

SHARE PURCHASE AGREEMENT

THIS AGREEMENT is dated with effect as of November 22, 2021 (the “**Effective Date**”).

BETWEEN:

THE PETER QUIRING FAMILY BUSINESS TRUST, [Redacted]
(“**Quiring Trust**”)

- and -

2633867 ONTARIO INC.
(“**QuiringCo**”, and together with Qiring Trust, the “**Sellers**”)

- and -

SOUTH ESSEX FABRICATING INC.
(“**SEF**”)

- and -

FRESH ENERGY INC.
(“**Fresh Energy**”)

- and -

PETER QUIRING HOLDINGS INC.
(“**Quiring Holdings**”, and collectively with the Sellers, SEF and Fresh Energy, the “**Quiring Group**”)

- and -

AUXLY CANNABIS GROUP INC.
(the “**Buyer**”)

- and -

SUNENS FARMS INC.
(the “**Company**”, and collectively, with the Qiring Group and the Buyer, the “**Parties**”, and each is a “**Party**”)

RECITALS:

- A. Qiring Trust is the registered owner of 30,000,000 Class A Special Shares in the capital of the Company (the “**Quiring Trust Special Shares**”).
- B. QiringCo is the registered owner of 5,500,000 Class 2 Common Shares in the capital of the Company (the “**QuiringCo Common Shares**”, and together with the Qiring Trust Special Shares, the “**Shares**”).

- C. The Sellers have agreed to sell and transfer to the Buyer, and the Buyer has agreed to purchase from the Sellers, the Shares, on and subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement,

- (a) **"Affiliate"** shall have the meaning ascribed thereto in the *Business Corporations Act* (Ontario).
- (b) **"Agreement"** means this share purchase agreement and all schedules, appendices, annexes, attachments and amendments to this Agreement.
- (c) **"Amending Agreement"** means an amending agreement, in a form satisfactory to the Parties, in respect of the Credit Agreement to be entered into by the Company, the Buyer and the Lenders in connection herewith, which provides that (among other things) the Lenders expressly support the consummation of the Transaction and, upon Closing, the obligations of the Sellers under the Credit Agreement, including but not limited to any security granted thereunder, shall terminate.
- (d) **"Ancillary Documents"** means, collectively, the Amending Agreement, the XLY Promissory Note, the QuiringCo Promissory Note, the Real Property Promissory Note, the Real Property Transfer, the Set-Off Agreement, the RP #1 Lease, the RP #2 Lease, the Assignment and Assumption Agreement, the Energy Agreement, the Resignations and Mutual Releases, the Consulting Termination Agreement, the JV Termination Agreement, the Mutual Acknowledgement, the Release, the Supplemental Agreement, the SEF Consulting Agreement, the SEF Lease and the SEF Undertaking.
- (e) **"Applicable Laws"** means applicable statutes, regulations, by-laws, rules, orders, decisions, directions, codes, ordinances or judgments, as from time to time, enacted or amended, in each case of any Governmental Authority having jurisdiction over a Party, this Agreement or the performance hereof.
- (f) **"Arbitrator"** has the meaning ascribed to it in Section 5.3(a).
- (g) **"Assignment and Assumption Agreement"** has the meaning ascribed to it in Section 3.1(c).
- (h) **"Business Day"** means a day other than a Saturday, Sunday or any other day on which commercial banks in Toronto, Ontario are authorized or required by Applicable Laws to close.

- (i) **“Buyer Public Disclosure Record”** means all information, reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) filed by the Buyer with any securities regulatory authority since January 1, 2020 that are available to the public on SEDAR.
- (j) **“Closing”** means the completion of all transactions and other matters contemplated by this Agreement at the Closing Time.
- (k) **“Closing Time”** means 8:00 a.m. (Toronto time) on the Effective Date.
- (l) **“Company Property”** has the meaning ascribed to it in Section 3.6.
- (m) **“Consultation Period”** has the meaning ascribed to it in Section 5.3(a).
- (n) **“Consulting Termination Agreement”** has the meaning ascribed it in Section 3.1(f).
- (o) **“Cooperation Agreement”** means **[Redacted – Confidential]**.
- (p) **“Credit Agreement”** means the credit agreement between the Company and the Lenders dated September 23, 2019, as amended, as guaranteed by the Buyer.
- (q) **“Dispute”** has the meaning ascribed to it in Section 5.3.
- (r) **“Energy Agreement”** has the meaning ascribed to it in Section 3.1(d).
- (s) **“Escrow Agreement”** means the escrow agreement between **[Redacted]** dated June 20, 2018, as amended and/or restated from time to time.
- (t) **“Final Determination”** has the meaning ascribed to it in Section 5.3(f).
- (u) **“Governmental Authority”** means any:
 - (i) federal, provincial, state, regional, municipal, local or other government, domestic or foreign;
 - (ii) governmental or quasi-governmental authority of any nature including any agency, branch, department, commission, board, court or tribunal;
 - (iii) body exercising any administrative, executive, judicial, legislative, police, regulatory, expropriation or taxing authority, domestic or foreign; or
 - (iv) self-regulatory organization or stock exchange having jurisdiction in the relevant circumstances.
- (v) **“Joint Venture Note”** means the promissory note dated February 8, 2021 pursuant to which Buyer and QuiringCo contributed, in the aggregate, an additional \$2 million to Company, pro rata to each Party’s respecting shareholdings in Sunens at that date.
- (w) **“JV Termination Agreement”** has the meaning ascribed to it in Section 3.1(g).

- (x) **“Lenders”** means, collectively, Bank of Montreal, ATB Financial and Concentra Bank.
- (y) **“Lien”** means, with respect to any asset or property, any lien, mortgage, pledge, hypothecation, charge, security interest or encumbrance of any kind in respect of such asset or property.
- (z) **“Mutual Acknowledgement”** has the meaning ascribed to it in Section 3.1(h).
- (aa) **“Non-Competition Agreement”** means the non-competition, non-solicitation and IP assignment agreement among the Buyer, Peter Quiring and the Company dated June 15, 2018, as amended and/or restated from time to time.
- (bb) **“Order”** means orders, injunctions, judgments, decisions, administrative complaints, decrees, rulings, awards, assessments, directions, instructions, penalties or sanctions issued, filed or imposed by any Governmental Authority or arbitrator.
- (cc) **“Past Due Payment Schedule”** has the meaning ascribed to it in Section 3.2.
- (dd) **“Person”** means any individual, sole proprietorship, partnership, limited partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, or Governmental Authority, and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.
- (ee) **“Phase II Construction Materials”** means, collectively, the assets and materials located in the SEF Leased Premises as of Closing Time as more particularly shown in the photographs attached as Schedule “G” hereto.
- (ff) **“Purchase Price”** has the meaning ascribed to it in Section 2.3.
- (gg) **“QuiringCo Common Shares”** has the meaning ascribed to it in the Recitals.
- (hh) **“Quiring Consulting Agreement”** means the consulting agreement among Peter Quiring, Quiring Holdings and the Company dated June 15, 2018, as amended and/or restated from time to time.
- (ii) **“QuiringCo Promissory Note”** has the meaning ascribed to it in Section 2.4(b)(i)(C).
- (jj) **“Quiring Trust Special Shares”** has the meaning ascribed to it in the Recitals.
- (kk) **“Real Property”** means, collectively:
 - (i) **[Redacted]** (“RP #1”); and
 - (ii) **[Redacted]** (“RP #2”).
- (ll) **“Real Property Promissory Note”** has the meaning ascribed to it in Section 2.4(a).

- (mm) **“Real Property Transfer”** has the meaning ascribed to it in Section 2.4(a).
- (nn) **“Release”** has the meaning ascribed to it in Section 3.1(i).
- (oo) **“Representatives”** means, with respect to a Party or any of its Affiliates, such Person's directors, officers, employees, agents and professional advisors (including accountants, lawyers and financial advisors). For greater certainty, a Party shall be deemed to not be a Representative of the other Party.
- (pp) **“Resignations and Mutual Releases”** has the meaning ascribed to it in Section 3.1(e).
- (qq) **“Restricted Business”** has the meaning ascribed to it in Section 3.4(a).
- (rr) **“Restricted Period”** has the meaning ascribed to it in Section 3.4(a).
- (ss) **“Restrictive Covenants”** has the meaning ascribed to it in Section 3.4(f).
- (tt) **“RP #1 Lease”** has the meaning ascribed to it in Section 3.1(a).
- (uu) **“RP #2 Lease”** has the meaning ascribed to it in Section 3.1(b).
- (vv) **“SEDAR”** means the System for Electronic Document Analysis and Retrieval available for public view at www.sedar.com.
- (ww) **“SEF Consulting Agreement”** has the meaning ascribed to it in Section 3.1(k).
- (xx) **“SEF Lease”** has the meaning ascribed to it in Section 3.1(l).
- (yy) **“SEF Leased Premises”** has the meaning ascribed to it in Section 3.1(l).
- (zz) **“SEF Undertaking”** has the meaning ascribed to it in Section 3.1(m).
- (aaa) **“Set-Off Agreement”** has the meaning ascribed to it in Section 2.4(c)(iii).
- (bbb) **“Shareholders Agreement”** means the unanimous shareholders agreement among the Buyer, the Sellers and the Company dated June 15, 2018, as amended and/or restated from time to time.
- (ccc) **“Shares”** has the meaning ascribed to it in the Recitals.
- (ddd) **“Strategic Alliance Agreement”** means the strategic alliance agreement among the Buyer, the Sellers and the Company dated June 15, 2018, as amended and/or restated from time to time.
- (eee) **“Sunens Facility”** means the facility of the Company located at the municipal address known as **[Redacted]**.
- (fff) **“Supplemental Agreement”** has the meaning ascribed to it in Section 3.1(j).
- (ggg) **“Tax Act”** means the *Income Tax Act* (Canada).

- (hhh) **"Taxes"** includes, without limitation, all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, together with all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof, including, without limitation, and (b) any liability for the payment of any amount of the type described in the immediately preceding clause (a) as a result of being a "transferee" (within the meaning of section 160 of the Tax Act or any other Laws) of another taxpayer or entity or a member of a related, non-arm's length, affiliated or combined group.
- (iii) **"Territory"** has the meaning ascribed to it in Section 3.4(a).
- (jjj) **"Transaction"** means the purchase by the Buyer from the Sellers of the Shares in accordance with the terms and conditions of this Agreement.
- (kkk) **"Transaction Agreements"** has the meaning ascribed to it in Section 4.1(c).
- (lll) **"Trust Deed"** has the meaning ascribed to it in Section 4.1(a).
- (mmm) **"TSX"** means the Toronto Stock Exchange.
- (nnn) **"Voting Agreement"** means the voting agreement and proxy between Quiring Trust and the Buyer dated June 20, 2018, as amended and/or restated from time to time.
- (ooo) **"XLY Price per Share"** means the five (5) day volume-weighted average trading price of the common shares of the Buyer on the TSX.
- (ppp) **"XLY Promissory Note"** has the meaning ascribed to it in Section 2.4(b)(i)(B).
- (qqq) **"XLY Shares"** has the meaning ascribed to it in Section 3.1(c).

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale

As of the Effective Date, the Sellers each agree to sell, transfer, assign and convey to the Buyer, and the Buyer agrees to purchase from the Sellers, all of the their respective rights, title and interest, respectively, in and to the Shares free and clear of all Liens, on the terms and subject to the conditions set out in this Agreement.

2.2 Date of Closing

The sale, transfer, assignment and conveyance of the Shares referred to in Section 2.1 will be effective as between the Sellers and the Buyer as of the Effective Date, and as of that date the Buyer will be the beneficial owner of the Shares, without the need for the execution, filing or registration of any other document.

2.3 Purchase Price

The Parties agree that the aggregate purchase price for the Shares of each Seller shall be equal to the fair market value of the Shares of such Seller as of the Effective Date (the “**Purchase Price**”).

2.4 Settlement of the QuiringCo Promissory Note and Payment and Satisfaction of Purchase Price

The Purchase Price shall be paid and satisfied in accordance with the following steps, such steps to occur with effect as set out below:

- (a) The Company shall take (and the Buyer shall consent to and cause the Company to take) all actions that may be reasonably necessary to transfer and convey to or as directed by QuiringCo in writing title to the Real Property, free and clear of all Liens, including, without limitation, the execution by the Company of a real property transfer, in the form attached hereto as Schedule “A” (the “**Real Property Transfer**”) in exchange for the addition of \$[Redacted] to the principal amount of the existing indebtedness of QuiringCo in the amount of \$[Redacted] owing to the Company, and an unsecured non-interest-bearing demand promissory note in the principal amount of \$[Redacted] be issued by QuiringCo to the Company, in the form attached hereto as Schedule “B” (the “**Real Property Promissory Note**”), as evidence of such aggregate indebtedness owing by QuiringCo to the Company. The Real Property Transfer shall not include any tangible personal property owned by the Company relating to or located at the Real Property [Redacted], and for greater certainty, such personal property shall remain the property of the Company. Regarding the matters contemplated under this Section 2.4(a):
 - (i) the Real Property Transfer shall be subject to usual adjustments for real property Taxes and other items typically adjusted in transactions of this nature on Closing; and
 - (ii) QuiringCo (or such other Person to whom QuiringCo may direct the transfer and conveyance of the Real Property in writing) shall be responsible for obtaining all necessary title insurance (including all costs thereof) and shall timely pay in full directly to the appropriate Governmental Authority all applicable land transfer Taxes and any other Taxes arising from or in connection with the matters contemplated under this Section 2.4(a), other than Taxes imposed on the Company arising from or in connection with the matters contemplated under this Section 2.4(a);
- (b) Effective immediately following the completion of the matters contemplated by Section 2.4(a), the Purchase Price for the Shares shall be paid and satisfied as follows:
 - (i) in consideration for the purchase by the Buyer from Quiring Trust of the Quiring Trust Special Shares:
 - A. the Buyer shall pay to Quiring Trust, by wire transfer of immediately available funds to the bank account directed by Quiring Trust in writing, an amount in cash equal to \$500,000.00; and

- B. the Buyer shall issue to Quiring Trust an unsecured interest-bearing promissory note in the principal amount of \$3,400,000.00, in the form attached hereto as Schedule “C” (the “**XLY Promissory Note**”); and
 - C. the Buyer shall issue to Quiring Trust an unsecured non-interest-bearing demand promissory note in the principal amount of \$[Redacted], in the form attached hereto as Schedule “D” (the “**QuiringCo Promissory Note**”); and
- (ii) in consideration for the purchase by the Buyer from QuiringCo of the QuiringCo Common Shares, the Buyer shall pay to QuiringCo, by wire transfer of immediately available funds to the bank account directed by QuiringCo in writing, an amount in cash equal to \$1.00.
- (c) The QuiringCo Promissory Note and the Real Property Promissory Note shall be paid in full and extinguished by the following transactions (which, for greater certainty, shall occur with effect immediately following the completion of the matters contemplated by Section 2.4(b) and in the order set forth below):
 - (i) the Quiring Trust shall make a capital distribution of the QuiringCo Promissory Note to QuiringCo;
 - (ii) the Company and the Buyer shall take all actions that may be reasonably necessary or desirable to complete the reduction by the Company of the stated capital of the Class B Special Shares of the Company by \$[Redacted] and, in connection therewith, the assignment by the Company to the Buyer of the rights of the Company to the aggregate amount receivable from QuiringCo under the Real Property Promissory Note; and
 - (iii) the Buyer and QuiringCo shall immediately thereafter enter into a set-off agreement, in a form reasonably satisfactory to the Company and QuiringCo (the “**Set-Off Agreement**”), pursuant to which (among other things) the indebtedness of QuiringCo to the Buyer under the Real Property Promissory Note in the aggregate amount of \$[Redacted] and the indebtedness of the Buyer to QuiringCo under the QuiringCo Promissory Note in the aggregate amount of \$[Redacted] shall each be paid in full and extinguished by way of mutual set-off of each party’s indebtedness to the other party.

**ARTICLE 3
ADDITIONAL ARRANGEMENTS**

3.1 Ancillary Agreements

In connection with the Transaction, the Parties set forth below shall enter into, or cause to be entered into, the following agreements, as applicable:

- (a) the Company and QuiringCo (or such other Person to whom the Real Property is transferred and conveyed pursuant to Section 2.4(a)) shall enter into a lease

agreement in respect of RP #1, in the form attached hereto as Schedule "E" (the "**RP #1 Lease**") [**Redacted – Confidential**];

- (b) the Company and QuiringCo (or such other Person to whom the Real Property is transferred and conveyed pursuant to Section 2.4(a)) shall enter into a lease agreement in respect of RP #2, in the form attached hereto as Schedule "F" (the "**RP #2 Lease**") [**Redacted – Confidential**];
- (c) the Buyer and QuiringCo shall enter into an assignment and assumption agreement, in a form reasonably satisfactory to the Buyer and QuiringCo (the "**Assignment and Assumption Agreement**"), pursuant to which, subject to receipt of all required approvals which Buyer is responsible for obtaining by the Closing Time at its cost and expense (including, without limitation, the approval of the TSX, if applicable), QuiringCo shall assign to the Buyer, and the Buyer shall assume from QuiringCo, the interest and benefits of QuiringCo in and under the Joint Venture Note (such interest and benefits entitling QuiringCo to receive from the Company an aggregate amount in cash equal to \$1,100,000.00) in consideration for the delivery on the Closing by the Buyer to QuiringCo of \$1,100,000.00 of common shares of the Buyer, as calculated using the XLY Price per Share as of the trading day immediately preceding the Effective Date, registered as directed by QuiringCo in writing (the "**XLY Shares**");
- (d) the Company and Fresh Energy shall enter into an agreement, in a form reasonably satisfactory to the Buyer and Fresh Energy (the "**Energy Agreement**"), [**Redacted – Confidential**];
- (e) the Quiring Group shall cause Peter Quiring and all nominees thereof under the Shareholders Agreement, if any, to enter into resignations and mutual releases with the Company, in a form reasonably satisfactory to the Buyer and the Sellers, pursuant to which such Persons will resign as directors and/or officers of the Company, as applicable (collectively, the "**Resignations and Mutual Releases**"), on and subject to the terms thereof;
- (f) the Company, Peter Quiring and Quiring Holdings shall enter into a termination agreement in respect of the Quiring Consulting Agreement, in a form reasonably satisfactory to the Buyer and Quiring Holdings (the "**Consulting Termination Agreement**"), pursuant to which the parties thereto will (among other things) terminate the Quiring Consulting Agreement, on and subject to the terms thereof. Concurrently with the execution of the Consulting Termination Agreement, the Company shall pay to Quiring Holdings, by wire transfer of immediately available funds to the bank account designated by Quiring Holdings in writing, an aggregate amount in cash equal to \$[**Redacted**], representing the consideration payable to Quiring Holdings under the Consulting Termination Agreement;
- (g) the Company, the Buyer and the Sellers shall enter into a termination agreement in respect of the Shareholders Agreement, the Strategic Alliance Agreement, the Non-Competition Agreement, the Voting Agreement and the Escrow Agreement, in a form reasonably satisfactory to the Buyer and the Sellers (the "**JV Termination Agreement**"), pursuant to which the parties thereto will (among other things) terminate each such agreement, on and subject to the terms thereof;

- (h) the Company and SEF shall enter into a mutual acknowledgement, in a form reasonably satisfactory to the Buyer and SEF (the “**Mutual Acknowledgement**”), pursuant to which the parties thereto will acknowledge the legal and beneficial title of SEF to the Phase II Construction Materials, on and subject to the terms thereof;
- (i) the Buyer, the Company, Peter Quiring and the Quiring Group (on their own behalves and on behalf of their respective Affiliates and Representatives) shall enter into a mutual release, in a form reasonably satisfactory to the parties thereto (the “**Release**”), in respect of certain claims of the parties thereto arising before or after the Effective Date;
- (j) the Company and QuiringCo shall enter into a supplemental agreement [**Redacted – Confidential**] (the “**Supplemental Agreement**”) [**Redacted – Confidential**];
- (k) the Company and SEF shall enter into a consulting agreement, in a form reasonably satisfactory to the Buyer and SEF (the “**SEF Consulting Agreement**”), pursuant to which SEF shall render to the Company certain consulting services on an as-needed basis, on and subject to the terms thereof;
- (l) the Company and SEF shall enter into a lease agreement, in a form reasonably satisfactory to the Buyer and SEF (the “**SEF Lease**”), pursuant to which the Company will (among other things) lease to SEF a certain portion of section 1C of the Sunens Facility for the Phase II Construction Materials (the “**SEF Leased Premises**”), on and subject to the terms thereof; and
- (m) SEF shall execute and deliver to the Company and the Buyer an undertaking, in a form reasonably satisfactory to the Buyer and SEF (the “**SEF Undertaking**”), to complete certain infrastructural work in respect of the grow rooms at the Sunens Facility, subject to certain conditions.

3.2 Amounts Owing by Sunens to QuiringCo

The Company agrees to pay to the Persons set forth in Schedule “G” hereto (the “**Past Due Payment Schedule**”), by wire transfer of immediately available funds to the bank account directed by QuiringCo in writing, the applicable amounts set forth in the Past Due Payment Schedule on or before the applicable deadlines set forth in the Past Due Payment Schedule. For the avoidance of doubt, (i) certain of the payments required to be made under this Section 3.2 are required to be completed prior to and following the Closing Time, and (ii) the payments required to be made pursuant to the SEF Consulting Agreement, if any, shall not constitute payments required to be made under this Section 3.2. For clarity, all payments required to be made on or before the Effective Date pursuant to the Past Due Payment Schedule that have not been paid by the Closing Time shall be paid by the Company on and as a condition of the Closing by way of immediately available funds.

3.3 QuiringCo’s Acknowledgements

QuiringCo acknowledges, confirms and agrees that:

- (a) if required by applicable securities laws or by any securities commission, stock exchange or other regulatory authority, such Party shall execute, deliver, file and

otherwise assist the Buyer in filing, such reports, undertakings and other documents with respect to the registration and delivery of the XLY Shares;

- (b) the XLY Shares will be subject to certain resale restrictions under applicable securities laws and QuiringCo agrees to comply, and agrees to cause its designee to comply, if applicable, with such restrictions and acknowledges that QuiringCo has been advised to consult its own legal advisors with respect to applicable resale restrictions and that QuiringCo is solely responsible for complying with such restrictions;
- (c) the certificates representing the XLY Shares may bear a legend required under applicable securities laws;
- (d) QuiringCo is acquiring the XLY Shares pursuant to an exemption from the prospectus requirement under applicable securities laws and, as a consequence, (i) the Seller is restricted from using most of the civil remedies available under securities legislation; (ii) the Seller may not receive information that would otherwise be required to be provided to the Seller under securities legislation; and (iii) the Buyer is relieved from certain obligations that would otherwise apply under securities legislation; and
- (e) (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the XLY Shares; (ii) there is no government or other insurance covering the XLY Shares; (iii) there are risks associated with the purchase of the XLY Shares; and (iv) as a consequence of acquiring the XLY Shares pursuant to exemptions from prospectus requirements under applicable securities laws, certain protections, rights and remedies provided by applicable securities laws, including statutory rights of rescission or damages, will not be available to the Seller.

3.4 Non-Compete; Non-Solicit

- (a) For a period of **[Redacted]** months commencing on the Effective Date (the “**Restricted Period**”), the Sellers shall not, and shall not permit any of their respective Affiliates to, directly or indirectly, (i) engage in or assist others in engaging in business in the cannabis industry (the “**Restricted Business**”) in **[Redacted]** (the “**Territory**”); (ii) have an interest in any Person that engages directly or indirectly in the Restricted Business in the Territory in any capacity, including as a partner, joint venturer, shareholder, employee, principal, agent, licensee, licensor, franchisee, franchisor, distributor, supplier, trustee or consultant; or (iii) intentionally interfere in any material respect with the business relationships (whether formed before or after the date of this Agreement) between the Company and customers or suppliers of the Company.

Notwithstanding the foregoing:

- (i) any Seller or its respective Affiliates may own, directly or indirectly, shares in the capital stock of the Buyer;
- (ii) any Seller or its respective Affiliates may own, directly or indirectly, solely as an investment, securities of any Person traded on any domestic or

foreign stock exchange if such Seller is not a controlling Person of, or a member of a group that controls, such Person and does not, directly or indirectly, own five percent (5%) or more of any class of securities of such Person; and

- (iii) Section 3.4(a) shall not restrict any Seller or its respective Affiliates (including specifically, but not limited to, SEF) from carrying on business in the ordinary course and/or restrict any of the Sellers or its Affiliates, (including specifically, but not limited to, SEF), from engaging in the construction of cannabis greenhouses and activities related to the construction (and not operation) of such greenhouses.
- (b) During the Restricted Period, the Sellers shall not, and shall not permit any of their respective Affiliates to, directly or indirectly, hire or solicit any employee of the Company or encourage any such employee to leave such employment, except pursuant to a general solicitation which is not directed specifically to any such employees; provided that nothing in this Section shall prevent any Sellers or any of its Affiliates from hiring any employee whose employment has been terminated by the Company or the Buyer.
- (c) During the Restricted Period, the Sellers shall not, and shall not permit any of their respective Affiliates to, directly or indirectly, solicit or entice, or attempt to solicit or entice, any clients or customers of the Company or potential clients or customers of the Company for purposes of diverting their business or services from the Company.
- (d) Each of the Sellers acknowledges that a breach of this Section may give rise to irreparable harm to the Buyer, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach by any Seller of any such obligations, the Buyer shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post security).
- (e) Each of the Sellers acknowledges that the restrictions contained in this Section are reasonable and necessary to protect the legitimate interests of the Buyer and constitute a material inducement to the Buyer to enter into this Agreement and consummate the transactions contemplated by this Agreement. The covenants contained in this Section 3.4 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.
- (f) The Buyer and the Sellers intend that the conditions set forth in section 56.4(7) of the Tax Act have been satisfied such that section 56.4(5) of the Tax Act applies to any “restrictive covenants” (as defined in section 56.4(1) of the Tax Act) granted by the Sellers under this Agreement with respect to the Restricted Business (collectively, the “**Restrictive Covenants**”). Accordingly, the Buyer and the Sellers

acknowledge and agree that: (i) no proceeds shall be received or receivable by the Sellers for granting the Restrictive Covenants for purposes of section 56.4(7)(d) of the Tax Act; and (ii) the Restrictive Covenants are integral to this Agreement and have been granted to maintain or preserve the fair market value of the Shares.

3.5 Non-Disparagement

Each of the Parties covenants and agrees to not, at any time following the date hereof, engage in any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumours, allegations, negative reports or comments) which are disparaging, deleterious or damaging to the integrity, reputation or goodwill of the business of any other Party, its respective Affiliates or any of its respective directors, officers, employees or consultants.

3.6 Non-Objection

QuiringCo acknowledges that the property of the Company located at **[Redacted]** (the “**Company Property**”) is intended to be used by the Company for purposes related to the production of cannabis and/or cannabis products and covenants and agrees to not (and to cause such other Person to whom the Real Property is transferred and conveyed pursuant to Section 2.4(a) to not), at any time during (in respect of RP#1) the term of the RP #1 Lease and (in respect of RP #2) the term of the RP #2 Lease, complain or otherwise object to the use of the Company Property for any purpose related to the production of cannabis and/or cannabis products.

ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Representations of Quiring Trust

Quiring Trust represents and warrants to the Buyer as follows as of the Effective Date, and acknowledges and agrees that the Buyer is relying upon such representations and warranties in connection with its purchase of the Shares:

- (a) **[Redacted – Personal Information]** Quiring Trust is created and properly constituted by a Trust Deed dated **[Redacted]** (the “**Trust Deed**”);
- (b) Quiring Trust exists as a trust under the laws of the Province of Ontario and has not been terminated;
- (c) pursuant to the Trust Deed, Peter Quiring **[Redacted – Personal Information]** has the power and capacity to own the property and assets of Quiring Trust in trust for the beneficiaries thereof and to enter into and perform the obligations of Quiring Trust under this Agreement, the Ancillary Documents to which Quiring Trust is a party, and any other agreements, certificates or documents contemplated by this Agreement (collectively, the “**Transaction Agreements**”, and each a “**Transaction Agreement**”).

4.2 Sellers' Representations and Warranties

Each Seller, severally and not jointly, represents and warrants to the Buyer as follows as of the Effective Date, and acknowledges and agrees that the Buyer is relying upon such representations and warranties in connection with its purchase of the Shares.

- (a) all necessary action has been taken by the Seller to authorize the execution and delivery by such Seller of the Transaction Agreements to which such Seller is a party and the performance by such Seller of the obligations of the Seller hereunder and thereunder, including pursuant to the Trust Deed in relation to Quiring Trust;
- (b) other than the beneficiaries of Quiring Trust, the Seller is not acting as agent or trustee for any other person, and is the sole legal owner of the Shares, and has good and marketable title to the Shares, free and clear of all Liens;
- (c) the execution and delivery by the Seller of the Transaction Agreements to which such Seller is a party and the performance by the Seller of its obligations hereunder and thereunder does not and will not breach or result in a default under or contravene:
 - (i) the Trust Deed in the case of Quiring Trust;
 - (ii) any laws, statutes or regulations of the Province of Ontario or the federal laws of Canada applicable therein binding on or applicable to the Seller; or
 - (iii) any contract or covenant by which the Seller is bound;
- (d) each Transaction Agreement to which the Seller is a party has been duly executed and delivered by the Seller and each such Transaction Agreement is a legal, valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, subject to bankruptcy, insolvency and similar laws relating to or affecting creditors' rights generally and to general principles of equity;
- (e) as of the Effective Date, there is no suit, action or legal or administrative proceeding existing or threatened in respect of the Shares, and no person has any agreement, option, understanding or commitment, or any right or privilege, preemptive, contractual or by law, capable of becoming a right, agreement, option or commitment, for the purchase, transfer, assignment, pledge, charge or mortgage from or by the Seller of any part of the Shares other than under this Agreement, the Shareholders Agreement and the Credit Agreement;
- (f) the Seller is not a "non-resident" of Canada within the meaning of Section 116 of the Tax Act;
- (g) in the case of QuiringCo:
 - (i) the Seller is acquiring the XLY Shares hereunder for investment purposes only, and not in a transaction or series of transactions involving a purchase and sale or a repurchase and resale in the course of or incidental to a distribution;

- (ii) the Seller is resident in or otherwise subject to the securities laws of the Province of Ontario;
 - (iii) the Seller is not a “U.S. Person” (as that term is defined by Regulation S under the *U.S. Securities Act* of 1933, as amended), and the offer to acquire the XLY Shares was not made to, or to an authorized representative of, the Seller in the United States, and this Agreement has not been executed on behalf of the Seller in the United States;
 - (iv) the Seller is acquiring the XLY Shares pursuant to Section 2.3 of National Instrument 45-106 – *Prospectus Exemptions*;
 - (v) the Seller is acquiring the XLY Shares as principal, and was not created solely, nor is it being used primarily, to permit the purchase of the XLY Shares without a prospectus under Applicable Laws;
 - (vi) the Seller has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder’s fees, underwriter’s or agent’s commission or other similar forms of compensation in connection with the transactions contemplated hereunder; and
 - (vii) the Seller is a sophisticated investor, and: (i) has the appropriate knowledge and experience to evaluate and negotiate the transactions contemplated by the Transaction Agreements to which it is a party; (ii) has had the opportunity to consult with such advisors as it deems appropriate; (iii) has adequate information to evaluate the transactions contemplated by the Transaction Agreements to which it is a party and has had the opportunity to discuss such information with its advisors; and (iv) acknowledges that neither the Buyer nor any Person affiliated with the Buyer has made any representation or warranty, express or implied, regarding any aspect of the transactions contemplated by the Transaction Agreements to which it is a party except as set forth in such Transaction Agreements, and the Seller is not relying on any such representation or warranty not contained in the Transaction Agreements and, for greater certainty, the Seller acknowledges that no Person has made any written or oral representations that any Person will resell or repurchase the XLY Shares, that any Person will refund the purchase price of the XLY Shares or as to the future price or value of the XLY Shares;
- (h) Neither of the Sellers, nor is any trustee or beneficiary thereof in the case of Quiring Trust, named on or blocked by any of the following lists promulgated by the Department of Foreign Affairs, Trade and Development Canada, or the Department of Public Safety Canada:
- (i) the List of Names subject to the Regulations Establishing a List of Entities made under Subsection 83.05(1) of the *Criminal Code* (Canada); and
 - (ii) the List of Names subject to the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism,

The Seller acknowledges and agrees that because the foregoing lists are subject to change from time to time, it is the responsibility of the Seller to ensure that the lists are current as of the Effective Date;

- (i) None of the Quiring Group, nor any Affiliate or representative of any of the Quiring Group, has made any, agreement, contract or covenant binding on the Company (whether written or oral), which has not been disclosed by any member of the Quiring Group, or any Affiliate or representative of the Quiring Group, to the Buyer through a director, officer or senior employee of the Buyer which will have an adverse effect on the property or the business, operations or condition (financial or otherwise) of the Company on or after the Effective Date. Except as disclosed by the Quiring Group to the Buyer through a director, officer or senior employee, the Quiring Group has no knowledge of a breach or violation of or default by the Company under any agreement, contract or covenant binding on the Company and no event has occurred to the knowledge of the Quiring Group on or prior to the Effective Date that with or without notice, lapse of time or both, would constitute or result in a breach or violation of or default under any such agreement, contract or covenant by the Company or would permit or cause the termination or modification thereof or acceleration or creation of any right or obligation thereunder, in each case, except as would not, individually or in the aggregate, reasonably be expected to have an adverse effect on the property or the business, operations or condition (financial or otherwise) of the Company on or after the Effective Date;
- (j) the registered Harmonized Sales Tax number of QuiringCo is **[Redacted]**; and
- (k) the registered Harmonized Sales Tax number of the Company is **[Redacted]**.

4.3 Buyer's Representations and Warranties

The Buyer represents and warrants to each Seller as follows as of the Effective Date, and acknowledges and agrees that the Sellers are each relying upon such representations and warranties in connection with their sale of the Shares:

- (a) it is a corporation duly existing, under the laws of Ontario and has all necessary corporate power and capacity to enter into and perform the obligations of the Buyer under the Transaction Agreements to which the Buyer is a party;
- (b) all necessary action has been taken by the Buyer to authorize the execution and delivery by the Buyer of Transaction Agreements to which the Buyer is a party and the performance by the Buyer of the obligations of the Buyer hereunder and thereunder;
- (c) each Transaction Agreement to which the Buyer is a party has been duly executed and delivered by the Buyer and each such Transaction Agreement is a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, subject to bankruptcy, insolvency and similar laws relating to or affecting creditors' rights generally and to general principles of equity;

- (d) the execution and delivery by the Buyer of the Transaction Agreements to which the Buyer is a party, and the performance of its obligations under such Transaction Agreements, do and will not breach or result in a default under:
 - (i) any of its constating documents;
 - (ii) any laws, statutes or regulations to which it is subject; or
 - (iii) any contract or covenant by which it is bound;
- (e) the XLY Shares, when delivered in accordance with this Agreement, will be duly authorized, validly issued, fully paid and non-assessable free and clear of all Liens, will not be issued in violation of any Applicable Laws, and will not be subject to or issued in violation of any pre-emptive rights, rights of first refusal or rights of first offer;
- (f) as of the Effective Date, there is no suit, action or legal or administrative proceeding existing or threatened in respect of the Company which would affect the consummation of the Transaction Agreements by the Buyer;
- (g) it is a “taxable Canadian corporation” for purposes of the Tax Act; and
- (h) it is not a “Non-Canadian” within the meaning of the *Investment Canada Act* (Canada).

4.4 Survival

The representations and warranties set out in this Article 4 will survive the Closing and will continue in full force and effect for the benefit of the Party in whose favour they are made, and be binding upon the Party by whom they are made, for a period of twelve (12) months after the Effective Date.

ARTICLE 5 INDEMNIFICATION AND DISPUTE RESOLUTION

5.1 Indemnification by the Quiring Group

The Buyer is relying on the representations and warranties, certifications and covenants contained herein to complete the Transaction, and each member of the Quiring Group agrees to indemnify and hold harmless the Buyer and its directors, officers, employees, agents, advisers and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of such Party contained herein or in any document furnished by such Party to the Buyer in connection herewith being untrue in any material respect or any breach or failure by such Party to comply with any covenant or agreement made by such Party herein or in any document furnished by such Party to the Buyer in connection herewith.

Solely in respect of any breach of or inaccuracy in Section 4.2(i), Quiring Group shall have no liability for indemnification under this Section 5.1 if the Buyer through a director, officer or senior employee of the Buyer, had knowledge, prior to the Effective Date, of any fact or circumstance

that, with or without notice or the passage of time, would reasonably be expected to give the Buyer the right to seek any remedy against the Quiring Group due to a breach of or inaccuracy in Section 4.2(i).

5.2 Indemnification by Buyer

The Buyer agrees to indemnify and hold harmless each of the Sellers and its directors, officers, employees, agents, advisers and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Buyer contained herein or in any document furnished by the Buyer to such Seller in connection herewith being untrue in any material respect or any breach or failure by the Buyer to comply with any covenant or agreement made by the Buyer herein or in any document furnished by the Buyer to such Seller in connection herewith.

5.3 Arbitration

All disputes, controversies or claims arising out of, relating to, or in respect of this Agreement, including any issue regarding its existence, validity, enforceability, interpretation, breach or termination (each a “**Dispute**”) shall be resolved in accordance with the following:

- (a) any Dispute that the Parties are unable to amicably resolve or settle between themselves through negotiations within fifteen (15) Business Days (or such longer period as is expressly provided for in this Agreement or which the Parties may mutually agree to in writing) of a Party being provided notice of such Dispute or difference in accordance with Section 6.6 of this Agreement (the “**Consultation Period**”) shall be referred to and finally determined by final and binding arbitration. The arbitration shall be confidential and shall be conducted by one independent and impartial arbitrator selected in accordance with the terms of this Agreement (the “**Arbitrator**”);
- (b) the arbitration shall be governed by the *Arbitration Act* (Ontario) to the extent that such rules do not conflict with the terms of this Section 5.3;
- (c) the arbitration shall be seated in the City of Windsor and the arbitration agreement set forth in this Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. The language of the arbitration shall be English;
- (d) within thirty (30) calendar days following the expiration of the Consultation Period, the Parties agree to jointly select the Arbitrator who shall be trained in the laws of Ontario. The Arbitrator shall be impartial and independent of the Parties and shall be experienced and knowledgeable about the subject matter of the Dispute (generally and not as to the express facts concerning the Dispute). If the Parties are unable to agree upon the Arbitrator, either Party may apply to elect an Arbitrator in accordance with the provisions of the *Arbitration Act* (Ontario);
- (e) it is specifically acknowledged and confirmed that any Dispute that cannot be resolved between the Parties prior the expiry of the Consultation Period shall be

submitted to arbitration irrespective of the magnitude thereof or the amount in question;

- (f) the Arbitrator shall have jurisdiction: (i) to apply all Applicable Laws, common law and equity (including the scope of the agreement to arbitrate, any statute of limitations, conflict of laws rules, tort claims and interest claims); and (ii) to make an award or awards in respect of interest and the payment of the costs of the arbitration (including arbitrators' fees and the legal costs of the Parties). The Arbitrator also may, where requested by a Party, determine the nature and extent of production of documents and oral depositions;
- (g) the award of the Arbitrator shall be reduced to writing and be final and binding on the Parties and not subject to any appeal (a "**Final Determination**"). Any monetary award shall be made and payable, free of any taxes or other deduction, and shall bear interest from the date of any breach or other violation of this Agreement to the date on which the award is paid, at a rate determined by the Arbitrator;
- (h) judgment upon the award(s) rendered by the Arbitrator may be entered and executed in any court of competent jurisdiction, or application may be made to such court for a judicial acceptance of the award and order of enforcement;
- (i) each Party shall bear its own expenses, and the expenses of its own Representatives, of preparing for and participating in connection with the arbitration, including legal fees but the Party against whom judgment is rendered shall bear all legal fees of the Arbitrator; and
- (j) by agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment or other order in aid of the arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies in aid of arbitration as may be available under the jurisdiction of a legal court, the Arbitrator shall have full authority to grant provisional remedies, statutory remedies and to award damages for the failure of the Parties or its Representatives to respect the Arbitrator's orders to that effect.

Nothing in this Agreement shall restrict or prohibit a Party from commencing arbitration at any time, including prior to the expiry of a Consultation Period, in order to protect its rights under this Agreement or in relation to a dispute or disagreement.

For avoidance of doubt, Sections 5.3, 5.4 and 5.6 apply to this Agreement only, and not Ancillary Documents entered into pursuant hereto. Nothing in this Agreement shall restrict or prohibit a Party from commencing legal proceedings at any time in order to protect their rights under the Ancillary Agreements, in accordance with the terms of such Ancillary Agreements.

5.4 Exclusive Procedures

Dispute resolution obligations and processes set out in this Article 5 shall be the exclusive and exhaustive dispute resolution procedures between the Parties and their respective Affiliates and

Representatives, and the decision of the Arbitrator shall be final and binding on the Parties and their respective Affiliates and Representatives.

5.5 Continued Performance

Except where reasonably prevented by the nature of the Dispute, the Parties shall continue to perform, and shall cause their respective Affiliates and Representatives to continue to perform, their respective duties, obligations and responsibilities under the Ancillary Documents, as applicable, while the Dispute is being resolved in accordance with this Article 5, unless and until such obligations are lawfully terminated or expire in accordance with the provisions thereof.

5.6 Proceedings Confidential

All dispute resolution and arbitration proceedings (including all related information, communications, documents, materials, and evidence) shall be strictly confidential, and each Party shall have a fiduciary obligation to the other Party to protect, preserve and maintain the integrity of such confidentiality.

ARTICLE 6 GENERAL

6.1 Certain Rules of Interpretation

- (a) **Consent** — Whenever a provision of this Agreement requires an approval or consent of a Party and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (b) **Currency** — Unless otherwise specified, all references to money amounts are to lawful currency of Canada.
- (c) **Statutes** — Unless specified otherwise, direct or indirect references in this Agreement to a statute or other legislation refers to that statute or legislation as it may be amended or replaced from time to time, or to any restated legislation of comparable effect.
- (d) **Entities** — A reference to an entity includes any entity that is a successor to such entity.
- (e) **Headings** — Headings of Articles and Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement. The words “Article” or “Section” followed by a number or letter refers to the specified Article or Section of this Agreement.
- (f) **Including** — Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.
- (g) **Knowledge** – any qualification as to knowledge of a Party shall mean the actual knowledge of a director, officer or senior employee of such Party together with the

knowledge any such individual would reasonably be expected to have after due inquiry.

- (h) **No Strict Construction** — The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.
- (i) **Number and Gender** — Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (j) **Severability** — If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of such provision in any other jurisdiction and without affecting its application to other Parties or circumstances.
- (k) **Statutory References** — A reference to a statute includes all regulations and rules made pursuant to such statute and, unless otherwise specified, the provisions of any statute, regulation or rule which amends, supplements or supersedes any such statute, regulation or rule.
- (l) **Time** — Time is of the essence in the performance of the Parties' respective obligations under this Agreement.
- (m) **Time Periods** — Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of the period is not a Business Day.

6.2 Governing Law

This Agreement is a contract made under, and shall be governed by and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario without regard to any conflict of laws principles that would permit or require the application of the laws of any other jurisdiction. The Parties irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario and courts of appeal therefrom.

6.3 Entire Agreement

This and any other documents required to be delivered pursuant to or in connection with this Agreement (including the Transaction Agreements) collectively constitute the entire agreement between the Parties, and set out all of the covenants, promises, warranties, representations, conditions and agreements between the Parties, with respect to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties with

respect to the subject matter of this Agreement except as specifically set forth in this Agreement and any other documents required to be delivered pursuant to or in connection with this Agreement (including the Transaction Agreements).

6.4 Waiver and Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement, shall be binding unless executed in writing by each Party. No waiver of any condition or other provisions of this Agreement, in whole or in part, shall constitute a waiver of any other condition or provision (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

6.5 Enurement

The Parties agree that this Agreement is binding upon and enures to the benefit of the Parties and their respective successors and permitted assigns.

6.6 Notice

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party shall be in writing and may be given by sending same by email, prepaid first-class mail or by delivery by hand addressed to the Party to which the notice is to be given at the applicable address noted below. Any such notice, consent, waiver, direction or other communication, if sent by email, shall be deemed to have been given and received at the time of receipt (if a Business Day or, if not, the next succeeding Business Day) unless actually received after 5:00 p.m. (local time) at the point of delivery in which case it shall be deemed to have been received on the next succeeding Business Day; if mailed by prepaid first-class mail at any time other than during a general discontinuance of postal service due to strike, lock-out of otherwise, shall be deemed to have been received on the 4th Business Day after the post-marked date thereof; or, if delivered by hand, shall be deemed to have been received on the day on which it is delivered (if a Business Day, if not, the next succeeding Business Day).

The address for each of the Parties shall be as follows:

- (a) If to the Buyer or the Company at:

[Redacted]

Attention: **[Redacted – Personal Information]**

Email: **[Redacted – Personal Information]**

- (b) If to any member of the Quiring Group at:

[Redacted]

Attention: **[Redacted – Personal Information]**

E-mail: **[Redacted – Personal Information]**

6.7 Announcements

No press release, public statement or announcement, or other public disclosure with respect to this Agreement or the transactions contemplated hereby may be made except with the prior written consent and joint approval of the Parties, or if required by Applicable Laws. Where the public disclosure is required by Applicable Laws, the Party or Parties required to make the public disclosure will use its commercially reasonable efforts to obtain the approval of the other Party or Parties, as applicable, as to the form, nature and extent of the disclosure.

6.8 Expenses

Each Party will pay for its own costs and expenses incurred in connection with this Agreement or any Transaction Agreements and the transactions contemplated by them. The fees and expenses referred to in this Section 6.8 are those which are incurred in connection with the negotiation, preparation, execution and performance of this Agreement and the transactions contemplated hereby, including the fees and expenses of legal counsel, investment advisers and accountants.

6.9 Third Party Beneficiaries

This Agreement is entered into solely between, and may be enforced only by, the Parties and their respective successors and permitted assigns. This Agreement shall not be deemed to create any rights in any Person other than the Parties or to create any obligations of a Party to any such Person, whether directly or indirectly.

6.10 Assignment

No Party may assign its rights or transfer its obligations under this Agreement without the prior written consent of the other Parties, which consent shall not be unreasonably withheld, delayed or conditioned, and any attempt to make any such assignment or other transfer without such consent shall be null and void.

6.11 Further Assurances

Each of the Parties, upon the request of the other, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may reasonably be necessary or desirable to complete the transactions contemplated by this Agreement.

6.12 Counterparts

This Agreement may be executed by any Party in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. The transmission by facsimile of, or e-mail transmission of a portable document format (.pdf), copy of the execution page hereof reflecting the execution of this Agreement by any Party shall be effective to evidence the Party's intention to be bound by this Agreement and that Party's agreement to the terms, provisions and conditions hereof, all without the necessity of having to produce an original copy of such execution page.

6.13 Independent Legal Advice

Each Party acknowledges and confirms that such Party has received independent legal advice regarding this Agreement, fully understands this Agreement, and is entering into this Agreement voluntarily.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the Parties has executed this Agreement as of the date first written above.

**THE PETER QUIRING FAMILY
BUSINESS TRUST, [Redacted]**

By: (Signed) Peter Quiring
Name: Peter Quiring
Title: Trustee

2633867 ONTARIO INC.

By: (Signed) Peter Quiring
Name: Peter Quiring
Title: President

SOUTH ESSEX FABRICATING INC.

By: (Signed) Peter Quiring
Name: Peter Quiring
Title: President

FRESH ENERGY INC.

By: (Signed) Peter Quiring
Name: Peter Quiring
Title: President

PETER QUIRING HOLDINGS INC.

By: (Signed) Peter Quiring
Name: Peter Quiring
Title: President

AUXLY CANNABIS GROUP INC.

By: (Signed) Hugo Alves
Name: Hugo Alves
Title: Chief Executive Officer

SUNENS FARMS INC.

By: (Signed) Hugo Alves
Name: Hugo Alves
Title: Director

SCHEDULE "A"
REAL PROPERTY TRANSFER
[Redacted]

SCHEDULE "B"

REAL PROPERTY PROMISSORY NOTE

[Redacted]

SCHEDULE "C"

XLY PROMISSORY NOTE

[Redacted]

SCHEDULE "D"

QUIRINGCO PROMISSORY NOTE

[Redacted]

SCHEDULE "E"

RP #1 LEASE

[Redacted]

SCHEDULE "F"

RP #2 LEASE

[Redacted]

SCHEDULE "G"

PHASE II CONSTRUCTION MATERIALS

The "**Phase II Construction Materials**" shall include all of the assets and materials in the SEF Leased Premises as more particularly set out in photographs attached to the Mutual Acknowledgement.

SCHEDULE "H"

PAST DUE PAYMENT SCHEDULE

[Redacted]