the Company will have no control, including the costs of production, the operators' ability to sustain and increase production levels, the sufficiency of infrastructure, the performance of personnel and equipment, the ability to maintain and obtain licences and permits and compliance with existing and future laws and regulations. Any such information is forward-looking and no assurance can be given that such production estimates and projections will be achieved. Actual attributable production may vary from the Company's estimates for a variety of reasons and may result in the failure to achieve the production forecasts currently anticipated. If the Company's forecasts prove to be incorrect, it may have a material adverse effect on the Company.

Competitive Conditions

The Investees will face intense competition from other companies, some of which have longer operating histories as well as more financial resources, production capacity and marketing experience than the Investees. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Investees, including the Investees' ability to source starting materials, retain qualified employees, enter into supply agreements, develop retail sales channels and obtain a share of the overall cannabis market. Accordingly, the business, financial conditions and results of operations of the Company would also be similarly affected.

Customer Acquisitions

The Company's success depends, in part, on the ability of RWB Platinum Vape and the Investees to attract and retain customers. There are many factors which could impact the ability to attract and retain customers, including but not limited to the ability of RWB Platinum Vape and/or certain Investees to continually produce desirable and effective product, the successful implementation of customer-acquisition plans and the continued growth in the aggregate number of customers. The failure to acquire and retain customers would have a material adverse effect on the business, operating results and financial condition of RWB Platinum Vape and/or certain Investees, which could have a materially adverse effect on the Company.

Risks Inherent in an Agricultural Business

The business of RWB Platinum Vape and certain of the Investees involves the growing of cannabis. Cannabis is an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Weather conditions, which can vary substantially from year to year, may have a significant impact on the size and quality of the harvest of the crops processed and sold by the Investees. Significant increases or decreases in the total harvest will impact the Company's profits realized on sales of RWB Platinum Vape and/or the Investees' products and, consequently, the results of the Company's operations. High degrees of quality variance can also affect processing velocity and capacity utilization, as the processes required to potentially upgrade lower or more variable quality product can slow overall processing times. There can be no assurance that natural elements will not have a material adverse effect on the production of products by RWB Platinum Vape and/or certain Investees, which may have a material adverse effect on the Company.

Wholesale Price Volatility

The cannabis industry is a margin-based business in which gross profits depend on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale and retail prices caused by changes in supply (which itself depends on other factors such as weather, fuel, equipment and labour costs, shipping costs, economic situation and demand), taxes, government programs and policies for the cannabis industry (including price controls and wholesale price restrictions that may be imposed by provincial agencies responsible for the sale of cannabis), and other market conditions, all of which are factors beyond the control of the Company and the Investees.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a purchaser who acquires an Offered Unit pursuant to this Offering. For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated.

This summary applies only to a purchaser who is a beneficial owner of Unit Shares and Warrants acquired pursuant to this Offering and who, for the purposes of the Tax Act, and at all relevant times: (i) deals at arm's length and is not affiliated with the Company or the Underwriters; and (ii) acquires and holds the Unit Shares, Warrants and any Warrant Shares acquired on the exercise of the Warrants as capital property (a "**Holder**"). Generally, the Common Shares and Warrants will be considered to be capital property to a Holder unless the Holder holds such securities in the course of carrying on a business of trading or dealing in securities or has acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (a) that is a "financial institution" for purposes of the mark-to-market rules contained in the Tax Act; (b) that is a "specified financial institution", as defined in the Tax Act; (c) an interest in which is a "tax shelter investment", as defined in the Tax Act; (d) that has made a functional currency reporting election under the Tax Act; (e) that has entered or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement", as defined in the Tax Act, with respect to the Common Shares or the Warrants; or (f) that receives dividends on the Common Shares under or as part of a "dividend rental arrangement", as defined in the Tax Act. Such Holders should consult with their own tax advisors with respect to an investment in Offered

Units. Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Offered Units, controlled by a non-resident corporation (or pursuant to the Tax Proposals, a non-resident person a group of persons (comprised of any combination of non-resident corporations, non-resident individuals or non-resident trusts) that do not deal at arm's length) for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Offered Units.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof, counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published by it in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that the Tax Proposals will be enacted substantially as proposed; however, no assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative policies or assessing practices, whether by legislative, governmental, administrative or judicial decision or action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

A Holder who acquires Offered Units pursuant to this Offering will be required to allocate the purchase price paid for each Offered Unit on a reasonable basis between the Unit Share and the Warrant comprising each Offered Unit in order to determine their respective costs to such Holder for the purposes of the Tax Act.

For its purposes, the Company has advised counsel that, of the $0.75 subscription price for each Offered Unit, it intends to allocate $0.67 to each Unit Share and $0.08 to each Warrant. Although the Company believes that this allocation is reasonable, it is not binding on the CRA or on a Holder, and the CRA may not be in agreement with such allocation. Counsel express no opinion with respect to such allocation.

Adjusted Cost Base of a Unit Share

The adjusted cost base to a Holder of each Unit Share comprising a part of an Offered Unit acquired pursuant to this Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder of a Warrant upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the adjusted cost base of the Warrant to such Holder, plus the amount paid on the exercise of the Warrant. For the purpose of computing the adjusted cost base to a Holder of each Warrant Share acquired on the exercise of a Warrant, the cost of such Warrant Share must be averaged with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Warrant.

Holders Resident in Canada

The following section of this summary is generally applicable to a Holder who, for purposes of the Tax Act, is or is deemed to be resident in Canada at all relevant times (a "**Resident Holder**"). A Resident Holder whose Common

Shares might not otherwise qualify as capital property, may in certain circumstances, make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Common Shares, and every other "Canadian security" (as defined in the Tax Act), held by such Resident Holder in a taxation year of the election and all subsequent taxation years to be capital property. This election does not apply to Warrants. Resident Holders should consult with their own tax advisors regarding this election.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder will generally realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Capital Gains and Capital Losses*".

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from "taxable Canadian corporations" (as defined in the Tax Act). Taxable dividends received from a taxable Canadian corporation which are designated by such corporation as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividends that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year.

A Resident Holder that is a "private corporation" or a "subject corporation", as defined in the Tax Act, may be liable to pay an additional tax under Part IV of the Tax Act (which may be refundable in certain circumstances) on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the taxation year.

In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

Dispositions of Common Shares and Warrants

A Resident Holder who disposes of or is deemed to have disposed of a Common Share or Warrant (other than on the exercise of a Warrant) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Common Share or Warrant immediately before the disposition or deemed disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Capital Gains and Capital Losses*".

Capital Gains and Capital Losses

A Resident Holder will generally be required to include in computing its income for the taxation year, one-half of the amount of any capital gain (a "**taxable capital gain**") realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") against taxable capital gains realized in the taxation year. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such shares or on shares substituted therefor to the extent and under the

circumstances specified in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax on its "aggregate investment income" (as defined in the Tax Act) for the year, which will include taxable capital gains, which may be refundable in certain circumstances.

Minimum Tax

In general terms, a Resident Holder that is an individual or a trust (other than certain specified trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares or Warrants may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold the Common Shares or Warrants in connection with carrying on a business in Canada ("**Non-Resident Holder**"). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an "authorized foreign bank" (as defined in the Tax Act) and such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Company to a Non-Resident Holder on the Common Shares will generally be subject to Canadian withholding tax at the rate of 25% on the gross amount of such dividend, unless such rate is reduced by the terms of an applicable tax treaty or convention. Under the *Canada-United States Tax Convention (1980)* , as amended (the "**Treaty**"), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty and fully entitled to benefits under the Treaty (a "**U.S. Holder**") is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company's voting shares).

Dispositions of Common Shares and Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Warrant unless the Common Share or Warrant (as applicable) is, or is deemed to be, "taxable Canadian property" of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption pursuant to the terms of an applicable tax treaty or convention.

Provided that the Common Shares are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the CSE), at the time of disposition, the Common Shares and Warrants will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition, (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) held a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. The Common Shares

and Warrants may also be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the headings "*Holders Resident in Canada — Dispositions of Common Shares and Warrants* " and "*— Capital Gains and Capital Losses*" will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering comprising warrants (including the Warrants underlying the Offered Units and the Over-Allotment Units), purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the warrants (including the Warrants comprising part of the Offered Units and the Over-Allotment Units) are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

INTEREST OF EXPERTS

Certain legal matters in connection with this Offering will be passed upon on behalf of the Company by Gowling WLG (Canada) LLP, and on behalf of the Underwriters by Borden Ladner Gervais LLP. As at the date hereof, the partners and associates of Gowling WLG (Canada) LLP and Borden Ladner Gervais LLP each as a group, beneficially own, directly and indirectly, in the aggregate, less than one percent of the Common Shares.

The audited consolidated financial statements in respect of MichiCann and the notes thereto as at and for the years ended December 31, 2019 and 2018, together with the auditor's report thereon were prepared by Smythe LLP, Chartered Professional Accountants ("**Smythe**"), as auditors of MichiCann. Smythe has advised that it is independent with respect to MichiCann and the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

The audited consolidated financial statements in respect of the Company and the notes thereto as at and for the years ended July 31, 2019 and 2018, together with the auditor's report thereon were prepared by Manning Elliott LLP ("**Manning Elliott**"), as auditors of the Company. Manning Elliott has advised that it is independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditors are Smythe, located at 1700-475 Howe St., Vancouver, BC V6C 2B3. Smythe has confirmed with respect to the Company, that they are independent within the meaning of the relevant rules and

related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

On August 20, 2020, Manning Elliott, the former auditors of the Company, resigned at the request of the Board of Directors. The Board of Directors appointed Smythe as auditors of the Company effective August 20, 2020 to fill the vacancy created thereby. Copies of the Company's Notice of Change of Auditor and each of the letters provided by Manning Elliott and Smythe in response (collectively, the "**Reporting Package**") is filed on SEDAR. The Reporting Package has been reviewed and approved by the Board of Directors of the Company.

The transfer agent and registrar for the Common Shares is National Securities Administrators Ltd. at its principal offices in Vancouver.

CERTIFICATE OF THE COMPANY

September 18, 2020

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except Québec.

(signed) "Brad Rogers"	*(signed) "Johannes van der Linde"*
Chief Executive Officer	Chief Financial Officer

On behalf of the Board of Directors

(signed) "Michael Marchese"	*(signed) "Brendan Purdy"*
Director	Director

CERTIFICATE OF THE UNDERWRITERS

September 18, 2020

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except Québec.

PI FINANCIAL CORP.

(signed) "Vay Tham"

Managing Director,
Investment Banking

Co-Lead Underwriters

EIGHT CAPITAL

(signed) "Patrick McBride"

Head of Origination,
Investment Banking

CANACCORD GENUITY CORP.

(signed) "Graham Saunders"

Managing Director,
Head of Capital Markets Origination

ECHELON WEALTH PARTNERS INC.

(signed) "Peter Graham"

Managing Director,
Investment Banking

Exhibit 99.21

September 14, 2020

Red White & Bloom Brands Inc.
789 West Pender Street, Suite 810
Vancouver, British Columbia V6C 1H2

Attention: Brad Rogers, Chief Executive Officer

Dear Sir:

Reference is made to the underwriting agreement (the "**Agreement**") dated as of August 25, 2020 by and among PI Financial Corp., together with Eight Capital, as co-lead underwriters (the "**Co-Lead Underwriters**"), and Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (collectively with the Co-Lead Underwriters, the "**Underwriters**") and Red White & Bloom Brands Inc. (the "**Company**"). Terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

The Company and the Co-Lead Underwriters have agreed to delete the definition of Closing Date in the Agreement in its entirety and replace it with the following:

> ""**Closing Date**" means September 24, 2020 or such other date as the Company and the Co-Lead Underwriters may agree in writing;"

The Company and the Co-Lead Underwriters have also agreed to delete Section 1(b) of the Agreement in its entirety and replace it with the following:

> "The Company shall use its commercially reasonable best efforts to satisfy all comments with respect to the Preliminary Prospectus as soon as possible after receipt of such comments. The Company shall prepare and file under the Canadian Securities Laws the Final Prospectus and other documents relating to the proposed distribution of the Offered Units in the Qualifying Jurisdictions, and the Company shall use its commercially reasonable best efforts to obtain the Final Receipt from the BCSC (as principal regulator) and each of the other Canadian Securities Commissions pursuant to the Passport System dated on or before September 18, 2020."

The Company and the Co-Lead Underwriters have agreed that this side letter agreement (the "**Side Letter Agreement**") is supplemental to and is to be read with and be deemed to be a part of the Agreement, which is deemed to be amended as provided herein. Any reference to the Agreement and any agreements or documents entered into in connection with the Agreement means the Agreement as amended by this Side Letter Agreement and all such agreements and documents are also hereby amended to give effect to this Side Letter Agreement. The Agreement remains in full force and effect without any amendment or addition, except as provided in this Side Letter Agreement

For the avoidance of doubt and in furtherance of the foregoing, we request that the Company acknowledge and confirm such agreement.

[Remainder of page intentionally left blank]

Very truly yours,

PI FINANCIAL CORP.

By: "*Vay Tham*"
Name: Vay Tham
Title: Managing Director, Investment Banking

EIGHT CAPITAL

By: "*Elizabeth Staltari*"
Name: Elizabeth Staltari
Title: Principal, Managing Director

Acknowledged and confirmed

RED WHITE & BLOOM BRANDS INC.

By: "*Brad Rogers*"
Name: Brad Rogers
Title: Chief Executive Officer

Red White & Bloom Brands Inc. Announces Closing of $25 Million Bought Deal Offering of Units, Including Full Exercise of the Over-Allotment Option

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES
OR FOR DISSEMINATION IN THE UNITED STATES

Toronto, Ontario, September 24, 2020 – Red White & Bloom Brands Inc. (CSE: RWB) (OTC: RWBYF) ("**RWB**" or the "**Company**") is pleased to announce that it has closed its previously announced bought deal offering for a total issuance today of 33,350,000 units (the "**Units**") of the Company at a price of $0.75 per Unit for aggregate gross proceeds of $25,012,500 (the "**Offering**"), which includes the full exercise of the over-allotment option. The Offering was co-led by PI Financial Corp. and Eight Capital on behalf of a syndicate of underwriters including Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (together, the "**Underwriters**").

Each Unit consists of one common share in the capital of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of $1.00, for a period of 24 months following the closing of the Offering. If, at any time prior to the expiry date of the Warrants, the volume-weighted average price of the Common Shares on the Canadian Securities Exchange (the "**CSE**") (or such other stock exchange where the majority of the trading volume occurs) exceeds $1.50 for 10 consecutive trading days, the Company may provide written notice to the holders of the Warrants by way of a news release advising that the Warrants will expire at 5:00 p.m. (Vancouver time) on the 30th day following the date of such notice unless exercised by the holders prior to such date.

The Company has paid the Underwriters a cash fee of 6% of the aggregate gross proceeds, and an aggregate of 2,001,000 non-transferable compensation warrants, with each compensation warrant being exercisable into Units at a price of $0.75 for a period of 24 months following the closing of the Offering.

The Company intends to use the net proceeds of the Offering to finance acquisition and investment activity, ongoing operations, expansion of the Company's executive team, ongoing regulatory matters, inventory, ongoing capital expenditures and general corporate purposes.

In connection with the Offering, the Company has listed the Warrants on the CSE under the symbol "RWB.WT".

Brad Rogers, the Chief Executive Officer of the Company, purchased 866,666 Units in the Offering and, as such, the issuance of the Units to Mr. Rogers is a "related-party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). However, the issuance is exempt from: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(a), as the fair market value of the Units does not exceed 25% of the Company's market capitalization, and (ii) from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61- 101, as the fair market value of the Units does not exceed 25% of the Company's market capitalization. A material change report was not filed by the Company 21 days before the closing of the Offering as the level of insider participation was not known at that time and the Company moved to close the Offering immediately upon satisfaction of all applicable closing conditions. In the view of the Company, this was reasonable in the circumstances because the Company wished to complete the Offering as soon as possible.

Gowling WLG (Canada) LLP acted as legal advisors to RWB and Borden Ladner Gervais LLP acted as legal advisors to the Underwriters on the Offering.

Following closing of the Offering, the convertible debenture issued to an arm's length investor as detailed in the Company's press release dated September 14, 2020 was repaid and surrendered for cancellation.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless
registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Red White & Bloom Brands Inc.

The Company is positioning itself to be one of the top three multi-state cannabis operators active in the U.S. legal cannabis and hemp sector. RWB is predominately focusing its investments on the major US markets, including Michigan, Illinois, Massachusetts, California, and Florida with respect to cannabis, and the US and Internationally for hemp-based CBD products.

For more information about Red White & Bloom Brands Inc., please contact:

Tyler Troup, Managing Director

Circadian Group IR

IR@RedWhiteBloom.com

Visit us on the web: www.RedWhiteBloom.com

Follow us on social media

Twitter: @rwbbrands

Facebook: @redwhitebloombrands

Instagram: @redwhitebloombrands

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.

Forward-Looking Information

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and

information. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the implementation of RWB's business plan and matters relating thereto, risks associated with the cannabis industry, competition, regulatory change, the need for additional financing, reliance on key personnel, the potential for conflicts of interest among certain officers or directors, and the volatility of the Company's common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

There are a number of important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others, risks related to RWB's proposed business, such as failure of the business strategy and government regulation; risks related to RWB's operations, such as additional financing requirements and access to capital, reliance on key and qualified personnel, insurance, competition, intellectual property and reliable supply chains; risks related to RWB and its business generally. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Company may elect to, it does not undertake to update this information at any particular time.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

Exhibit 99.23

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Red White & Bloom Brands Inc. (the "**Company**" or "**RWB**")
810-789 West Pender Street
Vancouver, B.C. V6C 1H2

Item 2 Date of Material Change

September 24, 2020

Item 3 News Release

The new release disclosing the material change was disseminated on September 24, 2020 through the facilities of Golbe Newswire..

Item 4 Summary of Material Change

On September 24, 2020, the Company closed a bought deal offering of 33,350,000 units ("**Units**") of the Company at a price of $0.75 per Unit for aggregate gross proceeds of $25,012,500 (the "**Offering**"), which includes the full exercise of the over-allotment option. Each Unit consists of one common share in the capital of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of $1.00, for a period of 24 months following the closing of the Offering. The Warrants issued in connection with the Offering commenced trading on the Canadian Securities Exchange (the "**CSE**") on September 24, 2020 under the symbol "**RWB.WT**".

The Company also announced that the convertible debenture issued to an arm's length investor as detailed in the Company's press release dated September 14, 2020 was repaid and surrendered for cancellation.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On September 24, 2020, the Company announced that it closed its previously announced bought deal offering for a total issuance of 33,350,000 Units of the Company at a price of $0.75 per Unit for aggregate gross proceeds of $25,012,500, which includes the full exercise of the over-allotment option. The Offering was co-led by PI Financial Corp. and Eight Capital on behalf of a syndicate of underwriters including Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (together, the "**Underwriters**").

Each Unit consists of one Common Share and one Warrant. Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of $1.00, for a period of 24 months following the closing of the Offering. If, at any time prior to the expiry date of the Warrants, the volume-weighted average price of the Common Shares on the CSE (or such other stock exchange where the majority of the trading volume occurs) exceeds $1.50 for 10 consecutive trading days, the Company may provide written notice to the holders of the Warrants by way of a news release advising that the Warrants will expire at 5:00 p.m. (Vancouver time) on the 30th day following the date of such notice unless exercised by the holders prior to such date.

The Company paid the Underwriters a cash fee of 6% of the aggregate gross proceeds, and an aggregate of 2,001,000 non-transferable compensation warrants, with each compensation warrant being exercisable into Units at a price of $0.75 for a period of 24 months following the closing of the Offering.

The Company intends to use the net proceeds of the Offering to finance acquisition and investment activity, ongoing operations, expansion of the Company's executive team, ongoing regulatory matters, inventory, ongoing capital expenditures and general corporate purposes.

In connection with the Offering, the Company listed the Warrants on the CSE under the symbol "**RWB.WT**".

Brad Rogers, the Chief Executive Officer of the Company, purchased 866,666 Units in the Offering and, as such, the issuance of the Units to Mr. Rogers is a "related-party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). However, the issuance is exempt from: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(a), as the fair market value of the Units does not exceed 25% of the Company's market capitalization, and (ii) from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61- 101, as the fair market value of the Units does not exceed 25% of the Company's market capitalization. A material change report was not filed by the Company 21 days before the closing of the Offering as the level of insider participation was not known at that time and the Company moved to close the Offering immediately upon satisfaction of all applicable closing conditions. In the view of the Company, this was reasonable in the circumstances because the Company wished to complete the Offering as soon as possible.

Following closing of the Offering, the convertible debenture issued to an arm's length investor as detailed in the Company's press release dated September 14, 2020 was repaid and surrendered for cancellation.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Theo van der Linde, Chief Financial Officer
Phone: 604-687-2038

Item 9 Date of Report

September 30, 2020