

AMENDING AGREEMENT

THIS AGREEMENT (the "**Amending Agreement**") is dated the 13th day of March, 2019.

A M O N G:

SPROTT CAPITAL PARTNERS LP, by its general partner,
SPROTT CAPITAL PARTNERS GP INC.,
(hereinafter referred to as "**Sprott**")

OF THE FIRST PART;

- and -

PARADIGM CAPITAL INC.,
(hereinafter referred to as "**Paradigm**")

OF THE SECOND PART;

- and -

INTERWARD ASSET MANAGEMENT INC.,
(hereinafter referred to as "**Interward**"),

OF THE THIRD PART;

- and -

AVICANNA INC.,
(hereinafter referred to as "**Avicanna**")

OF THE FOURTH PART.

WHEREAS:

A. Each of Sprott, Paradigm, Interward and Avicanna (collectively, the "**Initial Parties**") is party to an agency agreement dated as of December 13, 2018 (the "**Agency Agreement**"), with respect to the Offering (as such term is defined in the Agency Agreement);

B. Pursuant to the terms and conditions of the Agency Agreement, the Agency Agreement may be amended or modified by written instrument only;

C. Interward did not participate in the Offering and has agreed with the other Initial Parties to terminate its involvement as a party to the Agency Agreement effective as of December 13, 2018 and will be signing this amending agreement in acknowledgement of such termination; and

D. The Initial Parties wish to amend the Agency Agreement to as set out herein.

NOW THEREFORE this Amending Agreement witnesses that for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

1. As of the date of this Amending Agreement the Agency Agreement is hereby amended as follows:
 - (a) The first line of the first paragraph on page 1 of the Agency Agreement is amended by

deleting the "," following "lead agent" and replacing it with the word "and" before Paradigm Capital Inc.

- (b) The second line of the first paragraph on page 1 of the Agency Agreement is amended by deleting the words "and Interward Asset Management Inc."
- (c) The sixth line of the first paragraph on page 1 of the Agency Agreement is amended by deleting \$20,000,000 and replacing it with \$16,000,000".
- (d) The third line of the fifth paragraph on page 1 of the Agency Agreement is amended by adding the word "First" before Closing Date.
- (e) The fifth line of the fifth paragraph on page 1 of the Agency Agreement is amended by adding the word "First" before Closing Date.
- (f) The defined term "Closing" is hereby deleted in its entirety and replaced by the following:

" **Closing**" means the First Closing or the Second Closing, as applicable;"
- (g) The defined term "**Closing Date**" is hereby deleted in its entirety and replaced by the following:

" **Closing Date**" means the First Closing Date or the Second Closing Date, as applicable;"
- (h) The defined term "**Closing Time**" is hereby deleted in its entirety and replaced by the following:

" **Closing Time**" means at or before 11:00 a.m. (Toronto time) on the applicable Closing Date or such other time on the applicable Closing Date as the Corporation and the Agents may agree upon in writing;"
- (i) The defined term "**Corporate Presentation**" is hereby deleted in its entirety and replaced by the following:

" **Corporate Presentation**" means, (i) the investor presentation of the Corporation dated October 24, 2018 with respect to the First Closing, and (ii) the investor presentation of the Corporation, if any, circulated to prospective purchasers in connection with the Second Closing and subject to the prior approval of the Agents, such approval not to be unreasonably withheld;"
- (j) The defined term "**Exchange**" is hereby deleted in its entirety and replaced by the following:

" **Exchange**" means CSE, TSX-V or the NEO, as applicable;"
- (k) The following defined term is added immediately following the defined term "Financial Statements" and before the defined term "First Closing Date" in the Agency Agreement:

" **First Closing**" means the completion of the issue and sale by the Corporation and the purchase by the Purchasers of the Special Warrants as contemplated by this Agreement and the Subscription Agreements on or before the First Closing Date;"
- (l) The following defined term is added immediately following the defined term "Financial Statements" and before the defined term "Governmental Entity" in the Agency Agreement:

" **First Closing Date**" means December 13, 2018;"

- (m) The defined term "**Preliminary Qualification Prospectus**" is hereby deleted in its entirety and replaced by the following:

" **Preliminary Qualification Prospectus**" means the preliminary prospectus of the Corporation and any Supplementary Material thereto to be approved, signed and certified in accordance with the Passport System;"

- (n) The defined term "**Final Qualification Prospectus**" is hereby deleted in its entirety and replaced by the following:

" **Final Qualification Prospectus**" means the final prospectus of the Corporation and any Supplementary Material thereto to be approved, signed and certified in accordance with the Passport System;"

- (o) The following defined term is added immediately following the defined term "Purchasers" and before the defined term "Second Closing Date" in the Agency Agreement:

" **Second Closing**" means the completion of the issue and sale by the Corporation and the purchase by the Purchasers of the Special Warrants as contemplated by this Agreement and the Subscription Agreements on or before the Second Closing Date;"

- (p) The following defined term is added immediately following the defined term "Purchasers" and before the defined term "Securities Regulators" in the Agency Agreement:

" **Second Closing Date**" means on or before April 5, 2019 or such other date as the Corporation and the Agents may agree upon in writing;"

- (q) The following defined term is added immediately following the defined term "Transaction Documents" and before the defined term "U.S. Accredited Investor" in the Agency Agreement:

" **TSX-V**" means the TSX Venture Exchange;"

- (r) Section 1(d) of the Agency Agreement is hereby deleted in its entirety and replaced by the following:

" (d) **Legends – Securities Laws.** The Special Warrants (and the Underlying Securities, if applicable), and the Compensation Securities, if applicable, shall have attached to them, whether through the electronic deposit system of CDS, an ownership statement issued under a direct registration system or other electronic book-entry system, or on certificates that may be issued, as applicable, any legends as may be prescribed by CDS in addition to a legend substantially in the following form:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [DISTRIBUTION DATE], AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY."

And, if applicable:

"THIS CERTIFICATE IS SUBJECT TO A SHAREHOLDERS' AGREEMENT DATED MARCH 15, 2017, AS AMENDED,

SUPPLEMENTED, RESTATED, REPLACED OR OTHERWISE MODIFIED FROM TIME TO TIME, AND THE SHARES REPRESENTED BY THIS CERTIFICATE CANNOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF OR MORTGAGED, PLEDGED, HYPOTHECATED, CHARGED OR OTHERWISE ENCUMBERED EXCEPT PURSUANT TO THE TERMS OF THE SHAREHOLDERS' AGREEMENT" "

- (s) Section 3(v) of the Agency Agreement is hereby deleted in its entirety and replaced by the following:

" (v) prior to the filing of the Final Qualification Prospectus, the Corporation shall cause each director, officer and holder of greater than 10% of the issued and outstanding Common Shares to enter into an agreement pursuant to which each such individual shall agree not to sell, transfer, pledge, or otherwise dispose of the economic consequences of any securities of the Corporation held by such individual for a period of 39 months following the date the Common Shares are posted and listed for trading on an Exchange (the "**Listing Date**") where 10% of such securities will be released from the agreement on the date that is 3 months following the Listing Date with the remaining securities released in six equal tranches of 15% every six months following the first release until all such securities are released.

- (t) Section 3(w) of the Agency Agreement is hereby deleted in its entirety and replaced by the following:

" (w) prior to Listing, the Corporation shall make commercially reasonable efforts to obtain from each shareholder of the Corporation that (A) acquired securities of the Corporation at a price lower than the Issue Price, and (B) holds a minimum of 100,000 Common Shares (on a diluted basis), an agreement pursuant to which each such shareholder will agree not to sell, transfer, pledge, or otherwise dispose of the economic consequences of any securities of the Corporation held by such shareholder for a period of four months following the Listing Date where 20% of such securities will be released immediately prior to the Listing Date with the remaining securities released in four equal tranches of 20% every month thereafter until all such securities are released.

- (u) Section 3(z) of the Agency Agreement is hereby deleted in its entirety and replaced by the following:

" (z) use its commercially reasonable efforts to, as soon as practicable after all comments of the Canadian Securities Regulators have been satisfied with respect to the Preliminary Qualification Prospectus and any Supplementary Material, prepare and file the Final Qualification Prospectus, in form and substance satisfactory to the Agents, with the applicable Canadian Securities Regulators under Canadian Securities Laws, together with the required supporting documents, and obtain the final receipt from the Ontario Securities Commission, as principal regulator, as soon as possible after the filing of the Final Qualification Prospectus, and, in any event, use its commercially reasonable efforts to obtain such document by no later than 5:00 p.m. (EST) on the date that is 120 days following the First Closing Date. The Corporation shall promptly take, or cause to be taken, all commercially reasonable steps and proceedings that may from time to time be required under Canadian Securities Laws to qualify the distribution of the Units in the Designated Jurisdictions and shall use its commercially reasonable efforts to ensure that such requirements (including the issuance of a final receipt for the Final Qualification Prospectus) shall be satisfied as soon as reasonably practicable

following the Second Closing Date;"

- (v) Section 3(aa) of the Agency Agreement is amended by capitalizing "Supplementary Material" each time it appears throughout the section.
- (w) Section 3(bb) of the Agency Agreement is amended by capitalizing each of the word "Supplementary" and "Material" each time they appear throughout the section.
- (x) Section 4(d) of the Agency Agreement is hereby deleted in its entirety and replaced by the following:

" (d) provided that they are otherwise satisfied in their sole discretion, acting reasonably, they will execute and deliver to the Corporation the certificate required to be executed by the Agents under Applicable Securities Laws in connection with the Preliminary Qualification Prospectus, Final Qualification Prospectus, any Supplementary Material and any amendments thereto; and"

- (y) Section 7(g) of the Agency Agreement is hereby deleted in its entirety and replaced by the following:

" (g) **Absence of Rights.** Except as set out in the Shareholders Agreement or as disclosed to the Agents in writing and other than pursuant to the securities referenced in paragraph (f)(i), and (ii) above, as of the date hereof, no person has any agreement or option or right or privilege (whether at law, pre-emptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the Corporation. The Special Warrants, upon issuance, will not be issued in violation of or subject to any pre-emptive rights, participation rights or contractual rights to purchase securities issued by the Corporation."

- (z) The following language is to be added following Section 10(c)(iv) of the Agency Agreement:

"provided, however, that any changes or inaccuracies in the representations, warranties or covenants of the Corporation in this Agreement may be disclosed to the Agents as a schedule to the certificate delivered pursuant to this Section 10(c). Any schedule provided pursuant to this paragraph must be delivered to the Agents at least 2 Business Days before the Closing Date. Completion of Closing shall be evidence of the Agents acceptance of such certificate."

- (aa) The third line of Section 10(g) of the Agency Agreement is amended by adding the word "First" before Closing Date.
- (bb) The fourth line of the introductory paragraph of Section 11 of the Agency Agreement is amended by adding the word "First" before Closing Time.
- (cc) Section 13 of the Agency Agreement is hereby deleted in its entirety and replaced by the following;

" 13. Expenses

Whether or not the Offering is completed, the Corporation will pay all expenses and fees in connection with the Offering and the Listing, including, without limitation: (i) all expenses of or incidental to the creation, issue, sale or distribution of the Special Warrants and the Common Shares; (ii) the fees and expenses of the Corporation's legal counsel; (iii) all costs incurred in

connection with the preparation of documentation relating to the Offering and the Listing; and (iv) all reasonable documented out-of-pocket expenses incurred by the Agents in connection with the Offering and the Listing, including the completion of reasonable due diligence related to the Corporation and its business, and the reasonable fees and disbursements (exclusive of applicable taxes) of the Agents' legal counsel and local counsel, if any, (the "**Agents' Expenses**") provided that the Agents shall require the prior written approval of the Corporation for any expense (other than legal fees) in excess of \$2,000, such Agents' Expenses, including the aggregate fees of all legal and local counsel retained by the Agents, not to exceed \$150,000 plus applicable taxes and disbursements."

- (dd) The fifth line of Section 14 of the Agency Agreement is amended by adding the word "First" before Closing Date.
- (ee) The ninth line of Section 14 of the Agency Agreement is amended by adding the word "First" before Closing Date.
- (ff) The leading paragraph of Schedule "A" to the Agency Agreement is hereby deleted in its entirety and replaced by the following:

"This is Schedule "A" to the agency agreement dated as of December 13, 2018 between Avicanna Inc., Sprott Capital Partners LP, and Paradigm Capital Inc."

- (gg) The leading paragraph of Schedule "B" to the Agency Agreement is hereby deleted in its entirety and replaced by the following:

"This is Schedule "B" to the agency agreement dated as of December 13, 2018 between Avicanna Inc., Sprott Capital Partners LP, and Paradigm Capital Inc."

2. By execution of this Amending Agreement, Interward hereby represents and warrants to the other Initial Parties that:
 - (a) Interward did not participate in the Offering and did not engage in any selling efforts with respect to the Special Warrants issued pursuant to the Offering;
 - (b) Interward acknowledges and agrees that, effective December 13, 2018, it is no longer a party to the Agency Agreement as amended by this Agreement, and confirms that it is not subject to nor does it hold any rights or obligations of an Agent under the Agency Agreement, as amended hereby;
 - (c) Interward confirms to the other Initial parties that, upon execution of this Agreement, it does not have a contractual relationship with Avicanna.
3. The parties confirm that in all other respects, the terms, covenants, and conditions of the Agency Agreement shall remain unchanged and in full force and effect, except as modified by this Amending Agreement. It is understood and agreed that all terms and expressions when used in this Amending Agreement, unless a contrary intention is expressed herein, have the same meaning as they have in the Agency Agreement.
4. This Amending Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement as of the date first set forth above.

SPROTT CAPITAL PARTNERS LP, by its general partner, **SPROTT CAPITAL PARTNERS GP INC.**

Per: (signed) "Tim Sorensen"

Name: Tim Sorensen

Title: Director

PARADIGM CAPITAL INC.

Per: (signed) "Jason Matheson"

Name: Jason Matheson

Title: Investment Banking

INTERWARD ASSET MANAGEMENT LTD.

Per: (signed) "Marc Sontrop"

Name: Marc Sontrop

Title: President & CCO

AVICANNA INC.

Per: (signed) "Setu Purohit"

Name: Setu Purohit

Title: President