



AVICANNA™

Innovation in
R&D and cultivation in the
cannabis industry

March 2019

Avicanna.com





Forward-Looking Statement - Confidential

This document and the material contained herein are confidential and are not to be disclosed to the public. This is for information purposes only and may not be reproduced or distributed to any other person or published, in whole or part, for any purpose whatsoever. Certain information contained herein and certain oral statements made are forward-looking and relate to Avicanna Inc.'s ("Avicanna") business strategy, product development, timing of product development, events and courses of action. Statements which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, outlook, expectations or intentions regarding the future including words or phrases such as "anticipate," "objective," "may," "will," "might," "should," "could," "can," "intend," "expect," "believe," "estimate," "predict," "potential," "plan," "is designed to" or similar expressions suggest future outcomes or the negative thereof or similar variations. Forward-looking statements may include, among other things, statements about: our expectations regarding our expenses, sales and operations; production, yield and capacity; our future customer concentration; our anticipated cash needs and our estimates regarding our capital requirements and our need for additional financing; our ability to anticipate the future needs of our customers; our plans for future products and enhancements of existing products; our future growth strategy and growth rate; our future intellectual property, research and development, product formulations and business lines, the timing and costs of our first phase of cultivation facilities expansion, the timing to bring our products, including our pharmaceuticals, to market; and our anticipated trends and challenges in the markets in which we operate. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Avicanna will operate in the future, including the demand for our products, anticipated costs and ability to achieve goals and the price of cannabis and cannabis related products. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect.

Given these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to, business, economic and capital market conditions; the ability to manage our operating expenses, which may adversely affect our financial condition; our ability to remain competitive as other better financed competitors develop and release competitive products; regulatory uncertainties; weather patterns; market conditions and the demand and pricing for our products; the demand and pricing of cannabis and cannabidiol ("CBD"); security threats, including a loss/ theft of proprietary technology; our relationships with regulatory bodies, our customers, distributors and business partners; our ability to successfully define, design and release new products in a timely manner that meet our customers' needs; our ability to attract, retain and motivate qualified personnel; competition in our industry; our ability to maintain technological leadership; the impact of technology changes on our products and industry; our failure to develop new and innovative products; our ability to successfully maintain and enforce our intellectual property rights and defend third-party claims of infringement of their intellectual property rights; the impact of intellectual property litigation that could materially and adversely affect our business; our ability to manage working capital; and our dependence on key personnel. Avicanna is an early stage company with a short operating history; and it may not actually achieve its plans, projections, or expectations. Important factors that could cause actual results to differ materially from Avicanna's expectations include, consumer sentiment towards Avicanna's products and cannabis and cannabis related technology generally, litigation, global economic climate, equipment failures, increase in operating costs, decrease in the price of cannabis and CBD, security threats including a loss or theft of intellectual property, adverse medical findings, government regulations, loss of key employees and consultants, additional funding requirements, changes in laws, technology failures, competition, and failure of counter-parties to perform their contractual obligations. Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Neither we nor any of our representatives make any representation or warranty, express or implied, as to the accuracy, sufficiency or completeness of the information in this presentation. Neither we nor any of our representatives shall have any liability whatsoever, under contract, tort, trust or otherwise, to you or any person resulting from the use of the information in this presentation by you or any of your representatives or for omissions from the information in this presentation.

Financial Information

All financial information included in this document is unaudited. There is a material risk that the audited financial results will differ significantly from the unaudited financial information presented herein. This document also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about prospective results of operations, future net revenue, share capital, cash flows, and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was made as of the date of this document and was provided for the purpose of providing information about management's current expectations and plans relating to the future. Avicanna disclaims any intention or obligation to update or revise any forward looking statements or FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable securities law. Readers are cautioned that the forward looking statements and FOFI contained in this document should not be used for purposes other than for which it is disclosed herein. The forward-looking statements and FOFI contained in this document are expressly qualified by this cautionary statement. Certain information contained herein is based on, or derived from, information provided by independent third-party sources. Avicanna believes that such information is accurate and that the sources from which it has been obtained are reliable. Avicanna cannot guarantee the accuracy of such information, however, and has not independently verified the assumptions on which such information is based. Avicanna does not assume any responsibility for the accuracy or completeness of such information.

Avicanna™

Corporate highlights



- **Multi-national & strategically positioned**

in North America and Latin America

- **Cultivation and R&D focused on 4 main product categories**

cannabinoid-based pharmaceuticals, phyto-therapeutics, derma-cosmetics, and cannabis extracts/purified cannabinoids

- **Advanced cannabinoid research**

Lead by Dr. Christine Allen, Full Professor & interim Dean of the Leslie Dan Faculty of Pharmacy at The University of Toronto (“U of T”)

- **Headquartered in Johnson & Johnson Innovation’s JLABS @ Toronto**

located in the Medical and Related Sciences (“MaRS”) Centre in Toronto, Canada

- **Clinical partnerships with world-renowned medical institutions** including The University of Toronto (“U of T”), University Health Network (“UHN”), The Hospital for Sick Children (“SickKids”), The University of West Indies (“UWI”)

- **Two fully operational cultivation projects in Colombia**

Low cost, sustainable and organic with GACP practices

- **Phase 1 - 410,000 sq. ft. combined canopy with capacity**

for estimated 24 tonnes of flower/year*

- **Health Canada certified GMP manufacturing partnership****



* Combined and estimated figures for both completed cultivation projects, Sativa Nativa S.A.S. and Santa Marta Golden Hemp S.A.S..

** <https://www.alteafarma.com.co/home/>

About Avicanna™



Strategically positioned to be a front runner in the development, manufacturing and commercialization of plant-derived cannabinoid-based products.



R&D

Headquartered in **JLABS @ Toronto**, in the **MaRS Centre**, the world's largest urban innovation hub, where Avicanna's scientists perform research with world-class academic and clinical institutions including the University of Toronto.



CULTIVATION

Low cost, industrial scale cultivation and extraction infrastructure through Avicanna's two subsidiaries in Santa Marta Colombia. With a focus on **organic and environmentally sustainable practices.**



MANUFACTURING

GMP manufacturing (Health Canada)* and a growing network of distributors around the world of our 4 key product categories, plant-derived cannabinoid
(i) pharmaceuticals;
(ii) phyto-therapeutics;
(iii) derma-cosmetics; and,
(iv) cannabis extracts and purified cannabinoids.

University of Toronto
Faculty of Pharmacy

* <https://www.alteafarma.com.co/home/>

Research and Development (R&D)



A dedication to robust scientific development and evidenced based clinical approach



Collaboration of scientists

operating out of Toronto, Bogota and Santa Marta Colombia



Clinical development programs

Ongoing clinical development programs to demonstrate product safety and efficacy with world class clinical partnerships

- SickKids hospital, Toronto
- University Health Network, Toronto
- University of West Indies, Jamaica
- Caiced, Colombia



University of Toronto

Exclusive research and collaboration agreement with Dr. Christine Allen's Research Group (CARG) in the Leslie Dan Faculty of Pharmacy. Services include formulation optimization, *in vitro* and *in vivo* analysis



Finalized product offerings, fully developed and optimized product lines including Avicanna's proprietary derma-cosmetics and phyto-therapeutics.



Cultivation projects in Santa Marta, Colombia



Controlling interest in two companies in Colombia focused on commercial cannabis cultivation, **Sativa Nativa** and **Santa Marta Golden Hemp**



60% interest 16 hectares
[180,000 sq ft current capacity, 290,000 sq ft completed phase 1 project*]



70% interest 2.8 hectares
[70,000 sq ft current capacity, 120,000 sq ft completed phase 1 project*]



Optimal microclimate of Santa Marta and the foothills of the **Sierra Nevada Mountains**

Combined **2,000 kg/month** capacity*



High quality and **low cost** mass production of extracts

*We require approximately \$555,000 in total and approximately 2 months to complete phase 1 project for both subsidiaries

Environmentally Sustainable Cannabis Cultivation in Santa Marta Colombia



1

Sun-grown and **environmentally sustainable** practices



2

Competitive **cost advantages** including low cost labour, land and energy



3

Cultivated under **good agricultural and collection practices** (GACP)



4

Avicanna's proprietary extraction and purification processes



5

Licenses to cultivate CBD & THC dominant strains for processing and sales in the domestic market and exports

2 Fully Licensed and Operating Cultivation Subsidiaries



Santa Marta, Colombia

Santa Marta Golden Hemp ("SMGH") and Sativa Nativa ("SN") capacity

Current	SGMH	SN	Total
Current Cultivation Footprint	180,000 sq ft	70,000 sq ft	250,000 sq ft
Current Annual Capacity	12,000 kg	3,000 kg	15,000 kg
Phase 1 (Q2 2019)	SGMH*	SN*	Total
Projected Cultivation Footprint	290,000 sq. ft.	120,000 sq. ft.	410,000 sq. ft.
Projected Annual Capacity**	16,800 kg	7,200 kg	24,000 kg

*We require approximately \$555,000 in total and approximately 2 months to complete phase 1 project for both subsidiaries

**Registration of genetics must be completed before being approved for commercial production

Extracts and API's



Avicanna's extracts and pharmaceutical grade cannabinoids as active pharmaceutical ingredients (API) provided through its two subsidiaries in Santa Marta, Colombia

Avicanna's analytical laboratory and extraction laboratory in SMGH with capabilities to extract and isolate cannabinoids



GMP - Manufacturing partnership

Altea Farma*



altes
FARMA



Global GMP Certifications

- INVIMA (Colombia)
- HEALTH CANADA
- ANVISA (Brazil)
- DIGMID (Perú)
- EU



GMP Manufacturing of

- Pharmaceutical products
- Phyto-therapeutics products
- Supplements dietary products
- Cosmetic products



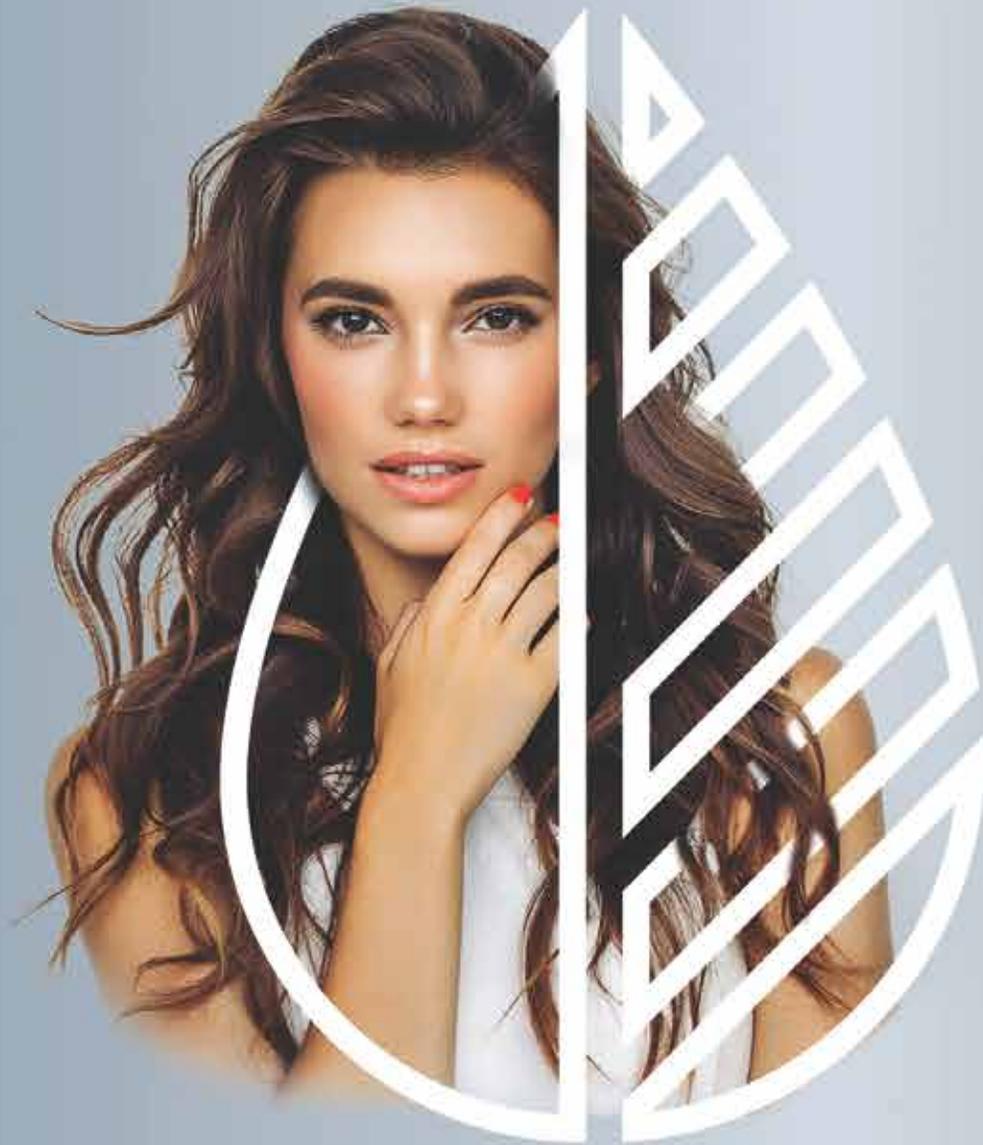
Dosage Forms

- Gels, creams, drops, lotions
- Tablets, capsules, pellets, chewable tablets

Clients:

Pfizer, Novartis, Merck,
GSK, Roche and Myland

*<https://www.alteafarma.com.co/home/>



PURELY
YOU

PURAELEMENTS.WORLD



Pura Earth™

CBD Derma-Cosmetics



Derma-cosmetics formulations to maintain and improve the health and beauty of the skin.

BEAUTY TREATMENTS

- Anti-aging Treatment
- Under Eye Treatment
- Regenerating Facial Serum
- Dark Spot Treatment



MOISTURIZE & PROTECTION



- Skin Protecting Face Lotion (AM)
- Skin Protecting Face Lotion (PM)
- Skin Protecting Body Lotion



SPECIALIZED CARE

- Clear Skin Treatment
- Intensive Conditioning Treatment



The product mock-ups that appear on this page are not indicative of final products that may be marketed and sold.



PURA
ELEMENTS™

**Elevating Nature,
Through Science**

To continue to advance the world of
cannabinoid-based therapies

Pura Elements™

CBD-THC Phyto-therapeutics



Plant-derived cannabinoid-based therapies in a range of CBD and/or THC ratios, doses and forms of delivery.



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Pharmaceuticals

Pipeline of indication specific products



Pharmaceutical products pipeline following the traditional drug discovery and development process for eventual submission to the applicable government agencies, such as Health Canada or the FDA.

Focus on 6 therapeutic areas and utilizing only isolated Extracts and our intention is to use the isolated Extracts produced by our subsidiaries in Colombia in the pharmaceutical products we will offer.

*All projects are in Phase I or Phase II. Note that the regulatory process to bring these products to market is lengthy and complicated and Avicanna cannot currently comment as to when such products will come to market.



Dermatology



Pain



Neurology



Oncology



Gastrointestinal



Psychiatry

Current Pipeline in Various Stages of Pre-Clinical and Clinical Development

- Dermatology
- Pain
- Neurology

Clinical Partners

- SickKids Hospital
- University Health Network
- University of West Indies
- Centro de Atencion e Investigacion Medica CAIMED S.A.S.



Avicanna Quality Standard (AQS)



Science first

Our **world-class research** and development team's approach to product development includes several stages of *in vitro* and *in vivo* testing to ensure all our products undergo many levels of optimization.

Made for people

Our pharmaceutical product pipeline goes through **well-designed human clinical development**. Commencing with safety and toxicology to and following up with interventional efficacy studies in order to demonstrate product safety and clinical efficacy across several therapeutic areas.

Nothing but nature

Our cannabinoids are cultivated naturally, organically, free of herbicides, pesticides and harmful chemicals. We use sustainable growing practices under **Good Agricultural and Collection Practices (GACP)** to ensure we support the health of soils and the ecosystems.

Consistency is key

Our products are manufactured to the highest standards for consistent dosing, quality and purity every time. Manufactured with world class **Good Manufacturing Practices (GMP)** to assure precise delivery of cannabinoids in every product.



Executive Management Team



Aras Azadian, M.Mgmt Chief Executive Officer

Aras brings extensive senior management experience in the biotechnology and financial sectors including his involvement in several successful start-up companies. In addition to his international experience in corporate development, his diverse roles include his previous position as the president of an investment corporation in the cannabis space and former Chief Operating Officer of an oncology company.

Setu Purohit, JD President and Chief Legal Officer

Setu is a lawyer and entrepreneur with experience in complex corporate and legal strategy, contract negotiations, and litigation. Setu has been involved in the cannabis industry for several years as an advocate for patients' rights and advising healthcare professionals, licensed cannabis producers, and other corporate and regulatory stakeholders in Canada and abroad. Prior to co-founding Avicanna, Setu operated his own private practice since 2012.

Dave Sohi, CPA, CA, CBV Chief Financial Officer

Dave received his Chartered Accountant designation in 2008, and following three years in audit and tax he joined the firm's business advisory practice as a manager. Dave's main focus in that group's practice was on mergers and acquisitions and valuation services. In 2010, Dave obtained his Chartered Business Valuator designation, and in 2013 joined Ernst and Young's Transaction Advisory Practice. Following a year with Ernst and Young, Dave opened his own practice where he provided clients with accounting and advisory services.

Dr. Christine Allen, PhD Chief Scientific Officer

Dr. Allen is a Full Professor in the Leslie Dan Faculty of Pharmacy at the University of Toronto. Her research is focused on the design and development of new technologies for the delivery of drugs. Dr. Allen's research has resulted in one hundred thirty peer-reviewed publications on both lipid and polymer-based drug delivery approaches. Dr. Allen has been a Professor at the University of Toronto since 2002.

UNIVERSITY OF TORONTO

Lucas Nosiglia, MFin Chief Agricultural Officer

Lucas has previous experience developing start-up companies in Argentina. In 2013, Lucas started a restaurant called La Causa Nikkei, and operated two locations in Argentina. In 2015, Lucas went on to create a marketing and event agency, Tremending, which focused on providing tailor made experiences for corporate clients. Later, in 2016, Lucas went on to provide business development consulting services for Sanatorios Guemes focused on improving the surgical and pharmaceutical practices of the major medical institution.

Arash Moghani, MBA Chief Technical Officer

Arash began his career at Deloitte as a consultant leading complex strategy and business transformation projects across several sectors globally including banking, technology and healthcare. In 2014, Arash continued his career at the Bank of Montreal, Capital Markets FX Technology department working with diverse teams of stakeholders, gathering business requirements and translating them into comprehensive technology solutions and strategies.

Janeth Mora, PharmD EVP Commercialization

Experienced pharmaceuticals executive experienced in LATAM including her tenure at INVIMA. Janeth brings executive management experience through roles in Merck and Pfizer, where she held different positions, like Emerging Markets marketing director, as well as regulatory affairs manager in Pfizer Andean region.

Jose Beltran, MBA EVP Corporate Development

Jose offers over 30 years of pharmaceutical industry and health system executive experience across several LATAM countries with Pfizer, Abbott, Aspen and Biotoscana. Industrial engineer and marketing specialist from University of los Andes and Program for Leadership Development (PLD24) from Harvard University.

Alan Friedman Business Advisor

Alan is the founder and CEO of Rivonia Capital, a Canadian finance and capital market advisory firm. He is also a co-founder of several publicly traded companies across diversified industries. Alan is a former director of Cronos Group and oversaw the company's public listing.

Senior Scientific Team



Dr. Justin Grant, PhD, MBA

SVP Clinical Development

Dr. Grant has over 15 years experience in leading pharmaceutical research in sustained drug release formulations, has held academic positions at UHN and U of T and serves as the research program manager of the STARR Innovation Centre with Princess Margaret Cancer Centre UHN.

PRINCESS MARGARET CANCER CENTER

Dr. Amza Ali, MD, PhD, MBA

Dr. Ali is certified in Neurologist by the Federation of Royal Colleges of Physicians of the United Kingdom and launched the Epilepsy Society of the Caribbean. Additionally, he has an MBA from Rothman and an MSc in Research Methodology at the Henley Business School in the UK. Business School in the UK.

AMERICAN EPILEPSY SOCIETY

Dr. Frantz Le Devedec, PhD

SVP R&D

Frantz has over 15 years of experience in academic and industrial R&D projects, including material sciences and drug delivery formulations. He is author of over a dozen research papers and patents. His background is in biochemistry, with a PhD in applied polymer chemistry, and expertise in analytical and pharmaceutical sciences.

Samantha Watt, MSc

VP of Scientific Affairs

Samantha is an experienced scientist with years investigating human and cellular biology. With a Master's of Science from the University of Guelph, she possesses strong communication and laboratory skills that have led her to several publications and conference presentations related to plant gene manipulation and cloning.

Dr. Hance Clarke, MD, PhD

Dr. Clarke is the Director of Pain Services and the Medical Director of the Pain Research Unit at the Toronto General Hospital. He is recognized internationally for his research and novel Transitional Pain Program and researching the efficacy of cannabinoids in pain management.

TORONTO GENERAL HOSPITAL

Dr. Humberto Reynales, MD, PhD

An epidemiology with a PhD degree in science offers more than 15 years of experience in the pharmaceutical industry including his tenure at Merck & Co and his role as the executive director of Caimead a multinational CRO.

CAIMED

Dr. Mauricio Torres-Pradilla, MD, PhD

Dr. Torres-Pradilla is a dermatologist with a specialization in pediatric dermatology with research emphasis on Atopic Dermatitis, Psoriasis, Epidermolysis Bullosa and Hemangiomas. He is currently Head of Dermatology at Fundación Universitaria de Ciencias de la Salud in Bogota and Dermatologist at Debra Colombia.

FUNDACIÓN UNIVERSITARIA DE CIENCIAS

Dr. Carlos Maldonado, MD

Carlos has participated in medical and regulatory issues related to the approval and commercialization of several new medicines including Sativex in Colombia. He provides his experience in biotechnology, pharmacovigilance, clinical development through his prior roles as medical directors for companies such as Bayer.

UNIVERSIDAD NACIONAL DE COLOMBIA

Dr. Alejandro Berlin, MD, MSc

Staff Clinician-Scientist and Radiation Oncologist at the Princess Margaret Cancer Centre. His research focuses on design of innovative clinical trials, translational oncology, research expertise towards novel therapies for patients with cancer.

PRINCESS MARGARET CANCER CENTER

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Purchasers' Rights of Action

The following rights of action for damages or rescission will only apply to a purchase of securities of Avicanna Inc. ("Avicanna") in the event that the foregoing presentation is deemed to be an offering memorandum pursuant to applicable securities legislation. These remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limits prescribed by the applicable provisions of such provincial securities legislation. Recipients should refer to such applicable securities legislation for the complete text of these rights or consult with a legal adviser. A "misrepresentation" is an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading or false in the light of the circumstances in which it was made.

These remedies must be commenced by the purchaser within the time limits prescribed and are subject to the defences contained in the applicable securities legislation. Each purchaser should refer to the provisions of the applicable securities laws for the particulars of these rights or consult with a legal adviser.

The following rights are in addition to and without derogation from any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the relevant securities laws and are subject to the defences contained therein. The following summaries are subject to the express provisions of the applicable securities statutes and instruments in the below-referenced provinces and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

Ontario Investors

Under Ontario securities legislation, certain purchasers who purchase securities offered by an offering memorandum during the period of distribution will have a statutory right of action for damages, or while still the owner of the securities, for rescission against the issuer or any selling security holder if the offering memorandum contains a misrepresentation without regard to whether the purchasers relied on the misrepresentation. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the securities. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the securities. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the issuer or any selling security holder. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, the issuer and any selling security holder will have no liability. In the case of an action for damages, the issuer and any selling security holder will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the securities as a result of the misrepresentation relied upon.

These rights are not available for a purchaser that is (a) a Canadian financial institution or a Schedule III Bank (each as defined in National Instrument 45-106 – Prospectus Exemptions), (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada), or (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Not all defences upon which an issuer, selling security holder or others may rely are described herein. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

Alberta, British Columbia and Quebec

By purchasing securities of the company, purchasers in Alberta, British Columbia and Quebec are not entitled to the statutory rights described above. In consideration of their purchase of the securities and upon accepting a purchase confirmation in respect thereof, these purchasers are hereby granted a contractual right of action for damages or rescission that is substantially the same as the statutory right of action provided to residents of Ontario who purchase securities.

Saskatchewan Investors

Under Saskatchewan securities legislation, certain purchasers who purchase securities offered by an offering memorandum during the period of distribution will have a statutory right of action for damages against the issuer, every director and promoter of the issuer or any selling security holder as of the date of the offering memorandum, every person or company whose consent has been filed under the offering memorandum, every person or company that signed the offering memorandum or the amendment to the offering memorandum and every person or company who sells the securities on behalf of the issuer or selling security holder under the offering memorandum, or while still the owner of the securities, for rescission against the issuer or selling security holder if the offering memorandum contains a misrepresentation without regard to whether the purchasers relied on the misrepresentation.

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The right of action for damages is exercisable not later than the earlier of one year from the date the purchaser first had knowledge of the facts giving rise to the cause of action and six years from the date on which payment is made for the securities. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the securities. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the issuer or the others listed above. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, the issuer and the others listed above will have no liability. In the case of an action for damages, the issuer and the others listed above will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the securities as a result of the misrepresentation relied upon.

Other defences in Saskatchewan legislation include that no person or company, other than the issuer, will be liable if the person or company proves that (a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered, or (b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert.

No person or company, other than the issuer, is liable for any part of the offering memorandum or the amendment to the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of or an extract from a report, opinion or statement of an expert, unless the person or company (a) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (b) believed there had been a misrepresentation.

Similar rights of action for damages and rescission are provided in Saskatchewan legislation in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Saskatchewan legislation also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

In addition, Saskatchewan legislation provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold by a vendor who is trading in Saskatchewan in contravention of Saskatchewan securities legislation, regulations or a decision of the Financial and Consumer Affairs Authority of Saskatchewan.

The Saskatchewan legislation also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by the Saskatchewan legislation.

A purchaser who receives an amended offering memorandum has the right to withdraw from the agreement to purchase the securities by delivering a notice to the issuer or selling security holder within two business days of receiving the amended offering memorandum.

These rights are in addition to, and without derogation from, any other rights or remedies available at law to a Saskatchewan purchaser. The foregoing is a summary of the rights available to a Saskatchewan purchaser. Not all defences upon which an issuer or others may rely are described herein. Saskatchewan purchasers should refer to the complete text of the relevant statutory provisions.

Manitoba Investors

If an offering memorandum or any amendment thereto, sent or delivered to a purchaser contains a misrepresentation, the purchaser who purchases the security is deemed to have relied on the misrepresentation if it was a misrepresentation at the time of the purchase and has a statutory right of action for damages against the issuer, every director of the issuer at the date of the offering memorandum, and every person or company who signed the offering memorandum. Alternatively, the purchaser may elect to exercise a statutory right of rescission against the issuer, in which case the purchaser will have no right of action for damages against any of the aforementioned persons.

Unless otherwise provided under applicable securities legislation, no action shall be commenced to enforce any of the foregoing rights more than: (a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or (b) in the case of an action for damages, the earlier of (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) two years after the date of the transaction that gave rise to the cause of action.

A purchaser to whom the offering memorandum is required to be sent may rescind the contract to purchase the securities by sending a written notice of rescission to the issuer not later than midnight on the second day, excluding Saturdays, Sundays and holidays, after the purchaser signs the agreement to purchase the securities.

Securities legislation in Manitoba provides a number of limitations and defences to such actions, including:

a) in an action for rescission or damages, no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;

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b) in an action for damages, no person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and c) in no case will the amount recoverable under the right of action described above exceed the price at which the securities were offered under the offering memorandum.

New Brunswick Investors

Under New Brunswick securities legislation, certain purchasers who purchase securities offered by an offering memorandum during the period of distribution will have a statutory right of action for damages, or while still the owner of the securities, for rescission against the issuer and any selling security holder in the event that the offering memorandum, or a document incorporated by reference in or deemed incorporated into the offering memorandum, contains a misrepresentation without regard to whether the purchasers relied on the misrepresentation. The right of action for damages is exercisable not later than the earlier of one year from the date the purchaser first had knowledge of the facts giving rise to the cause of action and six years from the date on which payment is made for the securities. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the securities. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the issuer or any selling security holder. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, the issuer and any selling security holder will have no liability. In the case of an action for damages, the issuer and any selling security holder will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the securities as a result of the misrepresentation relied upon.

These rights are in addition to, and without derogation from, any other rights or remedies available at law to a New Brunswick purchaser. The foregoing is a summary of the rights available to a New Brunswick purchaser. Not all defences upon which an issuer, selling security holder or others may rely are described herein. New Brunswick purchasers should refer to the complete text of the relevant statutory provisions.

Nova Scotia Investors

Under Nova Scotia securities legislation, certain purchasers who purchase securities offered by an offering memorandum during the period of distribution will have a statutory right of action for damages against the issuer or other seller and the directors of the issuer as of the date the offering memorandum, or while still the owner of the securities, for rescission against the issuer or other seller if the offering memorandum, or a document incorporated by reference in or deemed incorporated into the offering memorandum, contains a misrepresentation without regard to whether the purchasers relied on the misrepresentation. The right of action for damages or rescission is exercisable not later than 120 days from the date on which payment is made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the issuer or other seller or the directors of the issuer. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, the issuer or other seller and the directors of the issuer will have no liability. In the case of an action for damages, the issuer or other seller and the directors of the issuer will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the securities as a result of the misrepresentation relied upon.

In addition, a person or company, other than the issuer, is not liable with respect to any part of the offering memorandum or any amendment to the offering memorandum not purporting (a) to be made on the authority of an expert or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) believed that there had been a misrepresentation.

A person or company, other than the issuer, will not be liable if that person or company proves that (a) the offering memorandum or any amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, (b) after delivery of the offering memorandum or any amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum or any amendment to the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum or any amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it, or (c) with respect to any part of the offering memorandum or any amendment to the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (A) there had been a misrepresentation, or (B) the relevant part of the offering memorandum or any amendment to the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Confidential



These rights are in addition to, and without derogation from, any other rights or remedies available at law to a Nova Scotia purchaser. The foregoing is a summary of the rights available to a Nova Scotia purchaser. Not all defences upon which an issuer or other seller or others may rely are described herein. Nova Scotia purchasers should refer to the complete text of the relevant statutory provisions.

Prince Edward Island Investors

If an offering memorandum, together with any amendment thereto, is delivered to a purchaser and the offering memorandum, or any amendment thereto, contains a misrepresentation, a purchaser has, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action for damages against (a) the issuer, (b) subject to certain additional defences, against every director of the issuer at the date of the offering memorandum and (c) every person or company who signed the offering memorandum, but may elect to exercise the right of rescission against the issuer (in which case the purchaser shall have no right of action for damages against the aforementioned persons or company).

No action shall be commenced to enforce the right of action discussed above more than: (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action for damages, the earlier of: (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the date of the transaction that gave rise to the cause of action.

Securities legislation in Prince Edward Island provides a number of limitations and defences to such actions, including:

- a) no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- b) in an action for damages, the defendant is not liable for all or any portion of the damages that it proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and
- c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the securities were offered under the offering memorandum, or any amendment thereto.

In addition, a person is not liable with respect to a misrepresentation in forward-looking information ("FLI") if: (a) the offering memorandum containing the FLI also contains, proximate to the FLI: (i) reasonable cautionary language identifying the FLI as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the FLI; and (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the FLI; and (b) the person had a reasonable basis for drawing the conclusions or making the forecast or projections set out in the FLI.

The above paragraph does not relieve a person of liability respecting FLI in a financial statement required to be filed under Prince Edward Island securities laws.

Newfoundland and Labrador Purchasers

If an offering memorandum, together with any amendment thereto, contains a misrepresentation, a purchaser has, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action for damages against (a) the issuer, (b) subject to certain additional defences, against every director of the issuer at the date of the offering memorandum and (c) every person who signed the offering memorandum, but may elect to exercise the right of rescission against the issuer (in which case the purchaser shall have no right of action for damages against the aforementioned persons).

No action shall be commenced to enforce the right of action discussed above more than: (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action for damages, the earlier of: (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the date of the transaction that gave rise to the cause of action. Securities legislation in Newfoundland and Labrador provides a number of limitations and defences to such actions, including:

- a) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- b) in an action for damages, the defendant is not liable for all or any portion of the damages that it proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and
- c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the securities were offered under the offering memorandum, or any amendment thereto.

Confidential



Trading Restrictions:

General

The securities of Avicanna acquired by purchasers resident in Canada will be subject to resale restrictions including an indefinite restriction on trading. Until the restriction on trading is removed, a shareholder will not be able to trade any securities of Avicanna unless the shareholder complies with an exemption from the prospectus and registration requirements under securities legislation.

Manitoba Resale Restrictions

Unless permitted under securities legislation, a shareholder must not trade any securities of Avicanna purchased by a resident in the Province of Manitoba through a prospectus exemption without the prior written consent of the regulator in Manitoba unless: (a) Avicanna has filed a prospectus with the regulator in Manitoba with respect to the securities the shareholder purchased and the regulator in Manitoba has issued a receipt for that prospectus; or (b) the shareholder held the securities for at least 12 months. The regulator in Manitoba will consent to a shareholders trade if the regulator is of the opinion that to do so is not prejudicial to the public interest



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