



**SIMPLY SOLVENTLESS CONCENTRATES LTD.  
AMENDED AND RESTATED ANNUAL INFORMATION FORM**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

**December 10, 2025**

This Amended and Restated Annual Information Form amends and restates the Annual Information Forms of Simply Solventless Concentrates Ltd. dated March 24, 2025 and November 14, 2025, which has been revised to include the information in the section titled "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*", a risk factor regarding excise duties, as well as certain other updates to make the disclosure current as of the date hereof. Except as otherwise indicated, the information contained herein is as at December 31, 2024.

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## GLOSSARY

Certain terms and abbreviations used in this annual information form are defined below:

**"\$0.25 Units"** has the meaning ascribed thereto under "*Corporate Overview – Three-Year History – Financial Year ended December 31, 2024*".

**"\$0.40 Warrant"** has the meaning ascribed thereto under "*Corporate Overview – Three-Year History – Financial Year ended December 31, 2024*".

**"\$0.75 Warrant"** has the meaning ascribed thereto under "*Corporate Overview – Three-Year History – Financial Year ended December 31, 2024*".

**"2025 Debenture"** has the meaning ascribed thereto under "*Corporate Overview – Three-Year History – Recent Developments*".

**"2025 Debenture Unit"** has the meaning ascribed thereto under "*Corporate Overview – Three-Year History – Recent Developments*".

**"2025 Warrant"** has the meaning ascribed thereto under "*Corporate Overview – Three-Year History – Recent Developments*".

**"34 Street Seed Co"** is one of the brands through which SSC markets products as described under "*Description of the Business of the Corporation – Production and Services*".

**"ABCA"** means the *Business Corporations Act* (Alberta), including the regulations made thereunder, in each case as now in effect and as may be amended or replaced from time to time.

**"affiliate"** or **"associate"** when used to indicate a relationship with a person or company, has the meaning set forth in the *Securities Act* (Alberta).

**"AIF"** means this Amended and Restated Annual Information Form dated December 10, 2025, for the financial year ended December 31, 2024.

**"Amalgamation Agreement"** has the meaning ascribed thereto under "*Corporate Overview – Three-Year History – Financial Year ended December 31, 2023*".

**"ANC"** means ANC Inc., a wholly owned subsidiary of the Corporation.

**"ANC Acquisition"** has the meaning ascribed thereto under "*Corporate Overview – Three-Year History – Financial Year ended December 31, 2024*".

**"Astrolab"** is one of the brands through which SSC markets products as described under "*Description of the Business of the Corporation – Production and Services*".

**"Bio-Tech"** means Delta 9 Bio-Tech Inc., which was the name of Humble prior to the Bio-Tech Acquisition.

**"Bio-Tech Acquisition"** has the meaning ascribed thereto under "*Corporate Overview – Recent Developments*".

**"Board"** means the board of directors of the Corporation.

**"CanadaBis"** means CanadaBis Capital Inc.

**"cannabis"** means one of the classes of cannabis that an authorized person may sell as set out in Schedule 4 to the Cannabis Act, which, as the date hereof, includes dried cannabis, fresh cannabis, edible cannabis, cannabis extracts, cannabis topicals, cannabis plants and cannabis plant seeds.

**"Cannabis Act"** means the *Cannabis Act (Canada)* as now in effect and as may be amended or replaced from time to time.

**"cannabis product"** means cannabis of any authorized class after it has been packaged and labelled for sale to a consumer at the retail level, but does not include a pharmaceutical drug containing cannabis.

**"Cannabis Regulations"** means the SOR 2018/144: Cannabis Regulations made under the Cannabis Act as now in effect and as may be amended or replaced from time to time.

**"CannMart"** means CannMart Inc., a wholly owned subsidiary of the Corporation.

**"CannMart Acquisition"** has the meaning ascribed thereto under "*Corporate Overview – Three-Year History – Financial Year ended December 31, 2024*".

**"CEO"** means Chief Executive Officer.

**"CFO"** means Chief Financial Officer.

**"Common Shares"** means the common shares in the capital of the Corporation.

**"Corporation"** or **"SSC"** means Simply Solventless Concentrates Ltd.

**"Cultivation Licence"** means a federal licence issued by Health Canada pursuant to the Cannabis Act and Cannabis Regulations authorizing the holder thereof to possess cannabis, obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating or harvesting cannabis, obtain cannabis by altering its chemical or physical properties for the purpose of testing, and sell cannabis, as authorized by the license.

**"Dash"** means the Corporation prior to the Qualifying Transaction, known as "Dash Capital Corp."

**"Dash Subco"** means 2366191 Alberta Ltd. a wholly owned subsidiary of the Corporation which amalgamated with SSC PrivateCo pursuant to the Qualifying Transaction.

**"Debentureholder"** means a holder of Debentures.

**"Debentures"** means all convertible debentures issued by the Corporation.

**"Edmonton Facility"** has the meaning set forth in "*Description of the Business – Products and Services – Processing*".

**"Etobicoke Facility"** has the meaning set forth in "*Corporate Overview – Three-Year History – Financial Year ended December 31, 2023*".

**"Facility Acquisition Agreement"** means the asset purchase agreement dated August 30, 2021 between SSC PrivateCo and Sundial, as amended on February 25, 2022 and May 15, 2022, whereby SSC PrivateCo agreed to purchase the Rocky View Facility from Sundial.

**"Facility Sale"** has the meaning set forth in "*Corporate Overview – Three-Year History – Financial Year ended December 31, 2023*".

**"Facility Sale Agreement"** means the purchase and sale agreement dated June 28, 2023, between SSC PrivateCo and AYN Land Corp., pursuant to which the Facility Sale was completed.

**"Finder"** has the meaning set forth in *"Corporate Overview – Three-Year History – Financial Year ended December 31, 2023"*.

**"Finder Warrants"** has the meaning set forth in *"Description of Share Capital – Finder Warrants"*.

**"First Preferred Shares"** means the preferred shares in the capital of the Corporation.

**"Frootyhooty"** is one of the brands through which SSC markets products as described under *"Description of the Business of the Corporation – Production and Services"*.

**"Health Canada Licence"** means, collectively, standard processing, cultivation, and sales for medical purposes licences pursuant to the Cannabis Act.

**"Humble"** means Humble Grow Corp. dba Humble Grow Co., a wholly owned subsidiary of the Corporation.

**"Lampighter"** is one of the brands through which SSC markets products as described under *"Description of the Business of the Corporation – Production and Services"*.

**"Licensed Producer"** means the holder of a federal licence issued by Health Canada pursuant to the Cannabis Act and Cannabis Regulations authorizing the licence holder to undertake activities with cannabis as specified in the license and includes the holder of a Cultivation Licence, Processing License, Sales License and/or Medical Sales License.

**"Massive Hash Factory"** means Massive Hash Factory Ltd., a wholly owned subsidiary of the Corporation.

**"Medical Sales License"** means a federal license issued by Health Canada pursuant to the Cannabis Act and the Cannabis Regulations authorizing the holder thereof to possess cannabis and sell cannabis to certain other federal license holders and its own registered medical clients as authorized in the license.

**"Options"** means stock options to purchase Common Shares.

**"Policy 2.4"** means TSXV Policy 2.4 - *Capital Pool Companies*.

**"Pre-RTO Warrants"** has the meaning ascribed thereto under *"Corporate Overview – Three-Year History – Financial Year ended December 31, 2024"*.

**"Processing Licence"** means a federal licence issued by Health Canada pursuant to the Cannabis Act and the Cannabis Regulations, authorizing the holder thereof to possess cannabis, produce cannabis other than by cultivating, propagating or harvesting it and sell cannabis as authorized by the license.

**"Qualifying Transaction"** means the amalgamation of Dash Subco with SSC PrivateCo to form Massive Hash Factory, which constituted the qualifying transaction of SSC pursuant to Policy 2.4.

**"Resulting Issuer"** has the meaning ascribed to that phrase in Policy 2.4.

**"Rocky View Facility"** means SSC's fully licenced cannabis cultivation and processing facility located in Rocky View County, Alberta.

**"Rocky View Facility Lease Agreement"** has the meaning ascribed thereto under "*Corporate Overview – Three-Year History – Financial Year ended December 31, 2023*".

**"Roilty"** is one of the brands through which SSC markets products as described under "*Description of the Business of the Corporation – Production and Services*".

**"Sales Licence"** means a federal licence issued by Health Canada pursuant to the Cannabis Act and the Cannabis regulations authorizing the holder thereof to, among other things, sell cannabis to other federal license holders and/or a person authorized to sell cannabis under applicable provincial or territorial law as authorized in the license.

**"Shareholders"** means holders of Common Shares.

**"Spring 2024 Warrant"** has the meaning ascribed thereto under "*Corporate Overview – Three-Year History – Financial Year ended December 31, 2024*".

**"SSC PrivateCo"** means the private company Simply Solventless Concentrates Ltd., which amalgamated with Dash Subco to form Massive Hash Factory pursuant to the Qualifying Transaction.

**"SSC PrivateCo Share"** means the common shares in the capital of the SSC PrivateCo.

**"SSC PrivateCo Warrant"** means share purchase warrants, each of which entitled the holder thereof to purchase one SSC PrivateCo Share.

**"Status"** is one of the brands through which SSC markets products as described under "*Description of the Business of the Corporation – Production and Services*".

**"Summer 2024 Warrants"** has the meaning ascribed thereto under "*Corporate Overview – Three-Year History – Financial Year ended December 31, 2024*".

**"Sundial"** means Sundial Growers Inc.

**"TSXV"** means the TSX Venture Exchange.

**"Warrants"** means share purchase warrants, each of which entitles the holder thereof to purchase one Common Share.

**"Winnipeg Facility"** has the meaning ascribed thereto under "*Corporate Overview – Recent Developments*".

**"Zest Cannabis"** is one of the brands through which SSC markets products as described under "*Description of the Business of the Corporation – Production and Services*".

## CURRENCY

All currency amounts (\$) expressed herein, unless otherwise indicated, are expressed in Canadian dollars.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this AIF constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact may be forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "continue", "estimate", "expect",

"may", "will", "project", "predict", "potential", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements. The Corporation believes that the expectations reflected in those forward looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward looking statements included in this AIF should not be unduly relied upon by investors. In particular, this AIF may contain forward-looking statements pertaining to the following:

- the retrofit of the Winnipeg Facility;
- pursuing legal remedies against CanadaBis;
- the business strategy, objectives, strengths and focus of the Corporation;
- the maintenance of licenses and regulatory approvals to continue to conduct the Corporation's cannabis-related activities;
- timing to launch new products;
- projections of market prices;
- expected operating costs, general and administrative costs, costs of services and other costs and expenses;
- ability to establish and market the Corporation's brand within its targeted markets and compete successfully;
- ability to meet current and future obligations;
- the Corporation's ability to attract and retain qualified personnel;
- legislation, regulations and licensing relating to the processing, distribution and sale of cannabis products for recreational and medical purposes;
- treatment under governmental regulatory regimes and tax laws;
- financial condition and capital resources;
- ability to obtain additional financing on acceptable terms or at all; and
- currency, exchange and interest rates.

Although management of the Corporation believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this AIF:

- ability of management to execute its business plan;
- ability to manage growth in the Corporation's business;
- ability to maintain licenses and necessary approvals;
- ability to sell cannabis products;
- access to market for the Corporation's cannabis products;
- ability to execute on shipment and distribution of the Corporation's cannabis products;
- ability to keep pace with changing consumer preferences;
- ability to protect the Corporation's intellectual property;
- timing and amount of capital expenditures;
- operating costs;
- government regulations, including future legislative and regulatory developments involving recreational and medical cannabis and timing thereto;
- demand for cannabis products and corresponding forecasted increase in revenues;
- size of the recreational and medical cannabis markets in Canada;
- legislative and regulatory environments of the jurisdictions where the Corporation carries on business;
- ability of the Corporation to obtain qualified staff, services, supplies and equipment in a timely and cost-efficient manner;
- the Corporation's competitive advantages;
- conditions in general economic and financial markets;

- the Corporation's ability to obtain additional financing on satisfactory terms; and
- the other factors discussed under "*Risk Factors*".

With respect to forward-looking statements contained in this AIF, the Corporation has made assumptions regarding, among other things:

- the legislative and regulatory environments of the jurisdictions where the Corporation carries on business or has operations;
- commodity prices;
- the effect consumer perception of the medical and recreational use of cannabis will have on the market price of cannabis products;
- ability of the Corporation to develop or maintain a brand that attracts or retains customers;
- the impact of increasing competition;
- any failure by the Corporation to comply with applicable regulations could prevent it from being able to carry on its business, and there may be additional costs associated with any such failure;
- federal, provincial and municipal government cannabis regulation and changes thereto;
- any failure by the Corporation or its suppliers to comply with supplier standards established by provincial or territorial distributors could prevent the Corporation from accessing certain markets in Canada;
- stock market volatility and market valuations;
- changes in general economic, market and business conditions;
- the cannabis industry has experienced, and continues to experience, price compression, which may adversely impact the Corporation's profitability;
- availability of skilled labour;
- timing and amount of capital expenditures;
- conditions in general economic and financial markets; and
- the Corporation's ability to obtain additional financing to finance its development and operations, and its ability to secure such financing on satisfactory terms.

The Corporation has included the above summary of assumptions and risks related to forward-looking information provided in this AIF in order to provide investors with a more complete perspective on SSC's current and future operations and such information may not be appropriate for other purposes.

**Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this AIF are expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Corporation does not undertake any obligation or is not under any duty to publicly update or revise any forward-looking statements. Readers should also carefully consider the matters discussed under the heading "*Risk Factors*" in this AIF.**

## CORPORATE STRUCTURE

### **Name, Address and Incorporation**

The Corporation was incorporated pursuant to the ABCA on January 13, 2021 under the name "Dash Capital Corp." The Corporation was a Capital Pool Company listed on the TSXV until completion of its Qualifying Transaction pursuant to TSXV policies on December 14, 2023, following which the Corporation was listed as a tier 2 issuer on the TSXV.

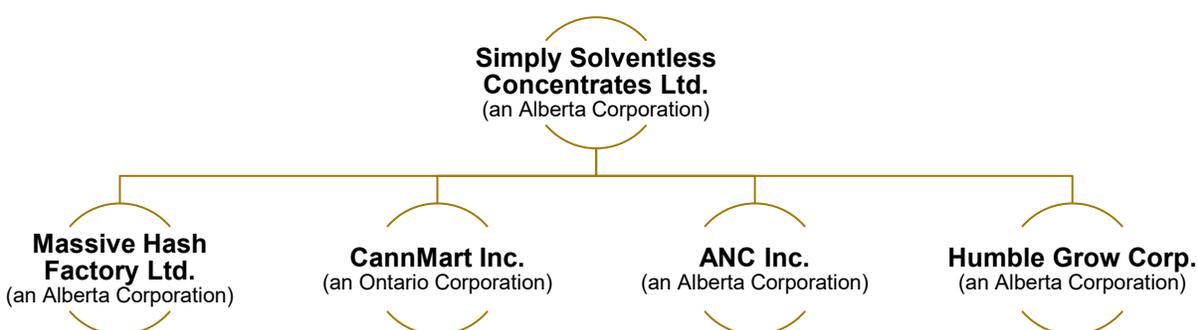
Pursuant to the Qualifying Transaction, among other things, Dash Subco, a wholly owned subsidiary of the Corporation, amalgamated with SSC PrivateCo to form Massive Hash Factory and then Dash changed its name to "Simply Solventless Concentrates Ltd." On November 28, 2024, the Corporation announced it had graduated to tier 1 on the TSXV.

The Corporation is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario, and the Common Shares are listed on the TSXV under the trading symbol "HASH". The Corporation's mission is to provide pure, potent and terpene-rich ready to consume cannabis products to discerning cannabis consumers.

The Corporation's registered office is located at 4200 Bankers Hall West, 888 - 3rd Street S.W., Calgary, Alberta T2P 5C5.

### Intercorporate Relationships

The following diagram describes the inter-corporate relationships among the Corporation and its wholly owned subsidiaries as of the date hereof:



## CORPORATION OVERVIEW

### Three-Year History

#### *Recent Developments*

On September 3, 2025, SSC announced the appointment of Emily Riehl to the position of Vice President, Sales and the grant of 250,000 Options to Ms. Riehl at an exercise price of \$0.35 per share.

On July 24, 2025, SSC announced the appointment of Ananth Krishnan to the position of Chief Financial Officer and the grant of 1,250,000 Options to Mr. Krishnan at an exercise price of \$0.29 per share.

On July 18, 2025, SSC announced that it had commenced planning of the retrofit of its Winnipeg Facility, which is expected to increase cannabis production from approximately 8,000 kg per year to approximately 12,000kg -14,000 kg per year.

On July 18, 2025, SSC also announced the closing of the amendment of certain promissory notes issued pursuant to the ANC Acquisition, which included, among other things: (a) the satisfaction of \$3.4 million by the issuance of 6,875,000 Common Shares; (b) the discharge of \$0.5 million; (c) that \$1.0 million will be repaid in cash on or before June 3, 2026; and (d) that \$2.2 million will be repaid in weekly cash payments averaging \$21,370.19 over two years.

On June 16, 2025, SSC announced that it had reached an agreement with Natura Life + Science, a California cannabis company, to launch Sluggers, a northern California cannabis brand in the Canadian market. SSC has exclusivity on distribution of the Sluggers brand in Canada, SSC will retain 75% of the net income generated from the sale of the Sluggers products. SSC will provide all raw materials and Natura will pay for all sales and marketing activities.

On April 30, 2025, SSC announced that it would not be in a position to file its audited annual financial statements for the year ended December 31, 2024, the related management's discussion and analysis and CEO and CFO certificates by the required deadline of April 30, 2025 (the "**Required Filings**") due to a delay in the financial statement audit process and that it had filed a management cease trade order application with the ASC. On May 5, 2025, the ASC granted the management cease trade order (the "**MCTO**"). On June 16, 2025, SSC announced that Jeff Holmgren, CFO of SSC, was no longer with SSC. On June 19, 2025, SSC filed the Required Filings and the MCTO expired on June 24, 2025.

On March 12, 2025, the Corporation announced the entering into of an arrangement agreement (the "**Arrangement Agreement**") dated March 11, 2025 with CanadaBis, pursuant to which SSC agreed to acquire all of the issued and outstanding shares of CanadaBis by way of court approved plan of arrangement under the ABCA from CanadaBis shareholders. On April 30, 2025, SSC announced that the Arrangement Agreement had been terminated by CanadaBis. SSC is of the opinion that CanadaBis did not validly terminate the Arrangement Agreement in accordance with its terms, and demanded payment of the break fee in the amount of \$1,200,000 by no later than April 30, 2025. As of the date hereof, the break fee has not been paid to SSC. SSC intends to pursue all available legal remedies against CanadaBis.

On February 28, 2025, the Corporation announced the closing of its acquisition of all of the issued and outstanding shares of Bio-Tech (the "**Bio-Tech Acquisition**") through a court granted sale and investment solicitation process for cash consideration of \$3,000,000. In connection with the Bio-Tech Acquisition, SSC entered into a lease agreement on closing in respect of the Bio-Tech facility (the "**Winnipeg Facility**") with an arms-length party for a 10-year term with renewal options. Immediately upon closing of the Bio-Tech Acquisition, Bio-Tech's corporate name was changed to "Humble Grow Corp.", with Humble Grow Co. registered as the trade name.

On February 28, 2025, SSC granted 2,715,000 Options to directors, officers, and employees of SSC at an exercise price of \$0.63. The Options vest as to 1/3 on the grant date, 1/3 on the first anniversary of the grant date and 1/3 on the second anniversary of the grant date and expire after five years.

On February 13, 2025, the Corporation closed the previously announced non-brokered financing of secured convertible debenture units (the "**2025 Debenture Units**") for gross proceeds of \$6.0 million, inclusive of a \$1.0 million oversubscription and a \$3.0 million lead order from institutional investor Plaza Capital. Each 2025 Debenture Unit consisted of one \$1,000 principal value secured convertible debenture ("**2025 Debenture**") and one Warrant of SSC (a "**2025 Warrant**"). Each 2025 Debenture will mature 48 months from the date of closing. Each 2025 Warrant is exercisable for one Common Share of SSC at a price of \$1.20 per Common Share for a period of four years from the date of issuance.

#### *Financial Year ended December 31, 2024*

On December 30, 2024, SSC announced that all of SSC's 8,700,000 Warrants exercisable at a price of \$0.40 per share issued pursuant to the warrant indenture dated July 16, 2024 and with an expiry date of December 23, 2024 (the "**Summer 2024 Warrants**"), had been exercised for proceeds of \$3,480,000.

On December 30, 2024, the Corporation announced the appointment of Jeff Holmgren as CFO and the promotion of Murray Brown from Vice President, Operations, to the position of Chief Operating Officer.

On December 28, 2024, the Corporation appointed Jeff Lawrence to the position of Chief Commercial Officer.

In connection with the appointment of Jeff Holmgren as CFO, SSC granted Jeff Holmgren 400,000 Options with an exercise price of \$0.64 per one Common Share and expiring five years from the date of grant.

On November 28, 2024, the Corporation graduated from TSXV Tier 2 to TSXV Tier 1.

On November 21, 2024, the Corporation announced the exercise of its right (the "**Summer 2024 Acceleration Right**") to accelerate the expiry of approximately 8,000,000 of SSC's remaining Summer 2024 Warrants, which were set to expire on July 17, 2026. Following the exercise of the Summer 2024 Acceleration Right, any remaining unexercised \$0.40 Warrants were to expire on December 21, 2024 (later updated to December 23, 2024 due to the former date landing on a Saturday).

On October 28, 2024, SSC announced that approximately 14,844,910 Warrants originally expiring in August 2026 (the "**Pre-RTO Warrants**") had been exercised, or were in the process of being exercised, for proceeds of \$2,968,982.

On October 25, 2024, the Corporation extended the acceleration expiry of the Pre-RTO Warrants from October 26, 2024 to November 29, 2024.

On October 18, 2024, the Corporation announced that its brands Astrolab, Frootyhooty, and Lamplighter entered the Manitoba market with the launch of 25 SKUs.

On October 17, 2024, SSC closed its acquisition (the "**ANC Acquisition**") of all of the issued and outstanding shares of ANC pursuant to a share purchase agreement dated September 25, 2024 among SSC, ANC, Super Technical Things & Stuff Ltd. ("**STTS**") and the shareholders of ANC and STTS. In conjunction with closing of the ANC Acquisition, SSC issued to ANC shareholders: (i) promissory notes totaling \$7 million, with up to an additional maximum of \$3.5 million earnout (such contingent consideration payable 50% in Common Shares and 50% as an election of either Common Shares or cash) and an unknown, contingent patent earnout comprised of 0.2x EBITDA on only patent income and (ii) 6,000,000 units of SSC ("**\$0.50 Units**") at a deemed price of \$0.50 per \$0.50 Unit. Each \$0.50 Unit consists of one Common Share and one-half of one Warrant ("**\$0.75 Warrant**") of SSC, with each whole \$0.75 Warrant being exercisable for one Common Share of SSC at a price of \$0.75 per Common Share at any time prior to 4:30 p.m. (Calgary time) on October 17, 2026. STTS was subsequently dissolved following closing of the ANC Acquisition.

On September 26, 2024, the Corporation announced the exercise of its right to accelerate the expiry of the Pre-RTO Warrants to October 26, 2024. The Pre-RTO Warrants are exercisable at a price of \$0.20 per Pre-RTO Warrant.

On September 12, 2024, the Corporation closed its acquisition (the "**CannMart Acquisition**") of all of the issued and outstanding shares of CannMart including the brands Roilty and Zest Cannabis, from Lifeist Wellness Inc. ("**Lifeist**") pursuant to a share purchase agreement dated June 25, 2024 among SSC, CannMart and Lifeist (the "**CannMart SPA**"). In conjunction with closing of the CannMart Acquisition, SSC paid Lifeist \$500,000 in cash, a vendor takeback loan in the principal amount of \$1,700,000, which may be adjusted pursuant to the terms of the CannMart SPA, and 2,000,000 units of SSC ("**\$0.25 Units**") at a deemed price of \$0.25 per \$0.25 Unit. Each \$0.25 Unit consists of one Common Share and one-half of one Warrant ("**\$0.40 Warrant**") of SSC, with each whole \$0.40

Warrant being exercisable for one Common Share of SSC at a price of \$0.40 per share for a period of two years from the date of issue.

On July 16, 2024, the Corporation closed its oversubscribed non-brokered private placement of units ("**Summer 2024 Units**") for gross proceeds of \$3.85 million. A total of 15,400,000 Summer 2024 Units were issued at a price of \$0.25 per Summer 2024 Unit. Each Summer 2024 Unit consists of one Common Share and one-half of one Summer 2024 Warrant of SSC, with each whole Warrant being exercisable for one Common Share of SSC at a price of \$0.40 per share for a period of two years from the date of issue.

On June 25, 2024, the Corporation announced that Jeff Lawrence, SSC's Vice President, Sales & Marketing, had been promoted to the position of Chief Commercial Officer, and that Colin Davison, a member of the Board, and Randeep Gill, SSC's Vice President, Commercial, had resigned.

On June 25, 2024, SSC granted to employees an aggregate of 575,000 Options under SSC's equity incentive plan at an exercise price of \$0.25 per share and expiring on June 20, 2027.

On April 29, 2024, the Corporation announced the appointment of Murray Brown as Vice President, Operations.

On April 17, 2024, the Corporation closed its oversubscribed non-brokered private placement of units ("**Spring 2024 Units**") for proceeds of \$800,000.10. A total of 5,333,334 Spring 2024 Units were issued at a price of \$0.15 per Spring 2024 Unit, with each Spring 2024 Unit consisting of one Common Share and one Warrant of SSC (a "**Spring 2024 Warrant**"). Each Spring 2024 Warrant is exercisable for one Common Share of SSC at a price of \$0.20 per share for a period of three years from the date of issuance.

On January 24, 2024, the Corporation appointed Jeff Lawrence to the position of Vice-President, Marketing & Sales.

On January 15, 2024, the Corporation announced the appointment of Randeep Gill to the position of Vice President, Commercial.

On January 15, 2024, the Corporation entered into agreements with a Licensed Producer providing for the sale of assets and inventory relating to the production and sale of the Lamplighter brand to the Corporation.

#### *Financial Year ended December 31, 2023*

On December 20, 2023, trading in the Common Shares resumed on the TSXV under the ticker symbol "HASH".

On December 14, 2023, the Corporation completed the Qualifying Transaction. Pursuant to the Qualifying Transaction, among other things: (i) the Corporation implemented a consolidation of its then issued and outstanding 11,000,000 Common Shares on the basis of one new Common Share for every two existing Common Shares; (ii) SSC PrivateCo amalgamated with Dash Subco to form Massive Hash Factory, a new wholly owned subsidiary of the Corporation; (iii) all issued and outstanding SSC PrivateCo Shares were cancelled and each former holder thereof, other than former holders who validly dissented in respect of the amalgamation, was entitled to receive one Common Share for each one SSC PrivateCo Share previously held; (iv) each holder of SSC PrivateCo Warrants, SSC PrivateCo Finder Warrants and stock options of SSC PrivateCo received one Warrant, one Finder Warrant or one Option, respectively, for each one SSC PrivateCo Warrant, SSC PrivateCo Finder Warrant or each stock option of SSC PrivateCo outstanding prior to the Qualifying Transaction, as applicable; and (v) the Corporation changed its name to "Simply Solventless Concentrates Ltd."

On December 14, 2023, Dash, SSC PrivateCo and Dash Subco entered into an amended and restated amalgamation agreement, which amended and restated the amalgamation agreement dated August 6, 2021, which sets forth the terms and conditions of the Qualifying Transaction ("**Amalgamation Agreement**").

In November 2023, SSC PrivateCo launched its second recreational cannabis brand, Frootyhooty, in the Alberta recreational cannabis market. Frootyhooty is now available in Alberta, Ontario, and Saskatchewan.

On August 28, 2023, SSC PrivateCo completed a non-brokered private placement of 2,923,469 SSC PrivateCo units (the "**SSC PrivateCo Units**"), each SSC PrivateCo Unit consisting of one SSC PrivateCo Share and one SSC PrivateCo Warrant, at the price of \$0.20 per SSC PrivateCo Unit for aggregate gross proceeds of \$576,293.80 (the "**SSC PrivateCo Unit Offering**"). The SSC PrivateCo Warrants issued in the SSC PrivateCo Unit Offering were exercisable at a price of \$0.20 per underlying SSC Share for a period of 3 years from the date of issuance.

PI Financial Corp. (the "**Finder**") acted as finder in connection with the SSC PrivateCo Unit Offering. As consideration for the services rendered by the Finder, SSC PrivateCo: (a) granted the Finder 42,000 SSC PrivateCo finder warrants (the "**SSC PrivateCo Finder Warrants**"); and (b) paid the Finder a cash commission of \$8,400. Each SSC PrivateCo Finder Warrant entitled the Finder to purchase one SSC PrivateCo Share at the price of \$0.20 per SSC PrivateCo Share for a period of 3 years from the date of issuance. In connection with the SSC PrivateCo Unit Offering, the aggregate principal amount of \$1,041,444 unsecured convertible debentures of SSC PrivateCo (the "**SSC PrivateCo Debentures**"), being all of the outstanding SSC PrivateCo Debentures, plus accrued interest thereon in the amount of \$120,904, automatically converted into 6,837,343 SSC PrivateCo Units, each SSC PrivateCo Unit consisting of one SSC PrivateCo Share and one SSC PrivateCo Warrant, at the price of \$0.17 per SSC PrivateCo Unit on closing of the SSC PrivateCo Unit Offering. In addition, all outstanding SSC PrivateCo Warrants, other than the SSC PrivateCo Warrants issued in connection with the SSC PrivateCo Unit Offering, were amended to have an exercise price of \$0.20 per SSC PrivateCo Share, and the term of such SSC PrivateCo Warrants was extended to be for a period of three years from August 28, 2023.

On June 28, 2023, SSC PrivateCo sold the Rocky View Facility to AYN Land Corp. ("**AYN**") for an aggregate purchase price of \$1,500,000 pursuant to the Facility Sale Agreement (the "**Facility Sale**"). In connection with the Facility Sale, a vendor-take-back mortgage in favour of Sundial for \$5,907,597 with a 7% interest rate (and interest only payments until maturity on June 30, 2024) (the "**VTB Mortgage**"), and a royalty payable of \$2,000,000 based on 7% of SSC PrivateCo's net revenue (the "**Sundial Royalty**") were extinguished, and SSC PrivateCo entered into a lease agreement with AYN dated June 28, 2023 to lease the Rocky View Facility from AYN (the "**Rocky View Facility Lease Agreement**").

On June 22, 2023, William Macdonald resigned as CEO of SSC PrivateCo, Jeff Swainson was re-appointed as the President and CEO of SSC PrivateCo, and Jeff Hall was appointed as the CFO of SSC PrivateCo.

On June 15, 2023, Dash, SSC PrivateCo and Dash Subco entered into a sixth amending agreement to the Amalgamation Agreement to, among other things, extend the outside date of the Qualifying Transaction to August 15, 2023.

In May 2023 SSC launched its first recreational cannabis brand, Astrolab, in the Alberta recreational cannabis market. Astrolab is now available in Alberta, Ontario, and Saskatchewan.

On May 11, 2023, Hugh Porter resigned as the CFO of SSC PrivateCo.

On April 27, 2023, Dash and SSC PrivateCo announced that William Macdonald was appointed as sole director and CEO of SSC PrivateCo, replacing Tara Johnson-Ouellette, who made a personal decision to step down as sole director and interim CEO.

On April 26, 2023, Dash, SSC PrivateCo and Dash Subco entered into a fifth amending agreement to the Amalgamation Agreement to, among other things, extend the outside date of the Qualifying Transaction.

On March 30, 2023, Hugh Porter was appointed as the CFO of SSC PrivateCo.

On March 15, 2023, Tara Johnson-Ouellette resigned as interim CEO and director of SSC PrivateCo, and William Macdonald was appointed as CEO and director of SSC PrivateCo in her place.

On February 13, 2023, Dash, SSC PrivateCo and Dash Subco entered into a fourth amending agreement to the Amalgamation Agreement to, among other things, contemplate the exchange, on a dollar-for-dollar basis, immediately prior to the closing of the Qualifying Transaction of all issued and outstanding SSC PrivateCo Debentures for unsecured convertible debentures of the Resulting Issuer on the same terms and conditions as the SSC PrivateCo Debentures.

#### *Financial Year ended December 31, 2022*

On November 21, 2022, Dash, SSC PrivateCo and Dash Subco entered into a third amending agreement to the Amalgamation Agreement, to extend the outside date of the Qualifying Transaction.

On November 15, 2022, SSC PrivateCo received its research and development license from Health Canada, which allowed SSC PrivateCo to conduct certain cannabis research activities.

In September and October 2022, SSC PrivateCo achieved its first months of net income profitability.

On August 8, 2022, SSC PrivateCo received a secured loan in the amount of \$250,000 evidenced by a promissory note from Dash, which was approved by the TSXV on July 21, 2022.

On July 6, 2022, SSC PrivateCo received its Health Canada Cultivation Licence, Processing Licence, and Sales Licence and closed its previously announced acquisition of the Rocky View Facility.

On June 30, 2022, pursuant to the Facility Acquisition Agreement, SSC PrivateCo closed the acquisition of the Rocky View Facility from Sundial for consideration of \$500,000 cash, the VTB Mortgage, and the Sundial Royalty.

Concurrently with closing the acquisition of the Rocky View Facility, SSC PrivateCo received its Health Canada Licence to process, cultivate, and sell cannabis. SSC PrivateCo began to manufacture solventless cannabis products under its Health Canada Licence for distribution to the B2B markets and commenced tolling arrangements whereby SSC PrivateCo processes third party cannabis biomass for a fee.

On June 30, 2022, SSC PrivateCo issued the aggregate principal amount of \$658,376.72 SSC PrivateCo Debentures. The SSC PrivateCo Debentures had an interest rate of 12% per annum and were convertible into SSC PrivateCo shares at 85% of the issue price of the SSC PrivateCo shares issued in SSC PrivateCo's next equity financing for gross proceeds of at least \$500,000 or upon a change of control of SSC PrivateCo. The SSC PrivateCo Debentures ranked *pari passu* to all existing and future unsecured indebtedness of SSC PrivateCo, other than, for certainty, senior indebtedness to the extent that such other existing and future unsecured indebtedness of SSC PrivateCo is subordinated on the same terms.

Effective May 31, 2022, Dash, SSC PrivateCo and Dash Subco entered into a second amending agreement to the Amalgamation Agreement, to extend the outside date of the Qualifying Transaction.

In March 2022, SSC PrivateCo issued 1,204,000 SSC PrivateCo Units (each, an "**SSC PrivateCo Unit**") at a price of \$0.25 per SSC PrivateCo Unit for gross proceeds of \$301,000.

### **Significant Acquisitions**

The Corporation did not complete any significant acquisitions during its most recently completed financial year ended December 31, 2024.

## **DESCRIPTION OF THE BUSINESS OF THE CORPORATION**

SSC and its wholly-owned subsidiaries provide industry-leading services and high-quality cannabis products across the adult use market in Canada and internationally. SSC and its subsidiaries operate out of the Rocky View Facility (Massive Hash Factory), Edmonton Facility (ANC), Etobicoke Facility (Cannmart) and Winnipeg Facility (Humble Grow), each licenced by Health Canada for the processing, cultivation, and sale of cannabis products. As of the date hereof, the Corporation (including its subsidiaries) sells its products in 7 provinces and 2 territories. SSC has three processing sites and one cultivation site through which it cultivates and manufactures cannabis products for sale under B2B, tolling arrangements and its own brands. SSC rolled out its own branded products in Q2 2023. The Corporation currently offers recreational cannabis products through its 7 recreational brands: Astrolab™, Lamplighter™, Frootyhooty™, Roilty™, Zest Cannabis™, Status™, and 34 Street Seed Co™.

SSC also owns confidential intellectual property regarding the branding, formulation and manufacturing of high quality solventless cannabis products at commercial scale and is dedicated to creating high quality solventless cannabis products for recreational cannabis consumers.

The business of the Corporation is focused on providing pure, potent, terpene-rich, ready to consume cannabis products to discerning cannabis consumers. The Corporation aims to be the most profitable cannabis company in Canada through customer connection and prudent capital stewardship. To accomplish this goal, SSC balances two primary growth drivers: (a) organic revenue growth through development of in-house brands; and (b) executing advantageous acquisitions.

The Corporation is led by an executive team with significant experience in the cannabis industry and a strong track record in operations and acquisitions, which has successfully executed its business plan to rapidly scale the Corporation's operations.

### **Products and Services**

SSC's principal business is comprised of manufacturing recreational adult-use cannabis products for sale in Canada. SSC cultivates, processes and dispenses a wide-range of pure, potent, terpene-rich solventless cannabis products. These products include, but are not limited to, bubble hash, soft traditional hash, dry sift hash, hash rosin, diamonds, live rosin, live rosin vape cartridges, infused pre-rolls, and diamonds and sauce.

The Corporation oversees the entire cannabis product lifecycle, from cultivating cannabis flower, processing it into manufactured products, and selling these products for adult use. The Corporation believes it has developed the in-house resources necessary to ensure its licensed entities adhere to best practices in cultivation, processing, and sale of cannabis products.

In addition to its own branded products, SSC sells and distributes its products through B2B and tolling arrangements. In the past, SSC has earned revenue from split-tolling services by processing raw

materials into semi-finished or finished goods. Under a split-tolling arrangement, as compensation for the processing, SSC retained ownership of approximately 50% of the resulting semi-finished or finished goods and revenue was recognized on the value of the semi-finished or finished goods returned to the customer. SSC has not used split-tolling arrangements subsequent to December 31, 2024.

*Cultivation*

On February 28, 2025, SSC announced the closing of the strategic acquisition of cannabis cultivator Humble (formerly, Bio-Tech). Vertically integrating upstream into cultivation was a core SSC strategic mandate due to a tightening supply demand dynamic pushing cannabis prices upward, SSC's increasing demand for dried flower due to the acquisition of pre-roll manufacturer ANC, and the desire for SSC to participate in the dried flower product category which holds a 40% market share (according to Headset data). The Bio-Tech Acquisition provides SSC with a predictable volume of high-quality GACP certified internationally exportable flower and trim for use in SSC's pre-rolls and in the manufacturing of concentrates and hash, with a low per gram cost of cultivation.

About our Cultivation Facility	
Winnipeg Facility	In connection with the Bio-Tech Acquisition in February 2025, Humble entered into a lease agreement on closing with an arms-length party in respect of a 98,000 square foot Good Agricultural Collection Practice (" <b>GACP</b> ") certified cannabis cultivation facility operated by Humble in Winnipeg, Manitoba for a 10-year term with renewal options. The Winnipeg Facility has 300 cultivation rooms and an annual cultivation capacity of approximately 8,000 kg of dried cannabis flower and trim. Humble currently services the recreational dried flower markets in Ontario, Alberta, Manitoba, Saskatchewan, British Columbia, and the Maritimes, and the business-to-business wholesale market in Canada and internationally.

*Processing*

The Corporation believes its manufacturers are industry leaders in achieving the desired composition of cannabinoids and terpenes in finished products through processing and purification. The Corporation's processing facilities produce a wide spectrum of solid, liquid and inhaled products.

About our Processing Facilities	
Rocky View Facility	SSC PrivateCo, which amalgamated to form Massive Hash Factory, received its Health Canada Cultivation Licence, Processing Licence, and Sales Licence on July 6, 2022. Massive Hash Factory leases the Rocky View Facility and has an option to purchase the Rocky View Facility from AYN for the price of \$3 million in accordance with the terms set out in the Rocky View Facility Lease Agreement. The Rocky View Facility Lease Agreement provides for a term of five years, with an option to extend for 10 years in accordance with the terms of the Rocky View Facility Lease Agreement. The rent under the Rocky View Facility Lease Agreement is \$35,000 per month, plus applicable taxes. Pursuant to the Rocky View Facility Lease Agreement, the Rocky View Facility may be used for licenced cannabis cultivation, processing, extraction, and warehousing, and as ancillary to the foregoing, for office purposes.
Etobicoke Facility	CannMart is party to a lease for one of only a few BHO Extraction spaces in Canada, an approximately 4,000 square foot state-of-the-art facility located in Etobicoke, Ontario (the " <b>Etobicoke Facility</b> "). The Etobicoke Facility serves as a packaging, storage, and logistics hub for both CannMart and SSC products and brands, allowing more cost-effective shipping to Ontario, Manitoba, Quebec, and the Maritimes.
Edmonton Facility	ANC leases a 33,500 square foot Health Canada licensed facility in Edmonton, Alberta (the " <b>Edmonton Facility</b> "). ANC's suite of services encompasses milling, rigorous QA tests, bespoke label designs, and premium packaging. ANC offers a variety of packaging types, including cylindrical tubes, shell casing, sliding tins, custom cigarette boxes and glass. The pre-roll inserts on offer range from plastic to fluted paper and pop-top plastic. The Edmonton Facility has a 5 million pre-roll production capacity each month.

Massive Hash Factory operates out of the Rocky View Facility. The focus is on solventless techniques to ensure that every product created preserves the full spectrum of cannabinoids and terpenes. The products are crafted using methods such as ice water extraction, combined with precise heat and pressure, to maintain the integrity of the plant's natural compounds.

CannMart owned the brands Roilty and Zest Cannabis which are leaders in hydrocarbon extract products in Alberta, Ontario, Saskatchewan, and Manitoba, and with a presence in Quebec, the Maritimes, and the Territories. CannMart is a Licensed Producer and offers a range of cannabis products for every consumer from dried flower to topicals. Through the CannMart Acquisition, SSC indirectly acquired all CannMart's provincial product listings, intellectual property (including the brands Roilty and Zest Cannabis), facility equipment and security systems, and Health Canada Licences. CannMart is also a leader in the sale of hydrocarbon extracts.

ANC is a leading pre-roll and white label manufacturer in Canada. Partnering with Licensed Producers nationwide, ANC specializes in crafting traditional, cigarette-style, blunts and infused pre-rolls in-house at the Edmonton Facility, maximizing efficiency and cost savings. ANC began pre-roll production in September 2020 and holds significant intellectual property, some of which is patented. ANC specializes in white-label to allow brands to shine while managing the production details

### *Consumer Brands*

The Corporation's products are sold under its brands in Alberta, Saskatchewan, Manitoba and Ontario, Quebec, Nova Scotia, Newfoundland and all three Territories, representing participation in approximately 65% of the Canadian market:



Solventless Concentrates: live rosin infused pre-rolls, concentrates, hash, edibles, and beverages.



Amplified Solventless: flavour focused live rosin amplified liquid diamond and distillate infused pre-rolls, blunts, vapes, concentrates, and hash.



Hydrocarbon Concentrates: live resin, shatter, diamonds, hash.



Ultra Potent Distillate: flavourful high potency liquid diamond and distillate infused pre-rolls and vapes.



Hydrocarbon Vapes: flavourful high potency liquid diamond vapes, infused pre-rolls and milled flower.



Liquid Diamond Infusions: flavourful high potency liquid diamond pre-rolls and vapes.



Premium Genetics: top seed brand in Canada; available in all provinces that allow seed sales.

SSC is leveraging ANC pre-roll capability to maximize the sales of its pre-roll brands, including Astrolab, Frootyhooty, Lamplichter, Roilty, and Zest Cannabis. Status was launched by ANC in 2024 and offers kief coated blunts and pre-rolls with liquid diamond and terpene infusions.

Founded by ANC, 34 Street Seed Co offers a wide selection of seeds for growers, including, indica dominant strains, sativa dominant strains and auto-flowering plants that are not restricted to light schedules and take 70-90 days to finish. 34 Street Seed Co also offers multipacks containing seeds with different genetics.

The Cannabis Act provides provincial, territorial and municipal governments with the authority to prescribe regulations regarding retail and distribution of adult-use cannabis. As such, the distribution model for adult-use cannabis differs from province to province. Some provinces have government-run retailers, while others have government-licensed private retailers, and some have a combination of the two. All of the Corporation's sales are conducted according to the applicable provincial and territorial legislation and through applicable local agencies.

### **Specialized Skill and Knowledge**

All aspects of the Corporation's cannabis business require specialized skills and knowledge. Such skills and knowledge include, among other things, expertise in cultivation, consumer goods and their regulatory frameworks, supply chain management, marketing, consumer insights and analytics and sales and customer management. From time to time, SSC employs consultants and other service providers to provide complementary experience and expertise to carry out its cannabis operations effectively.

The members of the Board and the management team collectively have significant technical, operational and financial experience in the cannabis industry and hold the skill sets to successfully execute SSC's business strategy in order to achieve its corporate objectives. For more information, see "*Directors and Officers*".

### **Intangible Properties**

The Corporation recognizes the importance of its brand on the Corporation's success and its competitive position and the need to protect and enhance its value. To protect SSC's intellectual property, SSC defines the competitive value of its intangible assets and seeks to secure enforceable protection (including patents, trademark registrations, and plant variety protection registrations). The Corporation has a patent pending on its ANC pre-roll methodologies and has filed trademark applications for all of its brands.

As at the date hereof, the Corporation and its subsidiaries have Cultivation Licences, Processing Licences and Sales Licences from Health Canada.

### **Competitive Conditions**

The Corporation's primary competition is from other holders of Cultivation Licenses, Processing Licenses and Medical Sales Licenses issued by Health Canada pursuant to the Cannabis Act and Cannabis Regulations. The Corporation competes with other Licensed Producers on the basis of factors such as quality, brand recognition, consumer trust and price. As such, SSC is committed to its objective of producing premium hand-crafted, select-batch cannabis products, which the management team believes will provide SSC a competitive advantage over other Licensed Producers.

We expect that competition in the adult-use cannabis market and other cannabis markets in which we expect to participate will become more intense as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, we will require a continued high level of investment in research and development, marketing, sales and client support.

We also face competition from the illicit cannabis market. Illegal dispensaries and 'black market' operations and participants, despite not having a valid licence under the *Cannabis Regulations* (Canada), command a significant percentage of the total market for cannabis and cannabis products in Canada.

In addition, the legal landscape for medical and adult-use cannabis is changing internationally. An increasing number of jurisdictions globally are passing laws that allow for the production and distribution of medical and/or adult-use cannabis. Increased international competition, including competition from suppliers in other countries who may be able to produce at lower cost, and limitations placed on us by Canadian or other regulations, might lower the demand for our products on a global scale.

For more information, see "*Risk Factors – Risk Factors Related to the Corporation's Cannabis Business*".

### **Components**

Raw materials to produce SSC's products are sourced from both indoor and outdoor cannabis Licenced Producers across Canada. SSC continually assesses market pricing for input biomass and enjoys volume discounts due to its process capabilities and product demand. SSC will continue to purchase biomass from various sources to manufacture its approximate 200 SKUs in the market. Dry cannabis inputs range in price since trim is detritus from a grow operation and can be purchased at \$0.10-0.15/g whereas cannabis growers are intent on producing high THC quality flower with bag

appeal that sells in the market domestically between \$1.25 - \$2.75/g and internationally for \$2.50-\$4.00/g.

## **Employees**

As at the end of the most recent financial year-end, SSC had 192 employees in Canada.

## **Reorganizations**

There have been no material reorganizations of the Corporation within the three most recently completed financial years or completed during or proposed for the current financial year. In the normal course of business, the Corporation routinely evaluates its operations for efficiencies and cost reductions, which may result in operational or personnel rationalizations.

## **RISK FACTORS**

There are a number of inherent risks associated with the cannabis industry. Many of these risks are beyond the control of the Corporation. Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Corporation's other public filings available under the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) before making an investment decision.

The risks described below are not the only risks facing the Corporation. Additional risks not presently known to SSC or that SSC currently deems immaterial may also impair SSC's business operations. If any of the following risks actually occur, SSC's business, financial condition and financial performance could be materially and adversely affected.

### **Repayment of Debentures**

As of the date hereof, the Corporation has \$5,975,000 Debentures issued and outstanding. In the event the Corporation is unable to repay or refinance these debt obligations as they mature and become repayable (or if the Corporation must refinance these debt obligations on less favourable terms), it may adversely affect the Corporation's ability to fund its ongoing operations. There is no certainty that the Corporation will be in a position to make such repayment if required. Even if the Corporation is able to obtain new financing in order to satisfy any obligations relating to the Debentures, it may not be on commercially reasonable terms or terms that are acceptable to the Corporation. If the Corporation is unable to repay amounts owing under the Debentures, or refinance these obligations, the lenders could seek legal recourse against the Corporation for amounts owed.

### **Additional Funding Requirements**

In order to execute its growth strategy, the Corporation will require additional equity and/or debt financing to support ongoing operations, to undertake capital expenditures, or to undertake business combination transactions or other initiatives. There can be no assurance that additional financing will be available to the Corporation when needed or on terms which are acceptable. The Corporation's inability to raise additional financing could limit the Corporation's growth and may have a material adverse effect upon its business, operations, results, financial condition and prospects.

If additional funds are raised through further issuances of equity or securities convertible into equity, existing Shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Corporation to obtain additional capital and to pursue business opportunities.

## **Unprofitable Operations**

The Corporation may not be able to maintain profitability and may incur losses in the future. In addition, the Corporation expects to continue to increase operating expenses as it implements initiatives to grow its business. If the Corporation's revenues do not continue to increase to offset increases in costs and operating expenses, the Corporation may not be profitable.

## **Management of Growth**

The Corporation may be subject to growth-related risks such as capacity constraints and pressure on its internal systems and controls. Effectively managing this growth will require the Corporation to continue implementing and improving its operational and financial systems, as well as expanding, training, and managing its employee base. The inability to address these growth challenges could have a material adverse impact on the Corporation's business, operations, and prospects.

## **Growth Strategy and Expansion of Operations**

The Corporation's growth strategy involves expanding its operations. There is a risk that this proposed expansion plan may face delays or increased costs due to factors such as regulatory approvals, non-performance by contractors, rising material or labor costs, equipment failures, labor disputes, and major incidents like fires or storms. Additionally, the Corporation's ability to compete and grow depends on timely access to skilled labor, equipment, parts, and components. The expansion plan contemplated by the Corporation may be significantly greater than anticipated by the Corporation's management and/or may cost more than the funds available to the Corporation, the Corporation may need to curtail or extend the timeframe for completion, potentially impacting its business, prospects, financial condition, and results of operations.

## **Risks Associated with Acquisitions**

As part of the Corporation's overall business strategy, the Corporation intends to pursue select strategic acquisitions to provide additional product offerings, industry expertise and a stronger industry presence in both existing and new jurisdictions. The success of any such acquisitions will depend, in part, on the ability of the Corporation to realize the anticipated benefits and synergies from integrating those companies into the businesses of the Corporation. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Corporation's existing business; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; and (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

While the Corporation intends to conduct reasonable due diligence in connection with such strategic acquisitions, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Corporation is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Corporation's financial performance and results of operations. The Corporation could encounter additional transaction and integration related costs or other factors such as the failure to realize all of the benefits from the acquisition. All of these factors could cause dilution to the Corporation's earnings per share or decrease or delay the anticipated accretive effect of the acquisition and cause a decrease in the market price of the Common Shares.

The Corporation may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such strategic acquisition with its existing operations. If integration is not managed successfully by the management team, the Corporation may experience interruptions in

its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

### **Expansion into New Activities**

As a Licensed Producer, the management team is focused on producing and distributing premium cannabis products across Canada. In the future, the Corporation may move into new industries or new geographical areas and/or acquire different cannabis-related assets, and as a result may face unexpected risks or alternatively, significantly increase the Corporation's exposure to one or more existing risk factors, which may in turn result in the Corporation's future operational and financial conditions being adversely affected.

SSC may also be required to obtain additional regulatory approvals from Health Canada and other applicable authorities which may take significant time. SSC may not be successful in developing new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which together with capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on SSC's business, financial condition, results of operations and prospects.

### **Reliance on Licenses**

The Corporation's cannabis operations and investments may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate their respective businesses. In addition, the Corporation's operations and investments may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on the Corporation's or an investment's ability to operate in the cannabis industry, which could have a material adverse effect on the Corporation's business.

### **Change in Cannabis Laws, Regulations and Guidelines**

Operations and investments in the cannabis industry will be subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage, sale, health, safety and disposal of cannabis and cannabis products, including the Cannabis Act and the Cannabis Regulations. Participants in the cannabis industry are also subject to laws and regulations relating to health and safety (including those for consumable products), the conduct of operations and the protection of the environment. These laws and regulations are broad in scope, subject to evolving interpretations and may change in ways currently unforeseen by the Corporation.

Although SSC believes it will meet the requirements of the Cannabis Act for future renewals of its licences, there can be no guarantee that Health Canada will renew the licences or, if renewed, renewed on the same or similar terms or that Health Canada will not revoke the licences. Should SSC fail to comply with the requirements of the licences or should Health Canada not renew the licences when required, or renew the licences on different terms or revoke the licences, there would be a material adverse effect on SSC's business, financial condition and results of operations.

The legislative framework pertaining to the Canadian non-medical cannabis market is subject to significant provincial and territorial regulation. The legal framework varies across provinces and territories and results in asymmetric regulatory and market environments. Different compliance requirements, and other costs may limit SSC's ability to participate in such markets.

### **Canadian Excise Duty Framework**

The federal and provincial or territorial legislation and regulatory regimes for cannabis products include excise duties payable by licensed cannabis producers on adult-use cannabis products, in addition to goods and services tax or harmonized sales tax in certain provinces and territories. We currently hold licences issued by the Canada Revenue Agency (“**CRA**”) required to comply with this excise framework. The rate of the excise duties for cannabis products varies by province and territory. Any significant increase in the rate of excise duties on cannabis products in the future and any restrictive interpretations by the CRA or the courts of the regulatory-like restrictions contained in the *Excise Act, 2001* (Canada) (which may be different than those contained in the Cannabis Act) could reduce consumer demands for cannabis products and adversely impact the adult-use cannabis industry and market in general. In addition, any increase in the rate of excise duties on cannabis products in the future could reduce our margins and profitability in the event that we could not or chose not to pass along such increases to consumers.

## **Litigation**

From time to time, the Corporation may be subject, directly or indirectly, to litigation arising out of its operations and the regulatory environments in its areas of operations.

Although the Corporation currently faces no material litigation, damages claimed under such litigation in the future may be material or may be indeterminate. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to SSC and as a result, could have a material adverse effect on SSC's assets, liabilities, business, financial condition and results of operations. In addition, the Corporation may be required to incur significant expenses or devote significant resources to defending against litigation. Adverse publicity surrounding litigation could also have a material effect on the Corporation's business.

## **Intellectual Property**

The ownership, licensing and protection of trademarks, patents and other intellectual property rights are significant aspects of SSC's future success.

It is possible that SSC will not be able to register, maintain registration for or enforce all of its intellectual property, including trademarks, in all key jurisdictions. The intellectual property registration process can be expensive and time-consuming, and SSC may not be able to file and prosecute all necessary or desirable intellectual property applications at a reasonable cost or in a timely manner or may obtain intellectual property registrations which are invalid. It is also possible that SSC will fail to identify patentable aspects of inventions made in the course of its development and commercialization activities before it is too late to obtain patent protection for them. Further, changes in either intellectual property laws or interpretation of intellectual property laws in Canada, and other countries may diminish the value of SSC's intellectual property rights or narrow the scope of its intellectual property protection. As a result, SSC's current or future intellectual property portfolio may not provide it with sufficient rights to protect its business, including its products, processes and brands.

Termination or limitation of the scope of any intellectual property licence may restrict, delay or eliminate SSC's ability to develop and commercialize its products, which could adversely affect its business. Unauthorized parties may attempt to replicate or otherwise obtain and use SSC's products, brands and technology. Policing the unauthorized use of SSC's current or future trademarks, patents or other intellectual property rights could be difficult, expensive, time consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Identifying the unauthorized use of intellectual property rights is difficult as SSC may be unable to effectively monitor and evaluate the products being distributed by its competitors, including parties such as unlicensed dispensaries and black-market participants, and the processes used to produce such products. In addition, in any infringement proceeding, some or all of SSC's trademarks or other intellectual property rights or other proprietary know-how, or those it licenses from others, or arrangements or agreements seeking to

protect the same for SSC's benefit, may be found invalid, unenforceable, anti-competitive or not infringed, may be interpreted narrowly, or could put existing intellectual property applications at risk of not being issued.

In addition, other parties may claim SSC's products, or those it licenses from others, infringe on their intellectual property, including their proprietary or patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources and legal fees, result in injunctions or temporary restraining orders or require the payment of damages. As well, SSC may need to obtain licences from third parties who allege that it has infringed on their lawful rights. Such licences may not be available on terms acceptable to SSC, or at all. In addition, SSC may not be able to obtain or utilize on terms that are favorable to it, or at all, licences or other rights with respect to intellectual property that SSC does not own.

SSC also relies on certain trade secrets, technical know-how and proprietary information that are not protected by patents to maintain its competitive position. These assets, which are not protected by patents, may become known to or be independently developed by competitors, which could adversely affect SSC's business.

### **Cyber Security and Privacy Risks**

The Corporation relies on certain internal processes, infrastructure, and information technology systems, including those operated by third parties, to efficiently and securely conduct its business. The inability to continue to enhance or prevent a failure of these internal processes, infrastructure or information technology systems could negatively impact the Corporation's ability to operate its business. Cyber-attacks or breaches of IT security can disrupt operations, leading to loss of critical data, theft of intellectual property, disclosure of confidential information, customer claims, litigation, and reduced revenues due to business interruptions. Additionally, the costs associated with remediation, class action lawsuits, and damage to the Corporation's reputation can be significant. As cyber threats become more sophisticated, the Corporation's security measures may not be sufficient to prevent damage, and insurance may not fully cover the associated costs and losses.

A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Data theft for competitive purposes remains a risk, whether through employee collusion, negligence, or cyber-attacks. Such breaches can have a material adverse effect on the Corporation's business, financial condition, and operational results.

### **Breach of Confidentiality**

While discussing potential business relationships or other transactions with third parties, the Corporation may disclose confidential information relating to its business, operations or affairs. Although confidentiality agreements are signed by third parties prior to the disclosure of any confidential information, a breach could put SSC at competitive risk and may cause significant damage to its business. The harm to SSC's business from a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, SSC will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

### **Conflicts of Interest**

Directors and officers of SSC may also be directors and officers of other companies involved in the cannabis industry, and conflicts of interest may arise between their duties as officers and directors of SSC and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with and are subject to such other procedures and remedies as apply under the ABCA.

## **Active Trading Market**

The liquidity of the Common Shares on the TSXV will be influenced by a large number of factors, some specific to the Corporation and its operations and others outside its control and unrelated to the Corporation's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Corporation, speculation about the Corporation in the press or the investment community, strategic actions by competitors, changes in market conditions and regulatory changes in any number of countries. There can be no guarantee that an active trading market for the Common Shares will be maintained.

## **Dilution**

SSC may seek to raise financing to fund future acquisitions or other growth opportunities. The Corporation may, for these and other purposes, issue additional equity or convertible equity securities. As a result, existing holders of Common Shares may suffer dilution in their percentage ownership or the market price of the Common Shares may be adversely affected.

The Corporation has outstanding Options, Warrants and Debentures. The Corporation may, in the future, issue further options, warrants or convertible debentures. The exercise or conversion of any such options, warrants or convertible debentures would result in dilution of the holdings of other Shareholders.

In addition, the Corporation may decide to offer additional Common Shares in the future. Subject to any applicable pre-emption right, any future issues of Common Shares by the Corporation may have a dilutive effect on the holdings of Shareholders and could have a material adverse effect on the market price of the Common Shares as a whole.

## **Third Party Credit Risk**

The Corporation is, or may be, exposed to third party credit risk through the Corporation's contractual arrangements with its current or future partners, marketers of its cannabis products and other parties. In the event such entities fail to meet their contractual obligations to the Corporation, such failures could have a material adverse effect on the Corporation and its cash flow from operations.

## **Relatively New Cannabis Industry**

SSC is operating in a relatively new industry and market. In addition to being subject to general business risks, SSC must continue to build brand awareness in this industry and market share through significant investments in its strategy, production capacity, quality assurance and compliance with regulations. In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or anticipated or function and evolve in the manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the cannabis industry, such as the imposition of further restrictions on sales and marketing or further restrictions on sales in certain areas and markets could have a material adverse effect on the Resulting Issuer's business financial conditions and results of operations. Although SSC is committed to researching and developing new products and improving existing products, there can be no assurances that such research and market development activities will prove profitable or that the resulting markets and/or products, if any, will be commercially viable or successfully produced and marketed. SSC must 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 in Canada.

## **Potential Supply and Demand Fluctuations of the Cannabis Market**

Since the legalization of cannabis, there have been periods of significant over- and undersupply in the Canadian adult-use market. In addition, demand for cannabis products is dependent on a number of social, political and economic factors that are beyond SSC's control. The initial demand that has been experienced following legalization may not continue at comparable levels or may not be sustainable as a portion of such demand may have been a result of the novelty of legalization. As a result, the available supply of cannabis could exceed demand, resulting in a significant decline in the market price for cannabis. Conversely, SSC may be unable to meet demand levels. If supply/demand imbalances occur and persist, SSC may be unable to generate sufficient revenue from the sale of adult-use cannabis to be profitable.

### **Constraints on Marketing**

All SSC products distributed into the Canadian adult-use market need to comply with requirements under Canadian legislation, including with respect to product formats, product packaging and labelling, and marketing activities around such products. Among other restrictions, the Cannabis Act prohibits testimonials and endorsements, lifestyle branding, and promotion that is appealing to young persons. As such, SSC's portfolio of brands and products must be specifically adapted, and its marketing activities carefully structured, to enable SSC to develop its brands in an effective and compliant manner. If SSC is unable to effectively market its cannabis products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its cannabis products, then SSC's revenues and operating results could be adversely affected.

### **Reliance on Key Personnel**

SSC's success will depend in large measure on the expertise and contributions of key personnel. Losing these essential team members could significantly impact SSC's business, financial health, operational outcomes, and future prospects. Furthermore, the competition for skilled professionals in the cannabis industry is fierce, and there is no guarantee that SSC will be able to attract and retain the necessary talent for its business development and operations.

Further, as a Licensed Producer, SSC's key personnel are subject to a security clearance by Health Canada. Under the Cannabis Regulations, a security clearance cannot be valid for more than five years and must be renewed before the expiry of a current security clearance. There is no assurance that any of SSC's existing personnel who presently or may in the future require a security clearance will be able to obtain or renew such clearances, or that new personnel who require a security clearance will be able to obtain one. A failure by a key person to maintain or renew his or her security clearance could result in a material adverse effect on the Corporation's business, financial condition and results of operations.

### **Competition Risks**

The Corporation faces intense competition from other companies, some of which have more financial resources and manufacturing and marketing experience than the Corporation. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Corporation.

The Corporation also faces competition from illegal cannabis dispensaries that are selling cannabis to individuals despite not having a valid licence. Many illegal dispensaries are still in operation, providing the Corporation with additional competition. To remain competitive, the Corporation will require a continued high level of investment in research and development, marketing, sales and client support. The Corporation may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and operating results of the Corporation.

## **Changes in Consumer Preferences**

Due to changing consumer preferences, many products achieve financial success only for a limited time. Even if SSC's products succeed initially, there is no guarantee of sustained success. SSC's success depends on developing new and improved product lines. Failure to gain consumer acceptance or update products could reduce revenues and harm SSC's business. Additionally, SSC's ability to attract and retain customers is crucial. Factors impacting this include developing desirable and effective products and implementing a customer acquisition plan for continued growth of the customer base. Failure to acquire and retain customers could adversely affect SSC's business and financial position.

## **Available Talent Pool**

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

## **Risks Related to the Agricultural Business**

The Corporation's business involves the growing of cannabis, producing and distributing 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.

## **Vulnerability to Rising Energy Costs**

The Corporation's cannabis growing operations consume considerable energy, making the Corporation vulnerable to rising energy costs. Rising or volatile energy costs may adversely affect the ability of the Corporation to operate profitably.

## **Product Transportation Cost and Disruptions**

Due to the nature of the Corporation's products, security of the products during transportation to and from the Corporation's facilities will be of the utmost concern. A breach of security during transport or delivery could have a material adverse effect on the Corporation's business, financial condition and results of operations. Any breach of security measures during transport or delivery, including any failure to comply with recommendations or requirements of Health Canada, could also have an impact on the Corporation's ability to continue operating under its Cultivation Licence or its ability to renew, or receive amendments to, its Cultivation Licence.

## **Brand Risks**

The Corporation's success is dependent on, among other things, the value of the Corporation's brands, and the failure to preserve their value and relevance could have a negative impact on the Corporation's results of operations. The Corporation must preserve, enhance and leverage the value of the Corporation's brands. Brand value is based in part on consumer tastes, preferences and perceptions on a variety of factors. Consumer acceptance of the Corporation's brands may be influenced by or subject to change for a variety of reasons. For example, adverse publicity associated with the Corporation's business practices may drive popular opinion against the Corporation's brands. If the Corporation is unsuccessful in addressing any such adverse perceptions, the Corporation's brands and results of operations may suffer.

## **Product Liability**

As an owner of intellectual property, and a manufacturer and distributor of cannabis products designed to be consumed by humans, SSC faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss, injury or death. SSC may be subject to these types of claims due to allegations that its products caused or contributed to injury, illness or death, made false, misleading or impermissible claims, failed to include adequate labelling and instructions for use or failed to include adequate warnings concerning possible side effects or interactions with other substances. In addition, the manufacture and sale of SSC's products involve the risk of injury to consumers due to tampering by unauthorized third parties, product contamination or mould. Previously unknown adverse reactions resulting from human consumption of SSC's products alone or in combination with other medications or substances may result from, among other causes, inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. The manufacture and sale of cannabis products, like the manufacture and sale of any ingested or consumable product, involves a risk of injury to consumers due to tampering by unauthorized third parties or product contamination. SSC may in the future have to recall certain of its cannabis products as a result of potential contamination and quality assurance concerns. A product liability claim or regulatory action against SSC could result in increased costs, could adversely affect SSC's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of SSC. There can be no assurances that SSC will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of SSC's products.

## **Product Recalls**

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including public health and public safety risks, product defects, such as contamination or mould, adulteration, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Such defects may arise due to the fault of SSC or as a result of a faulty input to SSC's products. If any of SSC's products are recalled due to an alleged product defect or for any other reason, SSC could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. SSC may lose a significant amount of revenue and may not be able to such revenue at an acceptable margin or at all. In addition, a product recall may require significant management attention. Any product recall affecting the cannabis industry more broadly, whether or not involving SSC, could also lead consumers to lose confidence in the safety and security of the products sold by entities licensed under the Cannabis Act generally, including SSC's products.

## **Operating Risk and Insurance Coverage**

SSC has insurance to protect its assets, operations and employees. While SSC believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which SSC is exposed. In addition, no assurance can be given that such insurance will be adequate to cover SSC's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If SSC were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if SSC were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

## **Global Economic, Political, and Social Conditions**

The Corporation is subject to global economic, political and social conditions that may cause consumers to delay or reduce cannabis consumption due to economic downturns, unemployment, and volatility in the costs of energy and other consumer goods, geopolitical uncertainties, and other macroeconomic factors affecting spending behavior. The Corporation faces risks that may arise from financial difficulties experienced by suppliers or customers/clients, including: (i) the risk that customers/clients may face financial difficulties or may become insolvent, which could lead to an inability to obtain payment of accounts receivable that those patients may owe; (ii) the risk that key suppliers may face financial difficulties or may become insolvent, which could lead to disruption of the supply cannabis products; and (iii) the inability of customers/clients and/or suppliers to obtain credit financing to finance purchases of products and raw materials used to grow or build those products. Should any of these risks occur, they could have a material adverse effect on the Corporation.

To the extent that certain political actions taken in North America, Europe and elsewhere in the world result in a marked decrease in free trade, access to personnel and freedom of movement, it could increase costs for goods and services required for operations, reduce access to skilled labour and negatively impact business, operations, financial conditions and the market value of the Common Shares.

### **Environmental and Employee Health and Safety Regulations**

The Corporation's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land; the handling and disposal of hazardous and non-hazardous materials and wastes; and employee health and safety. The Corporation expects to incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof, or other unanticipated events, could require extensive changes to the Corporation's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Corporation.

### **Risks related to Climate Change**

Government measures to combat climate change, greenhouse gas (GHG) emissions, and the use of water and land could lead to the introduction of new or stricter laws and regulations. These changes might necessitate additional capital expenditures, higher taxes, increased transportation costs, or other impacts that could negatively affect our financial situation.

Moreover, the Corporation's employees, customers, and investors are increasingly expecting the Corporation to reduce the negative environmental impacts of operations. While SSC strives to create positive impacts and anticipate potential costs related to climate change, failing to address the risks of climate change and meet the evolving expectations of stakeholders and governments on environmental issues could lead to missed opportunities, increased regulatory scrutiny, loss of team members, customers, and investors, and a negative impact on SSC's brand and reputation.

### **Forward Looking Information May Prove to be Inaccurate**

Investors are cautioned not to place undue reliance on forward looking information. By its nature, forward looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this AIF under the heading "*Special Note Regarding Forward Looking Statements*" above.

## DIVIDENDS

The Corporation has not declared or paid any dividends for each of the three most recently completed financial years. It is the intention of the Corporation to retain any earnings to finance the growth and development of the Corporation's business, and, therefore the Corporation does not anticipate paying any dividends in the immediate or foreseeable future.

## DESCRIPTION OF SHARE CAPITAL

As of the date hereof, SSC is authorized to issue an unlimited number of preferred shares and Common Shares, of which 115,502,799 Common Shares and nil preferred shares are issued and outstanding.

### **Common Shares**

The holders of Common Shares are entitled to dividends as and when declared by the Board, a right to one vote per Common Share at meetings of the Shareholders and, upon liquidation, to share in the remaining assets of SSC as are distributable to such holders.

### **First Preferred Shares**

First preferred shares may be issued by the Corporation at any time and from time to time in one or more series and the Board may fix the number of preferred shares which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each such series. The preferred shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation be entitled to preference over the Common Shares and all other shares ranking junior to the first preferred shares.

### **Warrants**

As of the date hereof, 13,522,400 Warrants are issued and outstanding, comprised of 6,000,000 2025 Warrants, 3,000,000 \$0.75 Warrants and 4,522,400 Spring 2024 Warrants. The following is a summary of certain provisions of the Warrants but does not purport to be complete and is subject in its entirety to the provisions of the certificates or warrant indenture governing the Warrants, as applicable.

Each 2025 Warrant entitles the holder to purchase one Common Share at an exercise price of \$1.20 per Common Share and expires on February 13, 2029.

Each \$0.75 Warrant entitles the holder to purchase one Common Share at an exercise price of \$0.75 per Common Share and expires on October 17, 2026.

Each Spring 2024 Warrant entitles the holder to purchase one Common Share at an exercise price of \$0.20 per Common Share and expires on April 17, 2027.

No fractional Common Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants does not make the holder thereof a Shareholder of SSC or entitle such holder to any interest or right in respect of the Warrants except as expressly provided in the certificate representing such Warrants. The Warrants contain customary provisions providing for the adjustment of the number of Common

Shares obtainable for each Warrant and the exercise price thereof upon the occurrence of certain stated events.

### Debentures

As of the date hereof, \$5,975,000 principal amount of 2025 Debentures are issued and outstanding.

The 2025 Debentures will mature and be repayable on February 13, 2029, subject to the early redemption or conversion of the 2025 Debenture as set out in the 2025 Debenture certificates. The 2025 Debentures accrue interest at the rate of 11.00% per annum payable quarterly in cash on the last business day of each quarter, first interest payment being paid on March 31, 2025. Unless the indebtedness is redeemed or converted in accordance with the 2025 Debenture certificates, the Corporation shall pay to the holders the indebtedness on February 13, 2029. The principal amount may be prepaid by the Corporation at any time following February 13, 2025 but prior to February 13, 2029, upon providing not less than ten days' written notice to the Debentureholder, without any bonus, premium or penalty.

### Options

As of the date hereof, 10,325,000 Options are issued and outstanding pursuant to SCC's equity incentive plan (the "**Incentive Plan**"), which is described in SSC's most recent management information circular available under its SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). The Incentive Plan was last approved by Shareholders on February 6, 2025.

### Finder Warrants

As of the date hereof, 42,000 finder warrants (the "**Finder Warrants**") are issued and outstanding, each of which entitles the Finder to acquire one Common Share at the price of \$0.20 per Common Share.

The Finder Warrants are non-transferable. No fractional Common Shares will be issuable to any holder of Finder Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Finder Warrants does not make the holder thereof a Shareholder of SSC or entitle such holder to any interest or right in respect of the Finder Warrants except as expressly provided in the certificate representing such securities. The Finder Warrants contain customary provisions providing for the adjustment of the number of Common Shares obtainable for each Finder Warrant, as applicable and the exercise price thereof upon the occurrence of certain stated events.

## MARKET FOR SECURITIES AND TRADING HISTORY

The Common Shares are listed on the TSXV under the symbol "HASH". The following table sets forth the price range and trading volume of the Common Shares as reported by TMX Group Limited for the periods indicated.

Period	High (CAD\$)	Low (CAD\$)	Volume
December 2024	0.79	0.53	7,411,989
January 2025	0.84	0.67	6,644,428
February 2025	0.76	0.63	4,207,539
March 2025	0.78	0.58	5,273,052
April 2025	0.73	0.495	8,112,581
May 2025	0.51	0.42	7,594,792

June 2025	0.44	0.15	24,171,757
July 2025	0.365	0.22	5,566,097
August 2025	0.40	0.295	7,339,790
September 2025	0.385	0.27	6,429,558
October 2025	0.285	0.21	4,182,559
November 2025	0.235	0.13	5,087,497
December 1-9, 2025	0.145	0.105	5,807,254

### PRIOR SALES

During the twelve months preceding the date hereof, no securities have been issued by the Corporation that are outstanding but not listed or quoted on a marketplace, except as set forth below.

Date of Issuance	Class of Securities	Number of Securities Issued	Price per Security / Exercise Price
September 3, 2025	Options	250,000 <sup>(1)</sup>	\$0.35
August 25, 2025	Options	1,250,000 <sup>(2)</sup>	\$0.29
July 18, 2025	Common Shares	6,875,000 <sup>(3)</sup>	\$0.50
February 28, 2025	Options	2,715,000 <sup>(4)</sup>	\$0.63
February 13, 2025	Debentures Warrants	6,000 <sup>(5)</sup> 6,000,000 <sup>(5)</sup>	\$1,000.00 \$1.20
December 28, 2024	Options	400,000 <sup>(6)</sup>	\$0.64

**Notes:**

1. On September 3, 2025, SSC granted 250,000 Options to Emily Riehl, VP, Sales of SSC, at an exercise price of \$0.35. The Options expire on September 3, 2030.
2. On August 25, 2025, SSC granted 1,250,000 Options to Ananth Krishnan, CFO of SSC, at an exercise price of \$0.29. The Options expire on August 25, 2030.
3. On July 18, 2025, SSC issued 6,875,000 Common Shares at the price of \$0.50 per share in satisfaction of \$3,437,500 owing pursuant to the promissory note issued pursuant by SSC in connection with the ANC Acquisition.
4. On February 28, 2025, SSC granted 2,715,000 Options to directors, officers, and employees of SSC at an exercise price of \$0.63. The Options expire February 28, 2030.
5. On February 13, 2025, the Corporation issued 6,000 2025 Debentures (\$1,000 principal value convertible debentures) and 6,000,000 2025 Warrants. Common Shares are issuable upon the conversion of the principal amount of the 2025 Debentures at \$1.00 per Common Share. Each 2025 Warrant is exercisable for one Common Share of SSC at a price of \$1.20 per Common Share for a period of four years from the date of issuance.
6. On December 28, 2024, in connection with the appointment of Jeff Holmgren as CFO, SSC granted Jeff Holmgren 400,000 Options with an exercise price of \$0.64 per Common Share and expiring five years from the date of grant.

### ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

As of December 31, 2024, to the Corporation's knowledge, the following securities of the Corporation were subject to escrow.

Designation of Security	Number	Percentage of Class as at December 31, 2024 <sup>(1)</sup>
Common Shares	14,354,968 <sup>(2)(3)</sup>	13.3%
Options	855,000 <sup>(3)(4)</sup>	10.7%
Warrants	3,000,000 <sup>(5)</sup>	66.7%

**Notes:**

1. As of December 31, 2024, there were 107,936,133 Common Shares, 7,987,667 Options and 4,498,715 Warrants outstanding.
2. Comprised of 8,354,968 Common Shares subject to escrow in accordance with TSXV policies in connection with the Qualifying Transaction and 6,000,000 Common Shares issued as consideration pursuant to the ANC Acquisition. As of the date hereof, 1,176,000 Common Shares are subject to escrow, being the remainder of the securities escrowed as consideration pursuant to the ANC Acquisition, half of which will be released on January 1, 2026 and half of which will be released on April 1, 2026. Odyssey Trust Company is the escrow agent for these securities.
3. On June 20, 2025, all of the securities subject to escrow as of December 31, 2024 in accordance with TSXV policies in connection with the Qualifying Transaction were released from escrow.
4. Escrowed pursuant to TSXV policies in connection with the Qualifying Transaction. Odyssey Trust Company was the escrow agent for these securities.
5. Escrowed securities issued as consideration pursuant to the ANC Acquisition. As of the date hereof, 588,000 Warrants are subject to escrow, being the remainder of the securities escrowed as consideration pursuant to the ANC Acquisition, half of which will be released on January 1, 2026 and half of which will be released on April 1, 2026. Odyssey Trust Company is the escrow agent for these securities.

## DIRECTORS AND OFFICERS

The name, municipality of residence, shareholdings and principal occupation for the past 5 years of each of the Corporation's directors and senior officers are as follows. The term of office for each director named below will expire at the next annual meeting of Shareholders.

Name, Residence and Position	Director Since	Principal Occupation During the Last Five Years	Number and Percentage of Common Shares <sup>(1)</sup>
<b>Jeff Swainson</b> <i>Calgary, Alberta</i> Director, President and CEO	December 14, 2023	President and CEO of the Corporation and SSC PrivateCo.	8,835,000 (7.65%)
<b>William Macdonald<sup>(2)</sup></b> <i>Calgary, Alberta</i> Director	December 14, 2023	Cannabis entrepreneur and consultant, former director of SugarBud Craft Growers Corp., director of 13th Floor Cannabis. Former interim CEO of SSC PrivateCo.	8,401,449 (7.27%)
<b>Stephen Bjornson<sup>(2)(3)</sup></b> <i>Calgary, Alberta</i> Director	January 12, 2021	Board member for multiple entities both public and private. Actively participating in multiple small independent businesses.	1,499,999 (1.30%)
<b>Olen Vanderleeden<sup>(2)</sup></b> <i>Vancouver, British Columbia</i> Director	February 23, 2024	Prior to joining SSC, Olen was Chief Commercial Officer of Greentone Enterprises and Senior Vice President of Zenabis Global.	84,667 (0.07%)
<b>Ananth Krishnan</b> <i>Calgary, Alberta</i> Chief Financial Officer	N/A	Prior to SSC, Vice President, Strategy & Corporate Development with Aurora Cannabis	Nil
<b>Murray Brown</b> <i>Calgary, Alberta</i>	N/A	Prior to joining SSC, Murray served as Vice President, Operations and CFO of Custom Cannabis for a period of five years.	103,000 (0.09%)

Name, Residence and Position	Director Since	Principal Occupation During the Last Five Years	Number and Percentage of Common Shares <sup>(1)</sup>
Chief Operating Officer			
<b>Jeff Lawrence<sup>(3)</sup></b> <i>Calgary, Alberta</i> Former Chief Commercial Officer	N/A	Prior to SSC, Jeff was National Director of Sales of Dycar Pharmaceuticals.	38,000 (0.03%)

**Notes:**

- Information provided as of the date hereof. Includes Common Shares indirectly or beneficially held.
- Messrs. Bjornson (Chair), Macdonald and Vanderleeden form the Corporation's Audit Committee.
- On November 27, 2025, the Corporation announced that Stephen Bjornson will be stepping down as a director of the Corporation with his replacement to be announced in the near future, and that Jeff Lawrence, former Chief Commercial Officer of the Corporation, is no longer with the Corporation.

As of the date hereof, the directors and officers of the Corporation as a group, beneficially own, or exercise control or direction over, an aggregate of approximately 18,962,115 Common Shares representing approximately 16.42% of the issued and outstanding Common Shares.

The information as to Common Shares beneficially owned, directly or indirectly or over which control or direction is exercised, is based upon information furnished to the Corporation by each of the individuals listed above.

**Corporate Cease Trade Orders or Bankruptcies**

Other than the MCTO issued in respect of Jeff Swainson, no director or officer of SSC, has, within ten years before the date hereof, been a director or officer of any person or company that, while such person was acting in that capacity:

- was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or
- became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

**Penalties or Sanctions**

No director or officer of SSC, has been:

- subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered material.

**Personal Bankruptcies**

No director or officer of SSC, has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted

any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Conflicts of Interest**

There are potential conflicts of interest to which some of the directors or officers of SSC will be subject in connection with the operations of SSC. Some of the directors or officers are engaged in and will continue to be engaged in companies or businesses which may be in competition with the business of SSC. Accordingly, situations may arise where some or all of the directors or officers will be in direct competition with SSC. Conflicts, if any, will be subject to the procedures and remedies as provided under the ABCA. See also "*Risk Factors*".

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

To the knowledge of the Corporation, there are no legal proceedings or regulatory actions material to the Corporation to which the Corporation is a party, or was a party to during the most recently completed financial year, or of which any of its properties is the subject matter, or was the subject matter of during the most recently completed financial year, nor are there any such proceedings known to the Corporation to be contemplated. There have been no penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority and the Corporation has not entered to any settlement agreements with a court or securities regulatory authority.

### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Except as provided below, there are no material interests, direct or indirect, of directors or executive officers of the Corporation, or any Shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding Common Shares, or any other Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations of the Canadian Securities Administrators*) or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years or during the current financial that has materially affected or would materially affect the Corporation or any of its subsidiaries.

Gordon Cameron, the Corporate Secretary of the Corporation, is a partner of the national law firm Stikeman Elliott LLP, which law firm rendered legal services to the Corporation.

### **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar of the Corporation is Odyssey Trust Company, 1230 – 300 5<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 3C4.

### **MATERIAL CONTRACTS**

Except as disclosed herein and other than contracts entered into in the ordinary course of business, there have been no material contracts entered into by the Corporation within the most recently completed financial year, or before the most recently completed financial year that are still in effect.

### **INTERESTS OF EXPERTS**

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Corporation during, or related to, the year ended December 31, 2024 other than Kenway Mack Slusarchuk Stewart LLP, the Corporation's auditors.

Kenway Mack Slusarchuk Stewart LLP is independent of the Corporation within the meaning of the relevant rules and related interpretations prescribed in the relevant professional bodies in Canada and any applicable legislation or regulation.

## AUDIT COMMITTEE

The Corporation's audit committee (the “**Audit Committee**”) has various responsibilities as set forth in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), concerning constitution of its Audit Committee and its relationship with its independent auditor and, among such responsibilities, being a requirement that the Audit Committee establish a written charter that sets out its responsibilities.

### Audit Committee Charter

A copy of the charter of the Audit Committee is available as Schedule “A” to this AIF. The mandate of the Audit Committee is to oversee and provide assistance in financial reporting, financial policies and internal controls as well as to work with the external auditors to ensure the accuracy of the Corporation's financial disclosures. The Audit Committee must pre-approve all non-audit services to be provided by an external auditor.

### Composition of the Audit Committee

As of the date of this AIF, the Audit Committee is composed of the following members, each of whom is “independent” within the meaning of NI 51-110.

Name, Residence and Position	Independent (Y/N) <sup>(2)</sup>	Financially Literate (Y/N) <sup>(1)</sup>
<b>Stephen Bjornson</b> (Chair)	Y	Y
<b>William Macdonald</b>	N	Y
<b>Olen Vanderleeden</b>	Y	Y

#### Notes:

- Pursuant to NI 51-110, an individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
- Subject to certain exceptions, a director is “independent” within the meaning of NI 52-110 if he or she has no direct or indirect material relationship with the issuer. A “material relationship” is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Mr. Bjornson and Mr. Vanderleeden are independent under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and NI 52-110. Mr. Macdonald is not independent by virtue of serving as CEO of CannMart and Massive Hash Factory. See “*Directors and Officers*” above for information regarding the qualifications of each member of the audit committee.

The Audit Committee is responsible for overseeing the accounting and financial reporting practices of the Corporation and audits of the Corporation's financial statements. The Audit Committee's responsibilities also include the selection, recommendation and oversight of the Corporation's independent auditors, as well as the oversight of its internal audit process and system of internal controls over financial reporting and disclosure. The Audit Committee shall also be responsible for the pre-approval of all non-audit services to be provided to the Corporation by its independent auditors. The Audit Committee will review and confirm the independence of the independent auditors by

obtaining statements from the independent auditors describing all relationships with the Corporation, including with respect to any non-audit services.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### **Pre-Approval Policies and Procedures**

The Audit Committee is authorized by the Board to review the performance of the Corporation's external auditors and approve in advance the provision of services other than audit services and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve any non-audit services or additional work, which the Chair of the Audit Committee deems as necessary.

### **External Auditor Service Fees (By Category)**

The fees for auditor services billed by the Corporation's external auditors in the previous two financial years are as follows:

Financial Year Ending December 31	Audit Fees <sup>(1)</sup>	Audit-related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
<b>2024</b>	\$107,350	-	\$4,000	-
<b>2023</b>	\$55,099	\$4,000	\$2,939	\$58,038

#### **Notes:**

1. Audit fees are the aggregate fees billed by the Corporation's auditor for audit services. Audit fees incurred during 2024 include audit fees related to the audit of the year ended December 31, 2023.
2. Audit-related fees are the aggregate fees billed for assurance and related services by the Corporation's auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statement and are not disclosed under "Audit fees".
3. Tax fees are the aggregate fees billed for professional services rendered by the Corporation's auditor for tax compliance, tax advice and tax planning.
4. All other fees are the aggregate fees billed for services provided by the Corporation's auditor other than the services reported under "Audit fees", "Audit-related fees" and "Tax fees".

### **Reliance on Certain Exemptions**

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemptions contained in Section 6.1 of NI 52-110, which exempts the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans is contained in the Corporation's information circular for the Corporation's most recent shareholders meeting that involved the election of directors. Additional financial information is contained in the Corporation's financial statements and the related management's discussion and analysis.

Additional copies of this AIF and the materials listed in the preceding paragraph are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and upon request by contacting the Corporation at its offices at 273209 Range Road 20, Rocky View County, Alberta T4B 4P2.

**Schedule "A"**  
**AUDIT COMMITTEE CHARTER**

*(Please see attached.)*

## **SIMPLY SOLVENTLESS CONCENTRATES LTD.**

### **AUDIT COMMITTEE CHARTER**

#### **1. Purpose and Scope**

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of Simply Solventless Concentrates Ltd. (the “**Company**”). As delegated by the Board, the Committee shall attend to the responsibilities set out in this Charter.

#### **2. Membership**

##### *(A) Number of Members*

The Committee shall be composed of three or more members of the Board.

##### *(B) Independence of Members*

Except as may be allowed under National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”), the majority of the members of the Committee shall be independent within the meaning of the provisions of National Instrument 52-110 - *Audit Committees*, as may be amended or replaced from time to time.

##### *(C) Term of Members*

The members of the Committee shall be appointed annually by the Board, provided that if the composition of the Committee is not so determined, each director who was then serving as a member of the Committee shall continue as a member of the Committee until their successor is appointed. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

##### *(D) Committee Chair*

At the time of the annual appointment of the members of the Committee, the Board may appoint a Chair of the Committee. If a Committee Chair is not appointed by the Board, the members of the Committee shall designate a Committee Chair by majority vote of the full Committee membership, provided that if the designation of the Committee Chair is not made, then the director who was then serving as Committee Chair shall continue as Committee Chair until their successor is appointed. Notwithstanding any of the foregoing, the Committee Chair must be a member of the Committee.

In the absence of the Committee Chair at a meeting of the Committee, the members of the Committee present may appoint a chair from their number for such meeting.

##### *(E) Financial Literacy of Members*

At the time of their appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Further, at least one member of the Committee shall have experience as a certified public accountant, chief financial officer or corporate controller of similar experience, or demonstrably meaningful experience overseeing such functions as a senior executive officer.

### 3. Meetings

#### (A) *Frequency of Meetings*

The Committee shall meet as often as the Committee considers appropriate to fulfill its responsibilities, but in any event at least once per fiscal quarter.

#### (B) *Quorum*

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

#### (C) *Calling of Meetings*

The Committee Chair, any member of the Committee, the Company's external auditors, the Chair of the Board, the Lead Director (if any), the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Committee by notifying the Company's Corporate Secretary who will notify the members of the Committee.

#### (D) *Minutes; Reporting to the Board*

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Committee Chair may report orally to the Board on any matter in their view requiring the immediate attention of the Board.

#### (E) *Attendance of Non-Members*

The Company's external auditors are entitled to receive notice of, to attend and be heard at each Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

#### (F) *Meetings Without Management and Executive Sessions*

As part of each meeting of the Committee, the Committee shall hold an in camera session, at which management and non-independent directors of the Board are not present, and the agenda for each Committee meeting will afford an opportunity for such a session.

The Committee shall also periodically meet separately, at unscheduled or regularly scheduled meetings or portions of meetings, in executive session or otherwise with each of the Company's external auditor and management, as the Committee deems appropriate.

#### (G) *Access to Management and Books and Records*

The Committee shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the Company's management and employees and the books and records of the Company.

### 4. Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the functions and responsibilities required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "**Applicable Requirements**") or as the Board otherwise deems necessary or appropriate.

## **Financial Reports**

### (a) *General*

The Committee is responsible for overseeing the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The Company's external auditors are responsible for auditing the Company's annual financial statements and for reviewing the Company's unaudited interim financial statements.

### (b) Review of Annual Financial Reports

The Committee shall review the annual audited financial statements of the Company, the auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and financial performance ("**MD&A**"). After completing its review, if advisable, the Committee shall approve and recommend the annual financial statements and the related MD&A for Board approval.

### (c) Review of Interim Financial Reports

The Committee shall review the interim financial statements of the Company, the auditors' review report thereon, if any, and the related MD&A. After completing its review, if advisable, the Committee shall approve and recommend the interim financial statements and the related MD&A for Board approval.

### (d) Review Considerations

In conducting its review of the annual financial statements or the interim financial statements, the Committee shall:

- (i) meet with management and the auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report, if any, prepared by the external auditors;
- (iv) discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the Company's financial statements;
- (v) regularly review the Company's critical accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (vi) consider the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- (vii) review management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;
- (viii) review significant recorded and unrecorded audit adjustments;
- (ix) review any material effects of regulatory accounting initiatives or off- balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under applicable generally accepted accounting principles ("**GAAP**");

- (x) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (xi) inquire at least annually of both the Company's management, accounting group and the Company's auditors as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies;
- (xii) review with the auditors alternative accounting treatments that have been discussed with management;
- (xiii) review with management any significant changes in GAAP, as well as emerging accounting and auditing issues, and their potential effects;
- (xiv) review with management matters that may have a material effect on the financial statements;
- (xv) review management's report on the effectiveness of internal controls over financial reporting;
- (xvi) review the factors identified by management as factors that may affect future financial results;
- (xvii) review results of the Company's whistleblower program; and
- (xviii) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.

(e) Other Financial Disclosures

The Committee is responsible for reviewing financial disclosure in a prospectus or other securities offering document of the Company, as well as press releases disclosing, or based upon, financial results of the Company and any other publicly disseminated material financial disclosure, including, in accordance with the Company's Disclosure Policy (if any), material financial outlook (e.g., earnings guidance) and forward-oriented financial information (e.g., forecasted financial statements) provided to analysts, rating agencies or otherwise publicly disseminated, and material non-GAAP financial measures.

The Committee is responsible for ensuring that satisfactory procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assessing those procedures.

**External Auditors**

(a) General

The Committee shall be directly responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work. When a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by applicable legal requirements and the planned steps for an orderly transition.

(b) Nomination and Compensation

The Committee shall review and, if advisable, recommend for Board approval the Company's external auditors to be nominated and shall approve the compensation of such external auditor. The Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan.

(c) Resolution of Disagreements

The Committee shall assess the effectiveness of the working relationship of the Company's external auditors with management and resolve any disagreements between management and the external auditors as to financial reporting matters brought to its attention.

The Committee shall review all reportable events, including disagreements, unresolved issues and consultations with the Company's auditors, whether or not there is to be a change of auditors, and receive and review all reports prepared by the auditors.

(d) Discussions with Auditors

At least annually, the Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Committee.

(e) Audit Plan

At least annually, the Committee shall review a summary of the auditors' annual audit plan. The Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) Quarterly Review Report

The Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the Company.

(g) Independence of Auditors

At least annually, and before the auditors issue their report on the annual financial statements, the Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Committee shall take appropriate action to oversee the independence of the auditors.

(h) Evaluation of Lead Partner

At least annually, the Committee shall review the qualifications and performance of the lead partner(s) of the auditors.

(i) Requirement for Pre-Approval of Non-Audit Services

The Committee shall approve in advance any and all audit services and permissible non-audit services to be performed by the auditors for the Company or its subsidiary entities that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures, and adopt and implement policies for such pre-approval. The Committee shall consider the impact of such service and fees on the independence of the auditor. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting.

(j) Approval of Hiring Policies

The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(k) Internal Audit Function

The Committee shall periodically review, assess, and consider the approval of the creation and the mandate, plan, budget and staffing of an internal audit department. The Committee shall direct management to make changes it deems advisable in respect of the internal audit function.

The Committee shall review the appointment, performance and replacement of a senior internal auditing executive and the activities, organization structure and qualifications of the persons responsible for such internal audit function.

(l) Financial Executives

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates, as appropriate.

**Internal Controls**

(a) General

The Committee shall review the Company's system of internal controls.

(b) Establishment, Review and Approval

The Committee shall oversee management's implementation and maintenance of appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and oversee management's review, evaluate and approve these procedures as appropriate. The Committee shall periodically consider and review with management and the auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
- (iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

(A) *Risk Management*

The Committee shall be responsible for overseeing management's identification and assessment of the principal risks to the operations of the Company and the establishment and management of appropriate systems to manage such risks with a view to achieving a proper balance between risks incurred and potential return to holders of securities of the Company and to the long-term viability of the Company. In this regard, the Committee shall require management to report on a quarterly basis to the Committee, and the Committee shall review such reports provided by management, on the risks inherent in the business of the Company (including appropriate crisis preparedness, business continuity, information system controls, cybersecurity and disaster recovery plans), the appropriate degree of risk mitigation and risk control, overall compliance with and the effectiveness of the Company's risk management policies, and residual risks remaining after implementation of risk controls. The Committee shall report to the Board on a quarterly basis, with respect to the principal risks faced by the Company and the steps implemented by management to manage these risks.

(B) *Compliance with Legal and Regulatory Requirements*

The Committee shall review reports from the Company's Corporate Secretary and other management members on: (a) legal or compliance matters that may have a material impact on the Company; (b) the effectiveness of the Company's compliance policies; and (c) any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

(C) *Whistleblower Procedures*

The Committee shall establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Any such complaints or concerns that are received shall be reviewed by the Committee and, if the Committee determines that the matter requires further investigation, it will direct the Chair of the Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

(D) *Audit Committee Disclosure*

The Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

(E) *Delegation*

The Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Committee deems appropriate.

**5. Conflicts of Interest**

The Committee shall review the Company's policies relating to the avoidance of conflicts of interest and review and approve all payments to be made pursuant to any related party transactions involving executive officers and members of the Board of the Company or any significant shareholders of the Company, as may be necessary or desirable under the Applicable Requirements. The Committee shall consider the results of any review of these policies and procedures by the Company's external auditors.

**6. Outside Advisors**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and duties as described above, and may seek, retain and terminate accounting, legal, consulting or other expert advice from a source independent of management, at the expense of the Company, with notice to either the Chair of the Board, the Lead Director (if appointed) or the Chief Executive Officer of the Company, as deemed appropriate by the Committee. In furtherance of the foregoing, the Committee shall have the sole authority to retain and terminate, from a source independent of management, any such consultant or advisor to be used to assist in the evaluation of such matters and shall have the sole authority to approve the consultant or advisor's fees and other retention terms.

**7. No Rights Created**

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all Applicable Requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

**8. Charter Review**

The Committee shall review and update this Charter annually and present the updated Charter to the Board for approval.

Effective Date: December 14, 2023