Court File No. CV-20-00641220-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GREEN GROWTH BRANDS INC., GGB CANADA INC., GREEN GROWTH BRANDS REALTY LTD. AND XANTHIC BIOPHARMA LIMITED

(each an "Applicant" and collectively, the "Applicants")

FIFTH REPORT OF THE MONITOR

MARCH 20, 2021

INTRODUCTION

1. On May 20, 2020, the Applicants brought an application (the "**CCAA Application**") before this Court returnable on May 20, 2020, seeking an initial order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") to, among other things, obtain a stay of proceedings to allow them an opportunity to market their business for sale.

2. On May 20, 2020, the Court granted an initial order in these proceedings (the "**Initial Order**") that, among other things, appointed Ernst & Young Inc. as monitor of the Applicants in these CCAA proceedings (in such capacity, the "**Monitor**"), approved a stay of proceedings for the initial 10-day period (the "**Initial Stay Period**"), granted certain Court ordered charges, and approved the interim financing facilities (the "**DIP Agreement**") which was secured over the Applicants' property (the "**DIP Lender's Charge**") to be provided by All Js Greenspace LLC ("**All Js**" or the "**DIP Lender**"). Pursuant to an Order dated June 2, 2020 (the "**Amended and Restated Initial Order**"), the Court granted an increase to the DIP Lender's Charge and on the same day, the Court approved an order (the "**SISP Order**") approving a sale and investment solicitation

process (the "**SISP**"), and the Acquisition Agreement made as of May 19, 2020 (the "**Stalking Horse APA**") entered into between Green Growth Brands Inc., Capital Transfer Agency ULC in its capacity as Debenture Trustee under certain debentures issued by GGB (in such capacity, the "**Debenture Trustee**") and All Js (collectively with the Debenture Trustee, the "**Stalking Horse Bidder**").

3. Pursuant to an Order dated August 13, 2020 (the "**Approval and Vesting Order**"), the Court approved a sale transaction contemplated by the Stalking Horse APA as amended on August 10, 2020 (the "**Amended and Restated Stalking Horse APA**") and vesting in an entity designated by the Stalking Horse Bidder to act as purchaser of the assets (the "**Purchaser**") all of GGB's right, title and interest in and to all of the Purchased Assets (as defined in the Third Report).

4. On December 17, 2020, GGB and the Purchaser entered into the Second Amended and Restated Stalking Horse APA. Pursuant to an Order dated December 18, 2020 (the "**Stay Period Extension and the Second DIP Amendment**") the Court granted a further extension to the Initial Stay Period up to and including March 26, 2021 (the "**Stay Period**"), approved an amendment to the DIP Agreement (the "**Second DIP Amendment**") and approved an increase to the DIP Lender's Charge to a maximum of US$10 million to finance the Applicants' working capital requirements, other general corporate purposes and capital expenditures.

5. In order to provide information for stakeholders, the Monitor maintains a website with materials relevant to the CCAA proceeding. The website address is www.ey.com/ca/GGBI (the "**Monitor's Website**").

PURPOSE

6. The purpose of this fifth report of the Monitor (the "**Fifth Report**") is to provide information to the Court on the following:

   a. an update on the activities of the Monitor and the Applicants' operations since the fourth report of the Monitor dated December 17, 2020 (the "**Fourth Report**");

   b. the Applicants' motion for:

      i. an order (the "**Stay Extension Order**") substantially in the form included in the Applicants' Motion Record:

         - approving certain amendments to the DIP Agreement dated March 19, 2021 (the "**Third DIP Amendment**"); and

         - extending the Stay Period from March 26, 2021 to May 28, 2021;

   c. the actual receipts and disbursements for the period from December 13, 2020 through March 6, 2021 (the "**Reporting Period**") compared to the cash flow forecast in the Fourth Report; and

d. an update with respect to the Applicants' forecast cash flows (the "**Revised Forecast**") for the twelve weeks from March 7, 2021 to May 29, 2021 (the "**Forecast Period**") in connection with the Applicants' motion to extend the Stay Period to May 28, 2021.

TERMS OF REFERENCE AND DISCLAIMER

7. In preparing this Fifth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Applicants, discussions with management of the Applicants ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report in respect of the Applicants' cash flow forecast:

   a. the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

   b. some of the information referred to in this Fifth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

8. Future oriented financial information referred to in this Fifth Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

9. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Report concerning the Applicants and their business is based on the Information, and not independent factual determinations made by the Monitor.

10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

11. Terms not defined herein are as defined in the previous reports or the Sale and Investment Solicitation Process (the "**SISP**").

BACKGROUND

12. Green Growth Brands Inc. ("**GGB**"), one of the Applicants, is the parent corporation of a cannabis enterprise that is licensed to cultivate, process and sell cannabis in various jurisdictions within the United States (the "**GGB Group**"). A copy of the Applicants' corporate organization chart was included in the Applicants' motion record and attached as Exhibit B to the Whitaker Comeback Affidavit dated May 26, 2020. GGB is continued under the *Business Corporations Act* (Ontario) and is a public company whose common shares are listed for trading on the Canadian Securities Exchange ("**CSE**") and on the OTCQB venture market and maintains a registered head office address of 199 Bay Street, Suite 5300 Toronto, Ontario M5L 1B9.

13. In an effort to reduce overall spending and remain as cost effective as possible, the Applicants determined that GGB would not prepare and file its interim financial statements or management's discussion and analysis report for the period ending March 31, 2020. As a result, on July 30, 2020 the Investment Industry Regulatory Organization of Canada (IIROC) issued a cease trade order in respect of GGB's shares.

14. GGB Canada Inc. ("**GGB Canada**") is a direct, wholly-owned subsidiary of GGB and is incorporated under the *Business Corporations Act* (Ontario). GGB Canada has no assets other than its ownership interest in GGB's U.S. subsidiaries.

15. Green Growth Brands Realty Ltd. ("**GGB Realty**") is a direct, wholly-owned subsidiary of GGB and is incorporated under the *Business Corporations Act* (Ontario). GGB Realty was previously incorporated when the GGB Group intended to expand its cannabis operations into Canada. This was ultimately not pursued. GGB Realty has no assets or employees.

16. Xanthic Biopharma Limited ("**Xanthic**") is a direct, wholly-owned subsidiary of GGB and is incorporated under the *Business Corporations Act* (Ontario). Xanthic previously held certain cannabis related patents which have since lapsed. Xanthic has no assets or employees.

17. The GGB Group was created through a series of strategic partnerships and transactions between subsidiaries of GGB and various U.S. companies which held licenses for the production, cultivation, processing and retail of cannabis products through dispensaries in the states of Nevada, Massachusetts and Florida.

18. Prior to the commencement of the CCAA proceedings, the GGB Group operated two distinct lines of business: (a) cannabis cultivation, processing and production of products containing more than 0.3% tetrahydrocannabinol ("**THC**"), and the distribution of the THC products as a multi-state operator through wholesale and retail channels in medical and adult-use dispensaries in Florida, Massachusetts and Nevada (the "**MSO Business**"), and (b) cannabidiol ("**CBD**")-infused consumer product production, wholesale and retail operations online and through mall-based kiosk shops (the "**CBD Business**") (collectively, the "**Licensed Activities**"). None of the Applicants directly conduct any Licensed Activities.

19. The MSO Business continues to operate through five indirect, wholly-owned subsidiaries of GGB (the "**MSO Subsidiaries**"). The CBD Business was operated through six indirect, wholly-owned subsidiaries of GGB (the "**CBD Subsidiaries**") until March 19, 2020, when the CBD Business was indefinitely suspended due to, among other things, the onset of the COVID-19 pandemic. On April 3, 2020, the Ohio Court appointed a receiver over Green Growth Brands LLC and the other CBD Subsidiaries to distribute the assets of the CBD Subsidiaries and wind down their operations. On July 16, 2020 the receiver closed a transaction with the BRN Group to sell certain assets related to the CBD Business. The Applicants do not expect to receive any proceeds from this transaction.

20. On June 2, 2020, the Court issued the SISP Order approving the SISP and the Stalking Horse APA to seek more favourable offers, if any, for certain of the Applicants' assets.

21. On August 13, 2020 the Court issued an Order (the "**DIP Amendment and Stay Extension Order**") granting an extension of the Initial Stay Period, approving an amendment to the DIP Agreement (the "**First DIP Amendment**") and increasing the DIP Lender's Charge to a maximum of US$7.8 million.

22. On August 13, 2020, the Court also issued the Approval and Vesting Order which, among other things, terminated the SISP and authorized the execution by GGB of the Amended and Restated Stalking Horse APA and thereby approved the Transaction contemplated by the Amended and Restated Stalking Horse APA (the "**Transaction**").

UPDATE ON THE APPLICANTS' OPERATIONS

23. Since the date of the Fourth Report, the MSO Subsidiaries continue to maintain day to day operations with strong sales volume in Nevada despite the COVID-19 pandemic. The MSO Subsidiaries have negotiated the purchase of a new office and distribution centre in Las Vegas, Nevada. The transition to the new building is forecast to occur in May 2021 and is expected to be operational in June 2021.

24. Pursuant to the Second Amended and Restated Stalking Horse APA, the MSO Subsidiaries continue the process of transferring cannabis licenses. In Massachusetts, the Cannabis Control Commission of Massachusetts, which has regulatory authority over the approval and transfer of cannabis licenses in the state, accepted the application to approve the indirect transfer of ownership of the cannabis licenses and has deemed the application to be complete. In Nevada the Cannabis Control Board approved the application for the indirect transfer of ownership on December 18, 2020. The Company has also submitted the required applications to local authorities in the cities of Las Vegas, North Las Vegas, Henderson and Reno, as well as Clark County and Nye County in Nevada. All local approvals other than those for the City of Las Vegas have been obtained. The Applicants are hopeful that the remaining approval from the City of Las Vegas will be obtained by March 26, 2021.

25. The Applicants have made draw requests and received funding pursuant to the DIP Agreement entered between GGB and the DIP Lender and approved by the Court in the

Amended and Restated Initial Order, as amended through the Second DIP Amendment. Further information with respect to the Applicants' actual cash flow results are set out below.

Florida

26. As discussed in detail in the Fourth Report, the shares of the GGB Florida Subsidiaries, the property and assets of GGB Florida, and all cannabis licenses were transferred to Green Ops Group LLC on December 15, 2020.

27. As a result of the above, GGB Florida will be excluded from the Transaction.

SALE TRANSACTION

28. Since the time of the Fourth Report, the Applicants have been working diligently with the Purchaser to satisfy the necessary conditions to closing as set out in the Second Amended and Restated Stalking Horse APA. These conditions include regulatory approval for the transfer of the cannabis licenses in Nevada and Massachusetts. While the Applicants have been working with local and state authorities to obtain these approvals as quickly as possible, the timing is wholly dependent on the regulatory authorities and has been impacted by various delays including the COVID-19 pandemic. As described above, cannabis licenses in Massachusetts and certain licenses in Nevada have received regulatory and local level approvals, however, local approval remains outstanding for the City of Las Vegas. The Monitor understands that cannabis license transfer application in the City of Las Vegas has been submitted and that it is expected that approval will be obtained in Q2 of 2021.

29. As a result, the Applicants expect that additional time will be required before GGB can close the Transaction and accordingly are seeking an extension of the stay of proceedings and approval of the proposed amendment to the DIP Agreement, as amended through the Third DIP Amendment, to allow them to continue operations until the Transaction is closed. Given the uncertainty with respect to the length of time required to resolve these issues, the Applicants are requesting a stay extension to May 28, 2021.

THIRD DIP AMENDMENT

30. The Applicants and the DIP Lender have agreed to further amend the DIP Agreement (the "**Third DIP Amendment**") to increase the maximum availability under the DIP facility from US$9,100,000 to US$14,102,730, comprised of a maximum principal amount of US$8,162,078 for operations plus US$5,940,652 (the "**CAPEX Amount**"), up from $7.8 million and $1.3 million. The CAPEX Amount is to be used solely for the purpose of funding certain capital expenditures approved in advance by the DIP Lender.

31. In addition, the Third DIP Amendment extends the maturity date of the facility to May 28, 2021 and contemplates an increase to the DIP Lender's Charge to US$14,200,000 million. It is expected that the balance of the DIP Lender's Charge over and above the total DIP maximum under the DIP facility will be used to secure certain legal fees reimbursable by GGB to the DIP Lender pursuant to the DIP Agreement.

32. Exhibit "A" to the Third DIP Amendment, showing the changes made through the amendment is attached as Appendix "**A**".

33. Given the uncertainty with respect to the time required to effect closing of the Transaction, the Third DIP Amendment will provide the Applicants with sufficient funding to continue operations and fund the costs of the CCAA proceedings to the end of the Stay Period if it is extended to May 28, 2021.

ACTUAL RECEIPTS AND DISBURSEMENTS

34. Attached as Appendix "**B**" to this Fifth Report is a summary of the Applicants' actual receipts and disbursements during the Reporting Period. Appendix "**C**" to this Fifth Report contains a variance analysis with respect to some of the larger variances from the forecast included in the Fourth Report.

35. The Applicants had net disbursements of approximately US$0.41 million during the Reporting Period. The Applicants had cash of approximately US$0.39 million at the beginning of the Reporting Period and closing cash of approximately US$0.21 million. The Applicants made Operational and Capital Expenditure related DIP draws during the Reporting Period of US$0.79 million and US$1.0 million respectively, of which approximately US$1.56 million was transferred to GGB's US subsidiaries to fund CAPEX and operating costs.

36. GGB's US subsidiaries had total receipts during the Reporting Period of approximately US$10.18 million and total disbursements of approximately US$11.63 million resulting in net cash outflows of approximately US$1.45 million. GGB's US subsidiaries had cash at the beginning of the Reporting Period of US$1.76 million and closing cash of approximately US$1.87 million.

37. Overall, better than forecast sales and the Applicants' efforts to reduce costs resulted in the Applicants' drawing less than anticipated pursuant to the DIP Agreement, as amended through the Second DIP Amendment.

REVISED CASH FLOW FORECAST

38. The Revised Forecast, attached as Appendix "**C**" to this Fifth Report, is presented on a weekly basis during the Forecast Period and represents the estimates of Management of the projected cash flow during the Forecast Period. The Revised Forecast has been prepared by Management, using the probable and hypothetical assumptions set out in the

notes to the Revised Forecast (the "**Probable and Hypothetical Assumptions**" or the "**Assumptions**") and does not reflect the financial impact of the implementation of the CCAA Plan.

39. The Monitor has reviewed the Revised Forecast to the standard required of a Court-appointed Monitor pursuant to section 23(1)(b) of the CCAA, which requires a Monitor to review the debtor's cash flow statement as to its reasonableness and to file a report with the Court on the Monitor's findings.

40. Pursuant to this standard, the Monitor's review of the Revised Forecast consisted of inquiries, analytical procedures and discussions related to information supplied to it by certain key members of management ("**Management**") and other employees of the Applicant. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Revised Forecast. The Monitor also reviewed the support provided by Management for the Probable and Hypothetical Assumptions and the preparation and presentation of the Revised Forecast.

41. Based on the Monitor's review, nothing has come to the Monitor's attention that causes the Monitor to believe, in any material respect, that:

a. The Probable and Hypothetical Assumptions are not consistent with the purpose of the Revised Forecast;

b. As at the date of this Fifth Report, the Probable and Hypothetical Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Revised Forecast, given the Probable and Hypothetical Assumptions; or

c. The Revised Forecast does not reflect the Probable and Hypothetical Assumptions.

42. The Revised Forecast estimates that during the Forecast Period, the Applicants will have total disbursements of approximately US$0.67 million and make DIP draws related to operations totalling US$0.57 million and capital expenditures totalling US$4.94 million of which US$4.94 million is expected to be transferred to GGB's US subsidiaries to fund operations and capital expenditures. This will bring the total DIP draws from the commencement of the CCAA Proceedings to approximately US$14.1 million. The Applicants cash position at the commencement of the Revised Forecast was approximately US$0.21 million, and the Revised Forecast projects an estimated cash position of US$0.11 million as at May 29, 2021.

43. In addition, the Revised Forecast estimates that during the Reporting Period, GGB's US subsidiaries, will have total receipts of approximately US$10.24 million and total disbursements of US$15.62 million resulting in net total cash outflows of approximately US$5.38 million. The collective cash position of the US subsidiaries, at the commencement of the Revised Forecast was approximately US$1.87 million and the Revised Forecast projects an estimated cash position of US$1.43 million as at May 29, 2021.

44. There are several assumptions used in the development of the Revised Forecast such as the impact of the COVID-19 pandemic on retail and wholesale sales which are beyond the control of GGB. If actual experience with this or any other assumption is different from those contained in the Revised Forecast, this could dramatically impact the forecast. Cannabis growing facilities have high fixed cost structures, so changes in operating and sales volumes, and changes in the selling prices or any of the variable cost inputs can dramatically impact income and cash flow results.

MONITOR'S ACTIVITIES

45. Since the Fourth Report, among other things, the Monitor has undertaken numerous activities including:

a. responding to calls, e-mails and letters received from creditors and other stakeholders with respect to these CCAA proceedings;

b. reviewing the disbursements of the Applicants;

c. participating in discussions with Management on the weekly cash flow forecast prepared by the Applicants;

d. participating in discussions with the DIP Lender regarding updated cash flow forecasts and weekly variance analysis; and

e. reviewing the Applicants' progress towards completion of the Transaction.

CONCLUSION AND RECOMMENDATIONS

46. In considering the proposed extension of the Stay Period and the approval of the Third DIP Amendment and corresponding increase to the DIP Lender's Charge, the Monitor has considered the following:

a. An extension of the Stay Period will provide the Applicants with the additional time needed to obtain the necessary regulatory approvals to complete the Transaction;

b. The DIP Lender has agreed to provide the funding required by the Applicants to continue operations during the extended Stay Period, subject to an increase in the quantum of the DIP Lender's Charge;

c. The Revised Forecast indicates that with the amended maximum borrowing amount pursuant to the Third DIP Amendment, GGB is forecast to have sufficient liquidity during the requested Stay Period if the requested relief is granted by the Court.

47. It is the Monitor's view that GGB continues to act in good faith and with due diligence.

48. For the reasons set out above, the Monitor also recommends that the Stay Period be extended to May 28, 2021 and the DIP Lender's Charge be increased to US$14,200,000.

All of which is respectfully submitted this 20th day of March 2021.

ERNST & YOUNG INC., in its capacity as Monitor of the Applicants, and not in its corporate or personal capacity.
per:

Sharon Hamilton

Sharon Hamilton, CPA, CA, CIRP, LIT
Senior Vice President

Appendix A

DIP Interim Financing Term Sheet Agreement (Redline)

DIP INTERIM FINANCING TERM SHEET AGREEMENT

Dated as of May 20, 2020

WHEREAS the Borrower has requested and the Lender has agreed to provide interim financing to the Borrower during the pendency of the Borrower's proceedings (the "**CCAA Proceedings**") under the Companies' Creditors Arrangement Act (Canada) (the "**CCAA**") commenced before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on or about the date hereof, all in accordance with the terms and conditions set out in this term sheet (this "**Term Sheet**").

WHEREAS the Lender has agreed to provide interim financing in order to fund certain obligations of the Borrower and its subsidiaries in order for the Borrower and its subsidiaries to pursue the Credit Bid (as defined herein) or a Successful Bid (as defined herein) pursuant to and in accordance with the SISP (as defined herein).

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1.	**BORROWER:**	Green Growth Brands Inc., a corporation incorporated under the laws of the Province of Ontario (the "**Borrower**").
2.	**LENDER:**	All Js Greenspace LLC (the "**Lender**").
3.	**GUARANTORS:**	All subsidiaries directly or indirectly owned by Green Growth Brands Inc., other than the Excluded Subsidiaries (collectively, the "**Guarantors**", and together with the Borrower, the "**Loan Parties**"). The "**Excluded Subsidiaries**" shall include (i) Green Growth Brands LLC and its direct or indirect subsidiaries; (ii) GGB Florida LLC; (iii) GGB Florida Land LLC; (iv) Spring Oaks Greenhouses, Inc.; (v) GGB Michigan LLC; (vi) GGB Arizona LLC; (vii) GGB Connecticut LLC; (viii) GGB New Jersey LLC; and (ix) Green Growth Brands Realty Ltd.
4.	**CREDIT FACILITY:**	A secured non-revolving credit facility (the "**DIP Facility**") up to a maximum principal amount of (i) US$~~7,800,000~~8,162,078 (as such amount may be reduced from time to time pursuant to Section 10 or 11 hereof, the "**Facility Amount**") and (ii) US $~~1,300,000~~5,940,652 on an uncommitted basis (as such amount may be reduced from time to time pursuant to Section 10 or 11 hereof, the "**Capex Amount**"), in each case subject to the terms and conditions contained herein. The DIP Facility shall be made available to the Borrower as provided herein, from the Effective Date until the Maturity Date.

5. **AVAILABILITY:** Provided that no Default or Event of Default has occurred and is then continuing, on and after the date on which the Initial Availability Conditions shall have been satisfied, the Borrower may request advances under the Facility Amount; provided always that until the Further Availability Conditions shall have been satisfied, the availability of the Facility Amount shall be limited to not more than US$1,000,000 (the "**Initial Availability Amount**"). For greater certainty, the difference between the Facility Amount and the Initial Availability Amount (the "**Further Availability Amount**") shall be available to the Borrower only upon satisfaction of the Further Availability Conditions.

The Borrower may request advances under the Capex Amount at any time; provided always that, and notwithstanding any other provision of this Term Sheet or anything in the DIP Budget, the Capex Amount and any advance thereunder shall be made available to the Borrower at the Lender's sole discretion.

6. **DRAWDOWNS:** (a) **Draws in respect of the Initial Availability Amount**

Provided that no Default or Event of Default has occurred and is then continuing, and subject always to the provisions of Section 5, on and after the date on which the Initial Availability Conditions have been satisfied, the Lender shall make the following amounts available to the Borrower in respect of the Initial Availability Amount on the following dates, provided that the Borrower shall have provided the Lender with a drawdown request certificate in the form attached as Schedule "B" hereto (a "**Drawdown Request**"), at least one day prior to applicable date of advance:

(i) in the amount of US$375,000 on May 20, 2020, and

(ii) in the amount of US$490,000 on May 25, 2020.

(b) **Draws in respect of the Further Availability Amount**

Provided that no Default or Event of Default has occurred and is then continuing, and subject always to the provisions of Section 5, on and after the date on which the Further Availability Conditions have been satisfied, the Lender shall make available to the Borrower US$460,000 on June 1, 2020, subject to delivery of a Drawdown Request one day prior to such date.

Thereafter, the Borrower may request advances under the Facility Amount by providing the Lender with a Drawdown Request by 10:00 a.m. (Eastern Time) at least two (2) Business Days prior to the proposed date of advance.

(c) **Draws in respect of the Capex Amount**

The Borrower may at any time prior to the Maturity Date request an advance under the Capex Amount by providing the Lender with a Drawdown Request by 10:00 a.m. (Eastern Time) at least two (2) Business Days prior to the proposed date of advance. For greater certainty, notwithstanding the delivery by the Borrower of any Drawdown Request, the Lender shall not be obligated to make any advance under the Capex Amount to the Borrower.

In all cases each Drawdown Request and each advance shall be made (i) in accordance with the DIP Budget (as may be updated in accordance with the provisions of this Term Sheet) and (ii) subject to satisfaction of the Initial Availability Conditions (for a request or advance under the Initial Availability Amount) and the Further Availability Conditions (for a request or advance under the Further Availability Amount).

7. **INTEREST RATE:** Interest shall be payable in cash on the aggregate outstanding amount of advances under the DIP Facility from the date of the funding thereof at a rate equal to 5% per annum, compounded monthly and payable monthly in arrears in cash on the last Business Day of each month. Upon the occurrence and during the continuation of an Event of Default, all overdue amounts shall bear interest at the applicable interest rate plus 2% per annum payable on demand in arrears in cash.

All interest shall be computed on the basis of a 365-day (or 366-day, as applicable) year, in each case for the actual number of days elapsed in the period during which it accrues.

If any provision of this Term Sheet or any of the other Loan Documents would obligate the Borrower to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of interest at a criminal rate (as construed under the *Criminal Code* (Canada)), then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the

Lender of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:

(a) first, by reducing the amount or rate of interest required to be paid to the Lender under this Term Sheet; and

(b) thereafter, by reducing any other amounts (other than costs and expenses) (if any) required to be paid to the Lender which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

For the purposes of the *Interest Act* (Canada), the parties acknowledge and agree that all calculations of interest under this Term Sheet are to be made on the basis of the nominal interest rate described herein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest.

8. **MATURITY DATE:** The DIP Facility shall be repayable in full on the earlier of:

(a) a demand for repayment in writing has been made by the Lender upon the occurrence of any Event of Default which is continuing and has not been cured;

(b) the completion of any Successful Bid, in which case the Financing Obligations shall be repaid in cash and in full, or upon completion of the Credit Bid, in which case the Financing Obligations shall be satisfied or assumed in accordance with the terms of the Credit Bid;

(c) the date on which the Initial Order expires without being extended or on which the CCAA Proceedings are dismissed or converted into a proceeding under the *Bankruptcy and Insolvency Act* (Canada);

(d) the sale of all or substantially all of the Collateral; and

(e) ~~March 26,~~May 28, 2021,

(the earliest of such dates being the "**Maturity Date**"). The Maturity Date may be extended from time to time at the request of the Borrower and with the prior written consent of the Lender for such period and on such terms and conditions as the Lender may agree in its sole discretion.

9. **PERMITTED USE OF PROCEEDS:** The Borrower shall use proceeds of the Facility Amount solely for the following purposes, in each case in accordance with the DIP Budget and during and for the purposes of the Borrower's pursuit of a Successful Bid pursuant to and in accordance with the SISP:

(a) to fund the Loan Parties' funding requirements during the CCAA Proceedings in pursuit of a Successful Bid pursuant to and in accordance with the SISP, including funding, during such period (i) working capital and (ii) other general corporate purposes of the Loan Parties, in each case in accordance with the DIP Budget;

(b) to pay the interest owing to the Lender under the Loan Documents; and

(c) to pay the reasonable and documented financial advisory fees and expenses and the reasonable and documented legal fees and expenses of the Loan Parties and the Monitor (as defined below) (it being acknowledged by the Loan Parties and the Lender that those fees and expenses incurred to the date hereof and those provided for in the DIP Budget as of the date hereof are reasonable).

The Borrower shall use proceeds of the Capex Amount solely for purposes of payment of certain capital expenditures expressly approved by the Lender, in its sole discretion. No advances made under the Facility Amount may be used for capital expenditures not funded under the Capex Amount.

For greater certainty, the Borrower may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Loan Parties without the prior written consent of the Lender; it being agreed by the Lender that such consent is not required for the Loan Parties to pay, using the proceeds from the Facility Amount, (i) pre-filing amounts permitted pursuant to the Initial Order, (ii) amounts due to trade creditors in the Ordinary Course, (iii) taxes, accrued payroll and other Ordinary Course liabilities, provided in each case that such amounts under items (i), (ii), and (iii) are included in the DIP Budget, or (iv) any other amounts owing by the Loan Parties to the extent permitted by the DIP Budget.

10. **VOLUNTARY PREPAYMENTS:**

Provided the Monitor (i) is satisfied that the Loan Parties have sufficient cash reserves to satisfy amounts secured by the Permitted Priority Liens and (ii) provides its consent, the Borrower may prepay any amounts outstanding under the DIP Facility at any time prior to the Maturity Date. Any amount repaid under this Section 10 may not be reborrowed.

11. **MANDATORY REPAYMENTS:**

Unless otherwise consented to in writing by the Lender, and provided the Monitor is satisfied that the Loan Parties have sufficient cash reserves to satisfy amounts secured by the Permitted Priority Liens, the DIP Facility shall be promptly repaid and the DIP Facility shall be permanently reduced upon (i) a sale of any of the Collateral (excluding the GGB Florida

Shares) outside of the Ordinary Course (or any sale of obsolete or worn out equipment or other assets unless proceeds thereof are used to purchase replacement equipment or other assets), and consented to in writing by the Lender, in an amount equal to the net cash proceeds of such sale (for greater certainty, net of transaction fees and applicable taxes in respect thereof); and (ii) receipt of any net insurance proceeds in respect of any Collateral, in an amount equal to such insurance proceeds received. Any amount repaid under this Section 11 may not be reborrowed.

12. **CONDITIONS TO INITIAL AVAILABILITY**

The Lender's agreement to make the Initial Availability Amount available to the Borrower shall be subject to satisfaction of the following conditions precedent for each advance in respect thereof (the "**Initial Availability Conditions**"):

(a) The Loan Parties shall have executed and delivered this Term Sheet to the Lender.

(b) The Loan Parties shall have filed an application record with the Court, in form and substance satisfactory to the Lender, seeking approval of this Term Sheet, the DIP Facility, and the granting of the Lender Charge with the priority as provided for herein, and providing notice to all secured parties who may be affected by the Lender Charge.

(c) The Court shall have issued the Initial Order, in form and substance satisfactory to the Lender, approving the Term Sheet and the other Loan Documents and granting the Lender Charge on the Collateral of the CCAA Applicants, securing all obligations owing by the CCAA Applicants to the Lender under the Loan Documents including, without limitation, all principal, interest and costs and expenses of the Lender as set out in Section 14 (collectively, the "**Financing Obligations**") and providing, among other things, that the Lender Charge shall have priority on such Collateral over all Liens, other than the Permitted Priority Liens, and such Initial Order shall not have been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified in any manner that adversely affects the Lender, without the written consent of the Lender in its sole discretion.

(d) The Lender shall have received confirmation that service has been effected on each holder of a Lien listed on the service list agreed between the Borrower and the Lender (or its counsel).

(e) No Default or Event of Default has occurred and is continuing.

(f) No Material Adverse Change shall have occurred since the Filing Date, except where a Material Adverse Change (in the absence of any other Material Adverse Change) is caused by such Loan Party or Loan Parties' required compliance with Applicable Laws in connection with the COVID-19 pandemic which were in effect on the Filing Date.

(g) Since the Filing Date there shall not have occurred any payment, prepayment, redemption, purchase or exchange of any pre-filing indebtedness or equity, or amendment or modification of any of the terms thereof, except as expressly permitted by the terms of the Initial Order.

(h) The DIP Budget shall be in form and substance satisfactory to the Lender.

(i) All documented expenses (including all documented legal and professional fees and expenses on a full indemnity basis) of the Lender incurred in connection with its pre-filing claims and/or the DIP Facility shall have been paid in full (which documented expenses shall be deducted from the first advance of the DIP Facility).

(j) No order is issued in the CCAA Proceedings or in any other court of competent jurisdiction relating to the DIP Facility or the Loan Documents which could reasonably be expected to materially adversely affect the interests of the Lender.

(k) A duly completed and executed Drawdown Request shall have been delivered by the Borrower to the Lender in accordance with Section 6.

For greater certainty, the Lender shall not be obligated to advance or otherwise make available any funds until all of the foregoing conditions have been satisfied and all of the foregoing documentation and confirmations have been obtained, each in form and substance satisfactory to the Lender, provided further that the Lender may, in its sole discretion, waive satisfaction of any one or more of such conditions precedent.

13. **CONDITIONS TO FURTHER AVAILABILITY:**

The Lender's agreement to make the Further Availability Amount available to the Borrower shall be subject to satisfaction of the following conditions precedent for each advance in respect thereof (the "**Further Availability**

Conditions"):

(a) All appeal periods with respect to the Initial Order shall have expired with no notice of appeal, or motion to vary, amend, stay, reverse or otherwise affect the Initial Order having been filed or pending; provided that this condition is not required to be satisfied for the Further Availability Amount up to a maximum amount equal to $1,110,000.

(b) The Initial Availability Conditions have been satisfied and the Initial Availability Conditions in paragraphs (e), (f), (g) (h) and (j) thereof continue to be satisfied.

(c) The Court shall have issued the SISP Order in form and substance satisfactory to the Lender, and the Loan Parties shall be acting in accordance with, and shall be complying with, the SISP and SISP Order, and the SISP Order shall not have been stayed, vacated or otherwise amended, restated or modified without the written consent of the Lender in its sole discretion.

(d) The Loan Parties shall have executed and delivered the Guarantees and Security Documents.

(e) The Lender shall have received evidence of perfected security interests in the Collateral with the priorities described herein and clear of all Liens other than those described herein (and subject to customary and limited exceptions to be agreed upon) pursuant to the Initial Order.

(f) A duly completed and executed Drawdown Request shall have been delivered by the Borrower to the Lender in accordance with Section 6.

For greater certainty, the Lender shall not be obligated to advance or otherwise make available any funds until all of the foregoing conditions have been satisfied and all of the foregoing documentation and confirmations have been obtained, each in form and substance satisfactory to the Lender, provided further that the Lender may, in its sole discretion, waive satisfaction of any one or more of such conditions precedent.

14. **COSTS AND EXPENSES**

The Borrower will reimburse the Lender, without duplication: (i) to and including the Filing Date for all reasonable and documented out-of-pocket expenses (including reasonable and documented legal and professional fees and expenses on a full indemnity basis) in connection with the negotiation and development of the Credit Bid and this Term Sheet and (ii) for all reasonable and documented out-of-pocket expenses (including reasonable and documented legal and professional fees and expenses on a full indemnity basis) in connection with the CCAA Proceedings, including due diligence, review and negotiation of filing materials, negotiation and documentation of the Loan Documents and related documentation and the on-going monitoring and administration of each and the enforcement of the Lender Charge and any other security for the Financing Obligations.

All such reasonable and documented out-of-pocket expenses (including reasonable and documented legal and professional fees and expenses on a full indemnity basis) of the Lender under paragraph (ii) above shall be included in the Financing Obligations and secured by the Lender Charge.

15. **SECURITY:** All obligations of the Loan Parties under or in connection with the DIP Facility, this Term Sheet and the other Loan Documents shall be secured by the Security Documents and, with respect to the CCAA Applicants only, secured by the Lender Charge. The Lender Charge shall be in respect of all of the existing and after acquired real and personal, tangible and intangible, assets of the Borrower and of the other CCAA Applicants.

16. **PERMITTED LIENS AND PRIORITY:** All Collateral will be free and clear of all other Liens, except for the Permitted Liens. The Lender Charge shall be subordinate only to the Permitted Priority Liens.

17. **MONITOR:** The monitor in the CCAA Proceedings shall be Ernst & Young Inc. (the "**Monitor**").

18. **DIP BUDGET AND VARIANCE REPORTING:** Attached hereto as Schedule "C" is a copy of the agreed summary DIP Budget (excluding the supporting documentation provided directly to the Lender in connection therewith), which is in form and substance satisfactory to the Lender. The DIP Budget shall be the DIP Budget referenced in this Term Sheet until such time as a revised DIP Budget has been approved by the Lender in accordance with this Section 18.

The Borrower may update and propose a revised DIP Budget to the Lender no more frequently than every two weeks (unless otherwise consented to by the Lender), in each case to be delivered to the Lender, its counsel and the Monitor, no earlier than the Friday of the second week following the date of the delivery of the prior DIP Budget. Such proposed revised DIP Budget shall have been reviewed and approved by the Monitor. If the Lender, in its sole discretion, approves such revised DIP Budget, such revised DIP Budget shall become the DIP Budget for purposes of this Term Sheet. For greater certainty, any unfunded portion of the Capex Amount shall not be considered for purposes of calculating any budgeted disbursements in the DIP Budget.

On the last Business Day of every week, the Borrower shall deliver to the Lender and its counsel, a variance calculation (the "**Variance Report**") setting forth (i) actual receipts and disbursements for the preceding week and (ii) actual receipts and disbursements on a cumulative basis since the beginning of the period covered by the then-current DIP Budget, in each case as against the then-current DIP Budget, and setting forth all the variances, on a line-item and aggregate basis in comparison to the amounts set forth in respect thereof in the DIP Budget; each such Variance Report to be promptly discussed with the Lender and its counsel and financial advisors. Each Variance Report shall include reasonably detailed explanations for any material variances during the relevant period.

19. **REPRESENTATIONS AND WARRANTIES:**

Each of the Loan Parties represents and warrants to the Lender, upon which the Lender is relying in entering into this Term Sheet and the other Loan Documents, that:

(a) each Loan Party has been duly formed and is validly existing under the law of its jurisdiction of incorporation;

(b) each Loan Party has the requisite power and authority to enter into this Term Sheet and perform its obligations hereunder;

(c) all necessary action, corporate or otherwise, has been taken to authorize the execution, delivery and performance by each Loan Party of this Term Sheet. Each Loan Party has duly executed and delivered this Term Sheet and such Term Sheet constitutes legal, valid and binding obligations of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject only to any limitation under Applicable Laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; and (ii) the discretion that a court may exercise in the granting of equitable remedies;

(d) except for the entry of the Initial Order, filings or recordings already made or to be made pursuant to any federal law, rule or regulation, no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or other Person, is required for:

(i) the due execution, delivery, recordation, filing or performance by any Loan Party of this Term Sheet or for the consummation of each of the transactions contemplated hereby; or

(ii) the grant by any Loan Party of the Liens and security interests granted or to be granted by it pursuant to the Loan Documents.

(e) the execution, delivery and performance by each Loan Party of this Term Sheet, the borrowing under the DIP Facility and the grant of security in connection therewith do not and will not conflict with, result in any breach or violation of, or constitute a default under, the terms, conditions or provisions of, (i) the charter or constating documents or by laws of, or any shareholder agreement or declaration relating to, such Loan Party; (ii) any law, regulation, judgment, decree or order binding on or applicable to such Loan Party or to which its property is subject, or (iii) any material contract or any material lease, licence, permit or other instrument to which such Loan Party is a party or is otherwise bound or by which such Loan Party benefits or to which its property is subject (except for any default or breach resulting from commencement of the CCAA Proceedings or the entry of the Initial Order or any other default in respect of which the exercise of enforcement rights or remedies against the applicable Loan Party would be stayed by virtue of the CCAA Proceedings).

(f) the business operations of the Loan Parties have been and continue to be conducted in material compliance with all laws of each jurisdiction in which the business has been or is carried out, except (i) to the extent that failure to comply would not reasonably be expected to cause a Material Adverse Change and (ii) U.S. federal laws, statutes and/or regulations, as applicable, relating to the cultivation, processing, extraction, tracking, distribution or possession of cannabis and cannabis related products and substances;

(g) each Loan Party has good and marketable title to all of its property, assets and undertaking, in each case free from any Lien other than Permitted Liens;

(h) other than the equity interests of GGB Canada Inc., Green Growth Brands Realty Ltd., and Xanthic Pharma Limited, the Collateral consisting of equity interests of the Loan Parties and its subsidiaries are uncertificated and are not subject to any control agreement;

(i) each Loan Party maintains adequate insurance coverage, as is customary with companies in the same or similar business of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope;

(j) except as otherwise disclosed to the Lender in writing, or payments which are otherwise addressed in the DIP Budget, each Loan Party has, in respect of all prior fiscal periods (i) filed all material tax returns, except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred and (ii) paid all material taxes owing for all prior fiscal periods except for any taxes that are not yet due and payable.

(k) except as otherwise disclosed to the Lender in writing, or payments which are otherwise addressed in the DIP Budget, each Loan Party has maintained and paid current its material obligations for payroll, source deductions, retail sales tax, and all other applicable taxes, and is not in arrears of its statutory obligations to pay or remit any amount in respect of these obligations;

(l) except as otherwise disclosed to the Lender in writing, there have been no extensions, supplements or amendments to the employment agreements of any senior officers or senior managers of the Loan Parties earning $100,000 (or its equivalent in an alternative currency) or more per annum, including all bonuses and other cash compensation, and there are no other written employment agreements for any such senior officers or senior managers;

(m) other than as stayed pursuant to the Initial Order or disclosed in writing to the Lender prior to the Filing Date, there is not now pending or, to the knowledge of any of the senior officers or directors of any Loan Party, threatened against any Loan Party, nor has any Loan Party received notice in respect of, any claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body, which would be reasonably likely to result in, individually or in the aggregate, a Material Adverse Change;

(n) except as disclosed to the Lender in writing (including as disclosed in materials filed in connection with the CCAA Proceedings) there are no agreements of any kind between any Loan Party and any other third party or any holder of debt or equity securities of any Loan

Party with respect to any restructuring, refinancing or recapitalization matters except for this Term Sheet and the transactions contemplated hereunder;

(o) none of the Loan Parties has any partially-owned or wholly-owned subsidiaries which are not Loan Parties, other than the Excluded Subsidiaries;

(p) none of the Excluded Subsidiaries (other than Green Growth Brands LLC and its direct or indirect subsidiaries; GGB Florida LLC; GGB Florida Land LLC; and Spring Oaks Greenhouses, Inc.) (i) engages in or carries on any business whatsoever (other than the maintenance of its own existence); (ii) maintains any deposit accounts or owns any accounts, inventory, equipment or other personal or real property or assets (other than equity interests in another Excluded Subsidiary); or (iii) has any liabilities or obligations owing to, nor has it granted any Lien in favour of, any Person, including any Loan Party; and

(q) no Default or Event of Default has occurred and is continuing.

20. **AFFIRMATIVE COVENANTS:** Each of the Loan Party agrees to do, or cause to be done, the following:

(a) duly and punctually pay, or cause to be duly and punctually paid, to the Lender all amounts payable hereunder and under the Loan Documents when due;

(b) comply with the provisions of all Court Orders and take all actions necessary or available to defend the Court Orders from any appeal, reversal, modifications, amendment, stay or vacating not expressly consented to in writing in advance by the Lender;

(c) comply with the DIP Budget subject to the Maximum Cumulative Variance;

(d) provide the Lender with copies of all motions, applications, proposed orders (including without limitation, the draft Initial Order) or other materials or documents that any of Loan Parties intend to file in the CCAA Proceedings at least three (3) Business Days prior to any such filing or, where it is not practically possible to do so within such time, as soon as possible and in any event not less than one day prior to the date on which such motion, application, proposed order or other materials or document is served on the service list in respect of the CCAA Proceedings; provided that prior to the filing or service, all such materials and documents by the Loan Parties shall be in form and substance acceptable to the Lender, acting reasonably, to the extent that any such materials or documents adversely affect or can reasonably be expected to adversely affect the rights and interests of the Lender or relate to the SISP;

(e) keep the Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Loan Parties and the CCAA Proceedings, including all matters relating to the SISP, in each case subject to disclosure restrictions contained in the SISP Order;

(f) deliver to the Lender the reporting and other information from time to time reasonably requested by the Lender and that are set out in the Loan Documents including, without limitation, the Variance Reports at the times set out herein;

(g) use the proceeds of the DIP Facility only in accordance with Section 9 and with the restrictions set out herein;

(h) notify the Lender of any Default or Event of Default, Material Adverse Change, any material adverse effects on its business due to the COVID-19 pandemic, or any material claims, proceedings, litigation or actions in respect of which a Complaint, Notice of Claim or a Statement of Claim has been served upon a Loan Party;

(i) notify the Lender of all material developments with respect to the business affairs of the Loan Parties, the SISP and the CCAA Proceedings, including providing draft copies of all motions, applications, proposed orders or other materials or documents that any Loan Party intends to file in the CCAA Proceedings;

(j) preserve, renew and keep in full force its corporate existence;

(k) at all times maintain adequate insurance coverage, as is customary with companies in the same or similar business of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope;

(l) preserve, maintain and renew its Cannabis Licenses and its other material licenses and permits;

(m) allow a representative of the Lender reasonable access to the books, records, financial information and electronic data rooms of or maintained by the Loan Parties in connection with matters reasonably related to the DIP Facility;

(n) within 10 Business Days of the Effective Date, deliver to the Lender originally executed share certificates representing the equity interests issued by each of GGB Canada Inc., Green Growth Brands Realty Ltd., and Xanthic Biopharma Limited, together with originally executed and undated share transfer powers in respect of such share certificates; and

(o) achieve the following milestones related to the CCAA Proceedings or the SISP (the "**Milestones**"):

(i) the SISP Order shall have been entered into on or before June 8, 2020; and

(ii) In the event that no qualified Phase I (as defined in the SISP) bid is submitted in accordance with the SISP on or before July 6, 2020:

(1) the Borrower shall select the Credit Bid as the Successful Bid on or before July 8, 2020;

(2) the court order approving the Credit Bid shall have been entered on or before July 13, 2020;

(3) the Credit Bid shall have closed by no later than August 16, 2020, unless otherwise agreed by the Lender; or

(iii) in the event that no qualified Phase II (as defined in the SISP) bids are received in accordance with the SISP on or before August 8, 2020:

(1) the borrower shall select the Credit Bid as the Successful Bid on or before August 10, 2020;

(2) the court order approving the Credit Bid shall have been

entered on or before August 17, 2020; and

(3) the Credit Bid shall have closed by no later than September 9, 2020, unless otherwise agreed by the Lender; or

(iv) In the event that a Successful Bid is selected in accordance with the SISP on or before August 10, 2020, such Successful Bid shall have closed by no later than September 9, 2020, unless otherwise agreed by the Lender.

21. **NEGATIVE COVENANTS:**

Each of the Loan Parties covenants and agrees not to do, or cause not to be done, the following, other than with the prior written consent of the Lender or with the express consent required as outlined below or in accordance with and as expressly permitted by the CCAA Proceedings:

(a) transfer, lease or otherwise dispose of all or any part of their property, assets or undertaking outside of the Ordinary Course, except for (i) the disposition of obsolete or worn out equipment or assets consistent with past practice, and (ii) the disposition of any GGB Florida Shares;

(b) make any payment, including, without limitation, any payment of principal, interest or fees, in respect of pre-filing indebtedness, or in respect of any other pre-filing liabilities, including payments with respect to pre-filing trade or unsecured liabilities of the Loan Parties, other than as required or permitted pursuant to the Initial Order or as otherwise expressly permitted under this Term Sheet or the DIP Budget;

(c) (i) create or permit to exist any indebtedness other than (A) the indebtedness existing as of the date of this Term Sheet and disclosed to the Lender in writing, (B) the Financing Obligations, (C) post-filing trade payables or other unsecured obligations incurred in the Ordinary Course in accordance with the DIP Budget and the Initial Order, and (D) any indebtedness secured by the Permitted Priority Liens; or (ii) make or give any financial assurances, in the form of bonds, letter of credit, financial guarantees or otherwise to any Person or Governmental Authority;

(d) make (i) any distribution, dividend, return of capital or other distribution in respect of equity securities (in cash, securities or other property or otherwise), or (ii) a retirement, redemption, purchase or repayment or other acquisition of equity securities or indebtedness (including any payment of principal, interest, fees or any other payments thereon);

(e) (i) enter into, renew, amend or modify any transaction or contractual relationship with any Related Party, or (ii) make any payment with respect to, or perform any obligation under, an agreement with a Related Party other than in accordance with the DIP Budget, or as may be required in order for such Loan Party to comply with Applicable Law related to the COVID-19 pandemic;

(f) enter into, renew, amend, modify or assume any employment, consulting or analogous agreement or arrangement with any director, senior or executive officer or senior management of the Loan Parties or any Related Party, or make any payment to any such Person in respect of any bonus, change of control payment or severance package of any kind whatsoever other than (i) as consented to by the Monitor and approved by the Court on prior notice to the Lender or (ii) as consented to by the Lender, acting reasonably;

(g) make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise other than as reflected in the DIP Budget;

(h) other than the Monitor and the legal, financial or other advisors to the Loan Parties, engaged as of the date hereof, pay, incur any obligation to pay, or establish any retainer with respect to, the fees, expenses or disbursements of a legal, financial or other advisor of any party, unless such fees, expenses or disbursements, as applicable, are reviewed and confirmed in advance by the Lender;

(i) create or permit to exist any Liens on any of its properties or assets other than the Permitted Liens;

(j) challenge, or support any challenge of, the Liens and claims of the Lender;

(k) terminate any agreement with a Related Party or amend such agreement in any manner which is reasonably likely to cause a Material Adverse Change;

(l) seek, obtain or support any Court Order or any amendment or modification to a Court Order except with the prior written consent of the Lender, (i) in its sole discretion in respect of any Court Order or amendment thereto relating to the DIP Facility, the SISP or any other matter that adversely affects the Lender and (ii) acting reasonably in respect of any other Court Order or amendment thereto;

(m) amend or consent to any amendment to the Credit Bid that affects the interests, rights and obligations of the parties thereto;

(n) seek to obtain, or consent to an application or motion brought by any other Person for, approval by the Court of an Alternative Transaction that is not a Successful Bid;

(o) except in accordance with the SISP or any Successful Bid, commence, continue or seek Court approval of any other restructuring transaction without the prior written consent of the Lender in its sole discretion;

(p) amalgamate, consolidate with or merge into or sell all or substantially all of its assets to another entity (other than the sale of any GGB Florida Shares), change its jurisdiction of organization, change its name, or change its corporate or capital structure (including its organizational documents) or enter into any agreement committing to such actions except in connection with any Successful Bid;

(q) make a public announcement in respect of, enter into any agreement or letter of intent with respect to, or attempt to consummate, or support an attempt to consummate by another party, any transaction or agreement outside the Ordinary Course except for a Successful Bid;

(r) enter into any settlement agreement or agree to any settlement arrangements in connection with any litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against any one of them without the prior written consent of the Lender, or make any payments or repayments to customers, outside the Ordinary Course, other than those set out in the DIP Budget;

(s) cease (or threaten to cease) to carry on its business or activities as currently being conducted or modify or alter in any material manner the nature and type of its operations, business or the manner in which such business is conducted, in each case other than as may be required in order for such Loan Party to comply with Applicable Law related to the COVID-19 pandemic;

(t) seek, or consent to the appointment of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction;

(u) create any new subsidiary;

(v) convert any existing equity interests that are uncertificated into certificated securities;

(w) transfer or sell any assets, undertaking or property to any Excluded Subsidiary or enter into any agreement with any Excluded Subsidiary; and

(x) cause or permit any Excluded Subsidiary (other than Green Growth Brands LLC and its direct or indirect subsidiaries; GGB Florida LLC; GGB Florida Land LLC; and Spring Oaks Greenhouses, Inc.) to (i) engage in or carry on any business whatsoever (other than the maintenance of its own existence); (ii) establish or maintain any deposit account or own any accounts, inventory, equipment, or other personal or real property or assets; (iii) incur any liabilities or obligations or grant any Lien in favour of any other Person; or (iv) issue any new equity securities.

22. **EVENTS OF DEFAULT:**

The occurrence of any one or more of the following events shall constitute an event of default (each an "**Event of Default**") under this Term Sheet:

(a) failure of the Borrower to pay principal, interest or other amounts (other than any amounts under Section 14) within two (2) Business Days of such amounts becoming due under this Term Sheet or any other Loan Document;

(b) breach or default in the due performance by a Loan Party of any of its obligations (other than payment of any amounts under Section 14) (i) under this Term Sheet or the other Loan Documents (other than a breach or default described elsewhere in this Section 22 including clause (ii) of this paragraph (b)) and such breach or default (A) remains unremedied for longer than 3 Business Days; or (B) where a longer specific grace period is allowed in the Loan Documents for that breach or default, such breach or default remains unremedied at the end of such longer grace period permitted by the applicable Loan Document; or (ii) under Sections 20(c), (g), (j), or (o) or Section 21 (which, for greater certainty, in each case is not subject to any cure or grace period);

(c) any representation or warranty by a Loan Party made or deemed to be made in this Term Sheet or any other Loan Document is or proves to be incorrect or untrue in any material respect as of the date made or deemed to be made; provided that, in the event the Lender or its representatives had knowledge that such representation or warranty (as applicable) was incorrect or untrue on or prior to the date made or deemed to be made, the existence of such incorrect or untrue representation or warranty will not constitute an Event of Default;

(d) issuance of an order (i) dismissing the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any security against any Loan Party or the Collateral, the appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order or receiving order against or in respect of any Loan Party, in each case which order is not stayed pending appeal thereof, and other than in respect of a non-material asset not required for the operations of any Loan Party's business and which is subject to a Permitted Priority Lien; (ii) granting any other Lien in respect of the Collateral that is in priority to or pari passu with the Lender Charge other than as permitted pursuant to this Term Sheet, or (iii) staying, reversing, vacating or otherwise modifying this Term Sheet or the other Loan Documents, any Court Order without the prior written consent of the Lender, (x) in its sole discretion in respect of any Court Order or amendment thereto relating to the DIP Facility, the SISP or any other matter that adversely affects the Lender and (y) acting reasonably in respect of any other amendment;

(e) unless consented to in writing by the Lender, the expiry without further extension of the stay of proceedings provided for in the Initial Order;

(f) any Loan Party ceases (or threatens to cease) to carry on business in the Ordinary Course, except where such cessation occurs in connection with a Successful Bid;

(g) (i) a Variance Report is not delivered when due under this Term Sheet; or (ii) for the relevant weekly period in the DIP Budget, there shall exist a negative variance of actual cumulated net disbursements as compared to budgeted cumulative net disbursements for the same week in the DIP Budget in excess of $100,000 (“**Maximum Cumulative Variance**”); provided, however, it is understood that if the Borrower and the Monitor provide satisfactory assurance to the Lender that they do not expect that the actual cumulative net disbursements as at August 15, 2020 will exceed the cumulative net disbursements as at August 15, 2020 set out in the DIP Budget by an amount more than the Maximum Cumulative Variance, they may request the consent of the Lender, which will not be unreasonably withheld, to accelerate payments contemplated in the DIP Budget to an earlier week and such consent of Lender, if provided, shall not be a waiver of the Maximum Cumulative Variance for any period on or after the date such payment was originally scheduled to be made in the DIP Budget.

(h) unless the Lender has consented thereto in writing, the filing by any of the Loan Parties of any motion or proceeding which (i) is not consistent with any provision of this Term Sheet, the Loan Documents, any Court Order, the Credit Bid or the SISP, as applicable, (ii) seeks to obtain a “critical supplier charge” or similar protection pursuant to the CCAA in favour of any party, (iii) could otherwise reasonably be expected to materially adversely affect the interests of the Lender, (iv) seeks an order which, if granted, could reasonably be expected to result in a Material Adverse Change, (v) seeks to continue the CCAA Proceedings under the jurisdiction of a court other than the Court or (vi) seeks to initiate any restructuring proceedings other than the CCAA Proceedings in any court or jurisdiction;

(i) any proceeding, motion or application shall be commenced or filed by any Loan Party, or if commenced by another party, supported, remain unopposed or otherwise consented to by any Loan Party, seeking the approval of any Alternative Transaction that is not a Successful Bid or otherwise approved in writing by the Lender;

(j) any order, judgment, determination, declaration or similar relief is made or issued by a court of competent jurisdiction (i) invalidating, setting aside, avoiding or subordinating, in whole or in part, the obligations of the Borrower or the Guarantors under the definitive documents or the Lender’s liens on its collateral, (ii) for monetary, injunctive or other affirmative relief against the Lender or any or all of its Collateral, or (iii) preventing, hindering or otherwise delaying the exercise by any or all of the Lender of any of its rights and remedies under the Loan Documents or Applicable Law, or the enforcement or realization (whether by foreclosure, credit bid, further order of the Court or otherwise) by the Lender upon any of its collateral;

(k) the entry of an order avoiding or requiring disgorgement of any portion of the payments made on account of the obligations owing to the Lender under any of the Loan Documents;

(l) the making by any Loan Party of a payment of any kind that is not permitted by this Term Sheet or the Loan Documents or is not consistent with the DIP Budget;

(m) the denial or repudiation by any Loan Party of the legality, validity, binding nature or enforceability of (i) this Term Sheet or any other Loan Document; or (ii) the pre-filing obligations of the Loan Parties to the Lender in its capacity as significant pre-filing creditors of the Loan Parties under any document governing such obligations;

(n) except as stayed by order of the Court, the entry of one or more final judgments, writs of execution, garnishment or attachment representing a claim or claims in excess of US$250,000 for any single claim or US$1,000,000 in the aggregate for all such claims, against any Loan Party or the Collateral that is not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within 30 days after their entry, commencement or levy;

(o) any addition, removal or replacement of directors from the board of directors (other than any resignation) of any Loan Party unless acceptable to the Lender;

(p) the occurrence of a Material Adverse Change, except where a Material Adverse Change (in the absence of any other Material Adverse Change) is caused by such Loan Party or Loan Parties' required compliance with Applicable Laws in connection with the COVID-19 pandemic which were in effect on the Filing Date; or

(q) the Nevada Cannabis Compliance Board or Massachusetts Cannabis Control Commission issue a final written decision prohibiting the transfer of the Nevada or Massachusetts Cannabis Licenses (as defined in the Credit Bid) as necessary to give effect to the terms of the Credit Bid and the parties thereto agree, acting reasonably, that further efforts will not likely result in the requisite transfers being formally granted on or before the Outside Date (as defined in the Credit Bid) or the Credit Bid is terminated in accordance with its terms.

23. **REMEDIES:**

Upon the occurrence and during the continuance of an Event of Default, and subject to the Court Orders, without any further notice or demand, the Lender may, in its sole discretion, terminate its commitment under the DIP Facility and declare the obligations owing to it under the Loan Documents to be immediately due and payable.

Without limiting the foregoing remedies, upon the occurrence and during the continuance of an Event of Default, the Lender may, in its sole discretion:

(a) apply to a court for the appointment of a receiver, an interim receiver or a receiver and manager over the Collateral, or for the appointment of a trustee in bankruptcy of the Borrower or any of the other Loan Parties;

(b) set-off or combine any amounts then owing by the Lender to the Loan Parties against the obligations of any of the Loan Parties to the Lender hereunder or under any other Loan Document;

(c) subject to obtaining prior approval from the Court, exercise the powers and rights of a secured party under the *Personal Property Security Act* (Ontario), or any legislation of similar effect; and

(d) subject to obtaining prior approval from the Court, exercise all such other rights and remedies under this Term Sheet, the other Loan Documents, the Court Orders and Applicable Law.

24. **CURRENCY; JUDGMENT CURRENCY:**

Unless otherwise stated, all monetary denominations shall be in lawful currency of the United States and all payments made by the Borrower or any Guarantor under this Term Sheet shall be in United States dollars.

If for the purposes of obtaining judgment in any court it is necessary to convert all or any part of the Financing Obligations or any other amount due to the Lender in respect of this Term Sheet in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the Borrower, to the fullest extent that it may effectively do so, agrees that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Lender could purchase the Original Currency with the Other Currency on the Business Day preceding that on which final judgment is paid or satisfied.

The obligations of the Borrower in respect of any sum due in the Original Currency from it to the Lender shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the Lender, of any sum adjudged to be so due in such Other Currency the Lender may, in accordance with its normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender in the Original Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss, and if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

25. **INDEMNITIES:**

The Loan Parties agree, on a joint and several basis, to indemnify and hold harmless the Lender and its directors, officers, employees, agents, attorneys, counsel and advisors (all such Persons being referred to hereafter as "**Indemnified Persons**") from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person (collectively, "**Claims**") as a result of or arising out of or in any way related to the DIP Facility, this Term Sheet and the other Loan Documents and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, the Borrower and other Loan Parties shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability (x) to the extent it resulted from the gross negligence or wilful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction, or (y) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of the Borrower or the other Loan Parties. The Loan Parties shall not be responsible or liable to any Indemnified Person or any other person for consequential or punitive damages.

The indemnities granted under this Term Sheet shall survive any termination of the DIP Facility.

26. **TAX:**

All payments by the Borrower and any other Loan Parties under this Term Sheet or any other Loan Document to the Lender, including any payments required to be made from and after the exercise of any remedies available to the Lender upon an Event of Default, shall be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively "**Taxes**"); provided, however, that if any Taxes are required by Applicable Law to be withheld ("**Withholding Taxes**") from any amount payable to the Lender under this Term Sheet or any other Loan Document, the amount so payable to the Lender shall be increased to the extent necessary to yield to the Lender on a net basis after payment of all Withholding Taxes, the amount payable under such Loan Document at the rate or in the amount specified herein or therein and the Borrower shall provide evidence satisfactory to the Lender that the Taxes have been so withheld and remitted. The Borrower's obligation to pay additional amounts shall be subject to customary exclusions for any Withholding Taxes arising as a result of a present or former connection between the Lender and the jurisdiction imposing Withholding Tax (excluding any connection arising solely in connection with the DIP Facility). If the Loan Parties are required to pay an additional amount to the Lender to account for any deduction or withholding, the Lender shall reasonably cooperate with the applicable Loan Parties (i) to claim any available exemption or reduction of withholding, or (ii) to obtain a refund of the amounts so withheld, including in each case by filing income tax returns in applicable jurisdictions, claiming a refund of such tax and /or providing evidence of entitlement to the benefits of any applicable tax treaty, as applicable. The amount of any refund so received, and interest paid by the tax authority with respect to any refund, shall be paid over by the Lender to the applicable Loan Parties promptly. If reasonably requested by the Loan Parties, the Lender shall apply to the relevant taxing authority to obtain a waiver from such withholding requirement, and the Lender shall cooperate with the applicable Loan Parties and assist such Loan Parties to minimize the amount of deductions or withholdings required, including by providing the Loan Parties with a duly completed copy of Canada Revenue Agency form NR-303, as may be applicable (or any other applicable form). Notwithstanding the foregoing, the Lender may, in respect of any additional payment to which this Section 26 would otherwise apply and in its sole and unfettered discretion, decline to provide any of the information or cooperation (including the completion of any form) contemplated in this Section 26, provided it has waived its rights and entitlements thereunder in respect of such additional payment.

27. **LIABILITIES JOINT AND SEVERAL:** The obligations and liabilities of the Loan Parties hereunder are joint and several.

28. **EVIDENCE OF INDEBTEDNESS:** The Lender's accounts and records constitute, in the absence of manifest error, prima facie evidence of the indebtedness of the Borrower to the Lender pursuant to the DIP Facility.

29. **FURTHER ASSURANCES:** The Loan Parties shall, at their expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Lender may reasonably request for the purpose of giving effect to this Term Sheet.

30. **AMENDMENTS AND WAIVERS:** No waiver or delay on the part of the Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing by the Lender and delivered in accordance with the terms of this Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.

No amendment of this Term Sheet shall be effective unless signed by all parties hereto.

31. **ASSIGNMENT:** The Lender may assign the DIP Facility, this Term Sheet and the other Loan Documents to any Person as the Lender may determine and, in such event, such Person will be entitled to all of the rights and remedies of the Lender as set forth in this Term Sheet or such Loan Document or otherwise. The Lender shall provide notification to the Loan Parties of any such assignment.

None of the Loan Parties may assign, transfer or delegate any of its rights or obligations under this Term Sheet or the other Loan Documents without the prior written consent of the Lender which may be unreasonably withheld.

32. **SEVERABILITY:** Any provision in this Term Sheet which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

33. **NOTICES** Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to such

party at its address set out on its signature page hereof. Any such notice, request or other communication hereunder shall be concurrently sent to the Monitor and its counsel.

Any such notice shall be deemed to be given and received when received, unless received after 5:00 p.m. Eastern Time or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.

34.	**GOVERNING LAW:**	This Term Sheet shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Term Sheet in any other proper jurisdiction, the Loan Parties irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.
35.	**COUNTERPARTS; ELECTRONIC SUBMISSION:**	This Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission including "pdf email", each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

[*SIGNATURE PAGES FOLLOW*]

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[LENDER, BORROWER and GUARANTOR SIGNATURE PAGES TO BE INSERTED.]

SCHEDULE "A"

DEFINED TERMS

"**Administration Charge**" means an administration charge in an aggregate amount not to exceed US$1,000,000.

"**Alternative Transaction**" means any offer, restructuring, refinancing, recapitalization, sale, liquidation, workout or plan of compromise or arrangement or reorganization of, or in respect of, all or any of the Loan Parties or their respective assets and liabilities.

"**Applicable Law**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law.

"**Borrower**" has the meaning given thereto in Section 1.

"**Business Day**" means any day other than a Saturday, Sunday or any other day in which banks in Toronto, Ontario are not open for business.

"**Cannabis Licenses**" means those licenses listed in Schedule "D" hereto.

"**Capex Amount**" has the meaning given thereto in Section 4.

"**CCAA**" has the meaning given in the recitals.

"**CCAA Applicants**" means, collectively, Green Growth Brands Inc., GGB Canada Inc., Green Growth Brands Realty Ltd., and Xanthic Biopharma Limited.

"**CCAA Proceedings**" has the meaning given in the recitals.

"**Collateral**" means all now owned or hereafter acquired assets and property of each of the Loan Parties, real and personal, tangible or intangible in respect of which the Lender has a Lien pursuant to a Security Document.

"**Court**" has the meaning given in the recitals.

"**Court Order**" means any of the Initial Order, the SISP Order and any other orders of the Court entered in connection with the CCAA Proceedings.

"**Credit Bid**" means a credit bid in the CCAA Proceedings pursuant to which the Lender and holders of (i) the secured convertible debentures issued pursuant to a convertible debenture indenture dated May 17, 2019 (ii) the secured convertible debentures issued pursuant to a convertible debenture indenture dated as of October 18, 2019, as supplemented by a supplemental debenture indenture dated as of March 6, 2020 will credit bid their respective secured debt for the acquisition of certain of the Borrower's operating and holding subsidiaries.

"**Default**" means an event or circumstance which, after the giving of notice or the passage of time, or both, will result in an Event of Default.

"**DIP Budget**" means the weekly financial projections prepared by the Loan Parties covering the period commencing on the week beginning May 17, 2020 and ending on the week ending August 15, 2020, on a weekly basis, which shall be in form and substance acceptable to the Lender, acting reasonably (as to scope, detail and content), which financial projections may be amended from time to time in accordance with Section 18. For greater certainty, for purposes of this Term Sheet, the DIP Budget shall include all supporting documentation provided in respect thereof to the Lender.

"**DIP Facility**" has the meaning given thereto in Section 4.

"**Directors' Charge**" means a directors and officers liability charge in an amount not to exceed $25,000.

"**Effective Date**" means the date that the Initial Availability Conditions have been satisfied.

"**Event of Default**" has the meaning given thereto in Section 22.

"**Facility Amount**" has the meaning given thereto in Section 4.

"**Filing Date**" means the date of commencement of the CCAA Proceedings.

"**Financing Obligations**" has the meaning given thereto in Section 12(c).

"**Further Availability Amount**" has the meaning given thereto in Section 5.

"**Further Availability Conditions**" has the meaning given thereto in Section 13.

"**GGB Florida Shares**" means the membership interests of GGB Florida LLC held by GGB Green Holdings LLC.

"**Governmental Authority**" means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

"**Guarantee**" means a guarantee made by each of the Guarantors in favour of the Lender, in form and substance satisfactory to the Lender, acting reasonably.

"**Guarantors**" has the meaning given thereto in Section 3.

"**Initial Availability Amount**" has the meaning given thereto in Section 5.

"**Initial Availability Conditions**" has the meaning given thereto in Section 12.

"**Initial Order**" means an initial order of the Court pursuant to which the Loan Parties shall commence the CCAA Proceedings, in form and substance satisfactory to the Lender.

"**Lender**" has the meaning given thereto in Section 2.

"**Lender Charge**" means a charge in the amount of USD$~~10,000,000~~14,200,000 in favour of the Lender, securing all obligations owing by the CCAA Applicants to the Lender under the Loan Documents.

"**Liens**" means all liens, hypothecs, charges, mortgages, trusts, deemed trusts (statutory or otherwise), encumbrances and security interests of every kind and nature whatsoever.

"**Loan Documents**" means this Term Sheet, the Guarantees, the Security Documents and all other agreements, instruments and documents entered or delivered in connection therewith.

"**Loan Parties**" has the meaning given thereto in Section 3.

"**Material Adverse Change**" means any change, condition, event or occurrence, which, when considered individually or together with all other changes, conditions, events or occurrences, could reasonably be expected to have a material adverse effect on: (i) the condition (financial or otherwise), business, performance, operation, assets or property of the Loan Parties as a whole (including a material adverse qualification (other than a 'going concern' qualification resulting from the CCAA Proceedings) to any of the financial statements of any Loan Party; a material adverse misstatement of the financial statements of any Loan Party; or if after the Effective Date, it is determined by any Loan Party, its auditors or accountants that a restatement of any Loan Party's financial statements is or is likely to be necessary or there is a material adverse restatement of any Loan Party's financial statements); (ii) the ability of any Loan Party to carry on its business as presently conducted; (iii) the ability of any Loan Party to timely and fully perform any of its obligations under this Term Sheet or any of the Loan Documents, or any Court Order; (iv) the Collateral; or (v) the validity or enforceability of this Term Sheet or any Loan Documents, or the rights and remedies of the Lender under this Term Sheet or any of the Loan Documents; in each case other than any change, condition, event or occurrence of the foregoing which results from the sale or disposition of the GGB Florida shares or any assets of GGB Florida LLC, GGB Florida Land LLC or Spring Oaks Greenhouses, Inc.

"**Maturity Date**" has the meaning given thereto in Section 8

"**Maximum Cumulative Variance**" has the meaning given thereto in Section 22(g).

"**Milestones**" has the meaning given thereto in Section 20(o).

"**Monitor**" has the meaning given thereto in Section 17.

"**Mortgages**" means, collectively, (a) the collateral mortgage/charge granted by GGB Nevada Land LLC in favour of the Lender over its real property; and (b) the collateral mortgage/charge granted by GGB Massachusetts Land LLC in favour of the Lender over its real property.

"**Ordinary Course**" means, in respect of any Loan Party, the ordinary course of business of such Loan Party consistent with past practice, as such practice is, may have been or may be modified as a result of the CCAA Proceedings or by any Applicable Laws in connection with the COVID-19 pandemic which were in effect on the Filing Date and with which such Loan Party is required to comply.

"**Permitted Liens**" means (i) the Lender Charge; (ii) any charges created under the Initial Order or other order of the Court in the CCAA Proceedings subsequent in priority to the Lender Charge and approved in writing by the Lender in its sole discretion, including for greater certainty, the Directors' Charge; (iii) validly perfected Liens existing prior to the date hereof; (iv) inchoate statutory Liens arising after the Filing Date in respect of any accounts payable arising after the Filing Date in the Ordinary Course, subject to the obligation to pay all such amounts as and when due; and (v) the Permitted Priority Liens.

"**Permitted Priority Liens**" means (i) the Administration Charge; (ii) the Directors' Charge; (iii) any amounts payable by a Loan Party for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of input credits), income tax and workers compensation claims, in each case solely to the extent such amounts are given priority by Applicable Law and only to the extent that the priority of such amounts has not been subordinated to the Lender Charge granted by the Court.; and (iv) the Lien granted by the Borrower in favour of GA Opportunities Corp. pursuant to a general security agreement dated April 15, 2019, as assigned to Green Ops Group LLC and as in effect on the date hereof.

"**Person**" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"**Related Party**" means, in respect of any Person, such Person's affiliates and the directors, officers, partners, members, trustees, employees, controlling Persons, agents, administrators, managers, representatives and advisors of such Person and of such Person's affiliates.

"**Security Documents**" means each of the Security Agreements and the Mortgages.

"**Security Agreements**" means, collectively, each of the security agreements granted by the Borrower and Guarantors in favour of the Lender to secure the obligations of such Loan Party to the Lender, each in form and substance satisfactory to the Lender.

"**SISP**" means the Sales and Investment Solicitation Process in the form agreed to by the Lender and the Borrower approving, among other things, sale and investment solicitation procedures in connection with the sale of all or substantially all of the Borrower's assets.

"**SISP Order**" means an order of the Court (which may include the Initial Order) approving the SISP, in form and substance acceptable to the Lender.

"**Successful Bid**" has the meaning given thereto in the SISP.

"**Variance Report**" has the meaning given thereto in Section 18**.**

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SCHEDULE "B"

FORM OF DRAWDOWN REQUEST

DRAWDOWN REQUEST

TO: ALL JS GREENSPACE LLC (the "**Lender**")

FROM: GREEN GROWTH BRANDS INC. (the "**Borrower**")

DATE: **●, 20●**

Pursuant to the DIP interim financing term sheet dated as of May ●, 2020 (as amended, restated and otherwise modified from time to time, the "**Term Sheet**") between the Lender, the Borrower and the Guarantors, the Borrower is required as a condition precedent to each advance to deliver this Drawdown Request to the Lender. Unless otherwise defined herein, all capitalized terms used in this Drawdown Request will have the meanings given to such terms in the Term Sheet.

The Borrower hereby certifies that:

(a) the advance requested under this Drawdown Request is in accordance with the DIP Budget;

(b) the representations and warranties set forth in Section 19 of the Term Sheet are true and accurate in all material respects as of the date hereof, as though made on and as of the date hereof;

(c) the Loan Parties are in compliance with the covenants and all other terms and conditions set forth in the Loan Documents, other than those that have been waived in writing by the Lender; and

(d) no Default or Event of Default has occurred and is continuing nor will the making of the requested advance result in the occurrence of any such event.

The Borrower hereby requests an advance under the DIP Facility and directs the Lender to make such advance as follows:

Date of advance:	**[●]**	
Total amount of advance:	**[●]**	(Facility Amount / Capex Amount)
Advance to be split to two Loan Parties:	Yes / No	

Loan Party(ies) to which advance is to be made:	**Amount of advance**	**Bank Account Information**
[●]	**US$[●]**	**[●]**
[●]	**US$[●]**	**[●]**

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IN WITNESS WHEREOF the undersigned has executed this Drawdown Request on the date first above written.

GREEN GROWTH BRANDS INC.

By: ________________________________

Name:
Title:

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SCHEDULE "C"

SUMMARY DIP BUDGET

See attached.

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SCHEDULE "D"

CANNABIS LICENSES

Spring Oaks Greenhouses, Inc.	Vertical MMTC	N/A	On or about April 19, 2021	Cultivation, production, and medical sale
Just Healthy LLC	Provisional Certificate of Registration	Northampton, MA	N/A	Dispensary, cultivation and processing site, and up to three medical dispensaries with preferred treatment for future adult use
Just Healthy LLC	Provisional Adult-Use Dispensary	Northampton, MA	N/A	Adult-Use Dispensary
Just Healthy LLC	Provisional Adult-Use Cultivation	Northampton, MA	N/A	Adult-Use Cultivation
Just Healthy LLC	Provisional Adult-Use Production	Northampton, MA	N/A	Adult-Use Production
Wellness Orchards of Nevada LLC	Medical Cultivation License No. 06113068616119421027	Pahrump	6/30/20	Cultivation
Wellness Orchards of Nevada LLC	Adult Use / Cultivation License No. 75650075113718192894	Pahrump	6/30/20	Cultivation
Nevada Organic Remedies LLC	Adult Use Dispensary License No. 024414260227553521200	Las Vegas Municipal approval	6/30/20	Retail
Nevada Organic Remedies LLC	Medical Dispensary	Las Vegas Municipal	6/30/20	Medical

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	License No. 51266222807288437193	approval		
Nevada Organic Remedies LLC	Adult Use / Cultivation License No. 89537461737742132623	Las Vegas Municipal approval	6/30/20	Cultivation
Nevada Organic Remedies LLC	Distribution License No. 66956185074616370216	Las Vegas Municipal approval	6/30/20	Distribution
Nevada Organic Remedies LLC	Medical Cultivation License No. 88242054656300627601	Las Vegas Municipal approval	6/30/20	Cultivation
Nevada Organic Remedies LLC	Medical Production License No. 72792951478780009507	Las Vegas Municipal approval	6/30/20	Production
Nevada Organic Remedies LLC	Adult Use Production License No. 88853210986743836974	Las Vegas Municipal approval	6/30/20	Production
Nevada Organic Remedies LLC	Provisional Adult Use Dispensary RD215	Clark County, NV	12/5/20	Retail
Nevada Organic Remedies LLC	Provisional Adult Use Dispensary RD216	Las Vegas, NV	12/5/20	Retail
Nevada Organic Remedies LLC	Provisional Adult Use Dispensary RD217	North Las Vegas, NV	12/5/20	Retail
Nevada Organic Remedies LLC	Provisional Adult Use Dispensary	Henderson, NV	12/5/20	Retail

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	RD218			
Nevada Organic Remedies LLC	Provisional Adult Use Dispensary RD219	Reno, NV	12/5/20	Retail
Nevada Organic Remedies LLC	Provisional Adult Use Dispensary RD221	Nye County, NV	12/5/20	Retail
Nevada Organic Remedies LLC	Provisional Adult Use Dispensary RD222	Carson City, NV	12/5/20	Retail
Henderson Organic Remedies LLC	Medical Dispensary License No. 30554192662175908311	Henderson Municipal approval	6/30/20	Medical
Henderson Organic Remedies LLC	Adult-Use Dispensary License No. 59287610826909824091	Henderson Municipal approval	6/30/20	Retail

Document comparison by Workshare Compare on Friday, March 19, 2021 9:32:55 AM

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Document 2 ID	interwovenSite://DMS/LEGAL/35894400/2
Description	#35894400v2<LEGAL> - GGB - Exhibit A to DIP Third Amending Agreement (Amended DIP Term Sheet)
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Deletions	13
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Format changed	0
Total changes	28

Appendix B
Actual Receipts and Disbursements

Green Growth Brands Inc.

Green Growth Brands Inc. (Canadian Company)

Green Growth Brands Inc.

(USD) Week Ending	Week 31 Actual 19-Dec-20	Week 32 Actual 26-Dec-20	Week 33 Actual 2-Jan-21	Week 34 Actual 9-Jan-21	Week 35 Actual 16-Jan-21	Week 36 Actual 23-Jan-21	Week 37 Actual 30-Jan-21	Week 38 Actual 6-Feb-21	Week 39 Actual 13-Feb-21	Week 40 Actual 20-Feb-21	Week 41 Actual 27-Feb-21	Week 42 Actual 6-Mar-21	Actual Total (Dec. 13, 2020 - Mar. 6, 2021)
Opening Available Cash	388,563	348,916	305,491	306,332	189,388	173,804	266,750	253,995	232,908	221,587	262,926	221,037	388,563
Disbursements													
Payroll Expenses & Group Benefits	-	4,051	-	-	4,139	-	4,139	-	4,139	-	4,139	-	20,607
Source Deductions	-	1,962	-	-	2,759	-	2,758	-	2,758	-	2,758	-	12,995
Selling, General & Administrative	5,802	109	12	28,806	2,439	-	130	3,574	613	-	104	6,197	47,785
FX Conversion Costs	-	-	-	-	-	1,000	-	-	-	404	-	-	1,404
Restructuring Costs	31,163	33,677	-	86,122	5,889	7,160	4,943	17,577	4,455	-	34,024	7,340	232,350
DIP Interest Payments & Commitment Fee	-	-	29,611	-	-	-	-	32,751	-	-	-	31,766	94,129
Unrealized FX (Gain) / Loss	2,683	3,626	(853)	2,015	359	(1,106)	784	(64)	(643)	(1,305)	863	(44)	6,315
Total Disbursements	39,647	43,425	28,771	116,944	15,584	7,054	12,755	53,838	11,321	(900)	41,889	45,259	415,586
Net Cash flow from Operations	(39,647)	(43,425)	(28,771)	(116,944)	(15,584)	(7,054)	(12,755)	(53,838)	(11,321)	900	(41,889)	(45,259)	(415,586)
DIP Draw for Operations	-	362,552	-	-	-	300,000	-	-	-	40,439	-	-	702,991
Interest Operational DIP	-	-	29,149	-	-	-	-	31,015	-	-	-	28,941	89,105
DIP Draw for CAPEX	-	337,448	-	-	-	200,000	-	-	-	459,561	-	-	997,009
Interest CAPEX DIP	-	-	462	-	-	-	-	1,736	-	-	-	2,825	5,024
Intercompany Transfer	-	(700,000)	-	-	-	(400,000)	-	-	-	(459,561)	-	-	(1,559,561)
Closing Cash / (Indebtedness)	348,916	305,491	306,332	189,388	173,804	266,750	253,995	232,908	221,587	262,926	221,037	207,545	207,545
Opening DIP Facility	6,805,281	6,805,281	7,505,281	7,534,892	7,534,892	7,534,892	8,034,892	8,034,892	8,067,643	8,067,643	8,567,643	8,567,643	6,805,281
Draw - Ops & Restructuring	-	362,552	29,149	-	-	300,000	-	31,015	-	40,439	-	28,941	792,096
Draw - CAPEX	-	337,448	462	-	-	200,000	-	1,736	-	459,561	-	2,825	1,002,033
Closing DIP Facility	6,805,281	7,505,281	7,534,892	7,534,892	7,534,892	8,034,892	8,034,892	8,067,643	8,067,643	8,567,643	8,567,643	8,599,409	8,599,409

U.S. Home Office

U.S. Home Office

(USD) Week Ending	Week 31 Actual 19-Dec-20	Week 32 Actual 26-Dec-20	Week 33 Actual 2-Jan-21	Week 34 Actual 9-Jan-21	Week 35 Actual 16-Jan-21	Week 36 Actual 23-Jan-21	Week 37 Actual 30-Jan-21	Week 38 Actual 6-Feb-21	Week 39 Actual 13-Feb-21	Week 40 Actual 20-Feb-21	Week 41 Actual 27-Feb-21	Week 42 Actual 6-Mar-21	Actual Total (Dec. 13, 2020 - Mar. 6, 2021)
Opening Available Cash	805,852	43,509	81,294	19,309	31,478	27,949	382,625	30,137	31,717	42,020	488,565	20,017	805,852
Receipts													
Sales Receipts & Other Receipts	-	-	-	8,983	-	2,376	7,712		-	-	-	-	19,071
Total Receipts	-	-	-	8,983	-	2,376	7,712	-	-	-	-	-	19,071
Disbursements													
Payroll Expenses & Group Benefits	299	259	78,461	57	48,564	126	65,384	-	47,369	366	62,660	234	303,780
Selling, General & Administrative	394	4,494	10,256	8,733	2,822	17,844	100	75	2,255	1,385	4,879	35,601	88,838
Rent, Utilities, Insurance, Property Taxes	-	25,260	-	18,763	-	25,260	-	18,763	(9,474)	59,914	-	25,260	163,744
Duties & Taxes	760,000	-	-	-	-	-	-	-	-	-	-	-	760,000
Total Disbursements	760,693	30,013	88,717	27,554	51,386	43,230	65,485	18,838	40,149	61,664	67,539	61,095	1,316,362
Net Cash flow from Operations	(760,693)	(30,013)	(88,717)	(18,571)	(51,386)	(40,854)	(57,773)	(18,838)	(40,149)	(61,664)	(67,539)	(61,095)	(1,297,291)
Intercompany Transfer	(1,650)	67,797	26,732	30,740	47,858	395,530	(294,715)	20,418	50,452	508,210	(401,009)	84,119	534,480
Closing Cash	43,509	81,294	19,309	31,478	27,949	382,625	30,137	31,717	42,020	488,565	20,017	43,041	43,041

Green Growth Brands Inc.

Nevada

(USD) Week Ending	Week 31 Actual 19-Dec-20	Week 32 Actual 26-Dec-20	Week 33 Actual 2-Jan-21	Week 34 Actual 9-Jan-21	Week 35 Actual 16-Jan-21	Week 36 Actual 23-Jan-21	Week 37 Actual 30-Jan-21	Week 38 Actual 6-Feb-21	Week 39 Actual 13-Feb-21	Week 40 Actual 20-Feb-21	Week 41 Actual 27-Feb-21	Week 42 Actual 6-Mar-21	Actual Total (Dec. 13, 2020 - Mar. 6, 2021)
Opening Available Cash	950,965	1,212,531	1,604,998	1,505,804	1,329,448	1,484,584	1,476,512	1,129,979	1,188,299	1,534,885	1,544,977	1,747,169	950,965
Net Dispensary Sales	684,230	690,374	738,959	709,259	691,916	701,719	690,282	673,993	678,725	713,183	727,567	725,899	8,426,104
Tax Withholding	123,161	124,267	133,013	127,667	124,545	126,309	124,251	121,319	122,170	128,373	130,962	130,662	1,516,699
Wholesale Receipts	25,012	29,077	26,550	9,750	32,464	20,311	10,215	-	7,453	-	24,349	-	185,181
ATM Fee / Other	-	-	2,432	-	-	3,000	-	-	18,754	5,067	-	-	29,252
Total Receipts	832,404	843,718	900,953	846,676	848,924	851,339	824,747	795,312	827,102	846,623	882,877	856,560	10,157,236
Disbursements													
Merchandise Vendor Payments	252,973	254,798	169,037	374,259	367,731	259,141	269,753	209,521	215,802	211,061	225,569	257,517	3,067,163
Production Costs (excl. Payroll)	81,742	24,217	58,179	60,615	12,584	34,146	84,822	23,212	23,899	51,626	68,316	56,204	579,562
Payroll Expenses & Group Benefits	-	393,381	-	353,433	-	320,739	-	341,819	-	326,548	-	215,641	1,951,560
Selling, General & Administrative	128,283	159,248	79,016	168,725	92,005	45,399	66,859	104,410	64,414	105,478	70,579	79,666	1,164,082
Rent & Property Taxes	-	-	69,288	-	-	-	67,879	-	-	-	108,500	67,869	313,536
Duties & Taxes	-	-	597,627	-	161,292	-	585,999	-	-	-	600,052	-	1,944,970
Capital Expenditure	107,840	229,608	-	-	12,177	184,986	315,968	22,029	124,401	56,817	5,670	5,515	1,065,012
Total Disbursements	570,838	1,061,252	973,147	957,031	645,789	844,411	1,391,280	700,992	428,516	751,530	1,078,686	682,413	10,085,885
Net Cash flow from Operations	261,566	(217,534)	(72,194)	(110,355)	203,136	6,928	(566,533)	94,320	398,586	95,093	(195,809)	174,148	71,351
Intercompany Transfer	-	610,000	(27,000)	(66,000)	(48,000)	(15,000)	220,000	(36,000)	(52,000)	(85,000)	398,000	(100,000)	799,000
Closing Cash	1,212,531	1,604,998	1,505,804	1,329,448	1,484,584	1,476,512	1,129,979	1,188,299	1,534,885	1,544,977	1,747,169	1,821,317	1,821,317

Massachusetts

(USD) Week Ending	Week 31 Actual 19-Dec-20	Week 32 Actual 26-Dec-20	Week 33 Actual 2-Jan-21	Week 34 Actual 9-Jan-21	Week 35 Actual 16-Jan-21	Week 36 Actual 23-Jan-21	Week 37 Actual 30-Jan-21	Week 38 Actual 6-Feb-21	Week 39 Actual 13-Feb-21	Week 40 Actual 20-Feb-21	Week 41 Actual 27-Feb-21	Week 42 Actual 6-Mar-21	Actual Total (Dec. 13, 2020 - Mar. 6, 2021)
Opening Available Cash	8,033	8,033	8,033	8,033	8,033	7,952	7,952	7,952	7,952	7,871	7,871	7,871	8,033
Disbursements													
Payroll Expenses & Group Benefits	-	14,837	-	15,765	-	15,720	-	15,535	-	15,458	-	15,458	92,772
Selling, General & Administrative	1,650	7,366	268	-	223	3,751	55,200	-	1,629	1,443	3,009	423	74,963
Rent, Utilities, Insurance, Property Taxes	-	-	-	19,496	-	-	19,515	46	-	19,450	-	-	58,508
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	1,650	22,203	268	35,261	223	19,470	74,715	15,582	1,629	36,351	3,009	15,881	226,243
Net Cash flow from Operations	(1,650)	(22,203)	(268)	(35,261)	(223)	(19,470)	(74,715)	(15,582)	(1,629)	(36,351)	(3,009)	(15,881)	(226,243)
Intercompany Transfer	1,650	22,203	268	35,261	142	19,470	74,715	15,582	1,548	36,351	3,009	15,881	226,081
Closing Cash	8,033	8,033	8,033	8,033	7,952	7,952	7,952	7,952	7,871	7,871	7,871	7,871	7,871

Appendix C
Cash Flow Variance Analysis

Green Growth Brands Inc.
Cash Flow Variance Analysis
USD

Green Growth Brands Inc.	Forecast	Actuals	Variance	Comment on Variance (if applicable)
Period Beginning	**13-Dec-20**	**13-Dec-20**		
Period Ending	**6-Mar-20**	**6-Mar-20**		
Opening Cash	$ 388,563	$ 388,563	-	
Disbursements				
Payroll Expenses & Group Benefits	24,306	20,607	3,699	This is a positive timing variance for a pay period that has been re-timed to the week ending March 13, 2021.
Source Deductions	11,772	12,995	(1,223)	This negative variance relates to changes in the percentage of source deductions for the start of the new year.
Selling, General & Administrative	64,685	47,785	16,900	The positive permanent variance is a result of reduced professional fees related to professional tax services.
FX Conversion Costs	7,950	1,404	6,546	The conversion costs related to receiving DIP funds in USD were lower than originally forecast.
Restructuring Costs	504,000	232,350	271,650	The positive variance is due to lower than forecast professional hours as well as a re-timing of certain professional invoices.
DIP Interest Payments & Commitment Fee	97,834	94,129	3,705	
Unrealized FX (Gain) / Loss	-	6,315	(6,315)	This is a negative permanent variance based on fluctuations between the Canadian and American dollar.
Total Disbursements	710,547	415,586	294,961	
Net Cash flow	(710,547)	(415,586)	294,961	
DIP Advances (Repayments)	2,097,834	1,794,129	303,705	DIP advances were below forecast because of lower professional fees and the ability of US subsidiary operations to fund cash needs.
Intercompany Transfers In (Out)	(1,405,000)	(1,559,561)	(154,561)	Intercompany transfers to the US subsidiaries were greater than forecast.
Closing Cash	**$ 370,850**	**$ 207,545**	**-$ 163,305**	

U.S. Home Office (Green Holdings)	Forecast	Actuals	Variance	Comment on Variance (if applicable)
Period Beginning	**13-Dec-20**	**13-Dec-20**		
Period Ending	**6-Mar-20**	**6-Mar-20**		
Opening Cash	$ 805,852	$ 805,852	-	
Receipts				
Sales Receipts & Other Receipts	15,000	19,071	4,071	This is a positive permanent variance as a result of reimbursement for premiums paid on behalf of the CBD businesses with respect to employee insurance premiums.
Total Receipts	15,000	19,071	4,071	
Disbursements				
Payroll Expenses & Group Benefits	287,100	303,780	(16,680)	This negative varaince relates to higher holiday pay (Christmas and Martin Luther King Day) than originally forecast.
Selling, General & Administrative	63,200	88,838	(25,638)	The negative permanent variance relates to lower than forecast retainer of legal/license fees.
Rent, Utilities, Insurance, Property Taxes	178,305	163,744	14,561	This postive variance relates to a refund received with respect to insurance premiums for 2020 based on an audit from the insurance company provider.
Duties & Taxes	760,000	760,000	-	
Total Disbursements	1,288,605	1,316,362	(27,757)	
Net Cash flow	(1,273,605)	(1,297,291)	(23,686)	
Intercompany Transfers In / (Out)	520,000	534,480	14,480	
Closing Cash	**$ 52,247**	**$ 43,041**	**-$ 9,206**	

Nevada	Forecast	Actuals	Variance	Comment on Variance (if applicable)
Period Beginning	**13-Dec-20**	**13-Dec-20**		
Period Ending	**06-Mar-20**	**06-Mar-20**		
Opening Cash	$ 950,965	$ 950,965	$ -	
Receipts				
Net Sales	8,100,000	8,426,104	326,104	This is a permanent positive variance as a result of higher than forecast retail sales.
Tax Withholding	1,458,000	1,516,699	58,699	This is a permanent positive variance as a result of increased retail sales influencing higher sales tax collected. However, this positive variance will be fully offset by increased duties and taxes remitted during the forecast period.
Wholesale Receipts	240,000	185,181	(54,819)	This is a permanent negative variance is a result of lower wholesale sales to other dispensaries.
Other	15,000	29,252	14,252	Nevada employees provided services to the US Home Office related to government inspections, and was reimbursed for travel expenses as a result, creating a positive permanent variance. A legal retainer was also refunded as no further services will be provided by the law firm.
Total Receipts	9,813,000	10,157,236	344,236	
Disbursements				
Merchandise Vendor Payments	3,112,973	3,067,163	45,810	
Production Costs (excl. Payroll)	605,609	579,562	26,047	The positive permanent variance is based on efficiencies realized in the use of growing related consumables.
Payroll Expenses & Group Benefits	1,860,000	1,951,560	(91,560)	Payroll expense was greater than forecast as a result of the following: 1. Holiday pay (Christmas and Martin Luther King Day) being higher than originally forecast; 2. Higher than forecast hours at the new Reno dispensary. This is partially offset by the re-timing of source deduction payments to the week ending March 13, 2021.
Selling, General & Administrative	1,274,983	1,164,082	110,901	The positive permanent variance is based on lower than forecast office supplies and non-restructuring legal fees.
Rent & Property Taxes	246,000	313,536	(67,536)	This negative varaince relates to the deposit of the first two and last two months of a new Las Vegas dispensary which was not originally forecast during the forecast period.
Duties & Taxes	2,093,000	1,944,970	148,030	The positive permanent variance corresponds with (1) lower internal transfers between the cultivation facility and dispensaries resulting in lower transfer tax and (2) certain deductions from product testing and other tax deductions against the taxes payable balance.
Capital Expenditure	1,067,000	1,065,012	1,988	
Total Disbursements	10,259,565	10,085,885	173,680	
Net Cash flow	(446,565)	71,351	517,916	
Intercompany Transfers In / (Out)	585,000	799,000	214,000	Intercompany transfers received were greater than forecast.
Closing Cash	**$ 1,089,400**	**$ 1,821,317**	**$ 731,916**	

Massachusetts	Forecast	Actuals	Variance	Comment on Variance (if applicable)
Period Beginning	**13-Dec-20**	**13-Dec-20**		
Period Ending	**06-Mar-20**	**06-Mar-20**		
Opening Cash	$ 8,033	$ 8,033	-	
Disbursements				
Payroll Expenses & Group Benefits	89,854	92,772	(2,918)	
Selling, General & Administrative	102,000	74,963	27,037	The positive permanent variance is based on lower than forecast office supplies and non-restructuring legal fees.
Rent & Utilities	57,000	58,508	(1,508)	
Capital Expenditure	50,000	-	50,000	Expenditure on dispensary fixtures has been re-timed to May 2021.
Total Disbursements	298,854	226,243	72,611	
Net Cash flow	(298,854)	(226,243)	72,611	
Intercompany Transfers In / (Out)	300,000	226,081	(73,919)	Intercompany transfers received were below forecast as a result of lower actual expenditure for the Cash Flow Forecast period.
Closing Cash	**$ 9,179**	**$ 7,871**	**-$ 1,308**	

Appendix D
Revised Cash Flow Forecast

Green Growth Brands Inc.

Green Growth Brands Inc. (Canadian Company)

Green Growth Brands Inc.

(USD) Week Ending	Note	Week 43 Forecast 13-Mar-21	Week 44 Forecast 20-Mar-21	Week 45 Forecast 27-Mar-21	Week 46 Forecast 3-Apr-21	Week 47 Forecast 10-Apr-21	Week 48 Forecast 17-Apr-21	Week 49 Forecast 24-Apr-21	Week 50 Forecast 1-May-21	Week 51 Forecast 8-May-21	Week 52 Forecast 15-May-21	Week 53 Forecast 22-May-21	Week 54 Forecast 29-May-21	Forecast Total (Mar 7, 2021 - May 29, 2021)
Opening Available Cash		207,545	140,148	80,148	161,056	134,956	110,759	184,259	151,862	119,687	93,587	273,690	213,190	207,545
Disbursements														
Payroll Expenses & Group Benefits	1	4,139	-	4,139	-	4,139	-	4,139	-	-	4,139	-	4,139	24,834
Source Deductions	2	2,758	-	2,758	-	2,758	-	2,758	-	-	2,758	-	2,758	16,548
Selling, General & Administrative	3	500	-	695	1,100	500	500	500	545	1,100	500	500	500	6,940
FX Conversion Costs	4	-	-	1,500	-	(8,200)	1,000	-	6,630	-	2,500	-	-	3,430
Restructuring Costs	5	60,000	60,000	60,000	25,000	25,000	25,000	25,000	25,000	25,000	60,000	60,000	90,000	540,000
DIP Interest Payments & Commitment Fee	6	-	-	-	37,686	-	-	-	46,885	-	-	-	-	84,571
Unrealized FX (Gain) / Loss	7	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements		67,397	60,000	69,092	63,786	24,197	26,500	32,397	79,060	26,100	69,897	60,500	97,397	676,323
Net Cash flow from Operations		(67,397)	(60,000)	(69,092)	(63,786)	(24,197)	(26,500)	(32,397)	(79,060)	(26,100)	(69,897)	(60,500)	(97,397)	(676,323)
DIP Draw for Operations	8	-	-	150,000	-	-	100,000	-	-	-	250,000	-	-	500,000
Interest on Operational DIP	9	-	-	-	32,468	-	-	-	32,232	-	-	-	-	64,700
DIP Draw for CAPEX*	10	292,749	-	-	-	2,135,000	-	-	2,491,000	-	-	-	-	4,918,749
Interest on CAPEX DIP	11	-	-	-	5,218	-	-	-	14,653	-	-	-	-	19,871
Intercompany Transfer		(292,749)	-	-	-	(2,135,000)	-	-	(2,491,000)	-	-	-	-	(4,918,749)
Closing Cash / (Indebtedness)		140,148	80,148	161,056	134,956	110,759	184,259	151,862	119,687	93,587	273,690	213,190	115,793	115,793
Opening DIP Facility		8,599,409	8,892,158	8,892,158	9,042,158	9,079,844	11,214,844	11,314,844	11,314,844	13,852,729	13,852,729	14,102,729	14,102,729	8,599,409
Draw - Ops & Restructuring		-	-	150,000	32,468	-	100,000	-	32,232	-	250,000	-	-	564,700
Draw - CAPEX		292,749	-	-	5,218	2,135,000	-	-	2,505,653	-	-	-	-	4,938,620
Closing DIP Facility		8,892,158	8,892,158	9,042,158	9,079,844	11,214,844	11,314,844	11,314,844	13,852,729	13,852,729	14,102,729	14,102,729	14,102,729	14,102,729

*The amounts in respect of capital expenditures (CAPEX) and the CAPEX DIP Draws are for illustrative purposes only and are at the sole discretion to be funded by the DIP Lender (as defined in the DIP Agreement).

U.S. Home Office

U.S. Home Office

(USD) Week Ending	Note	Week 43 Forecast 13-Mar-21	Week 44 Forecast 20-Mar-21	Week 45 Forecast 27-Mar-21	Week 46 Forecast 3-Apr-21	Week 47 Forecast 10-Apr-21	Week 48 Forecast 17-Apr-21	Week 49 Forecast 24-Apr-21	Week 50 Forecast 1-May-21	Week 51 Forecast 8-May-21	Week 52 Forecast 15-May-21	Week 53 Forecast 22-May-21	Week 54 Forecast 29-May-21	Forecast Total (Mar 7, 2021 - May 29, 2021)
Opening Available Cash		43,041	56,078	52,878	58,318	56,155	58,455	54,655	58,995	58,732	61,632	50,232	60,932	43,041
Receipts														
Sales Receipts & Other Receipts	1	7,700	-	-	7,700	-	-	-	7,700	-	-	-	-	23,100
Total Receipts		7,700	-	-	7,700	-	-	-	7,700	-	-	-	-	23,100
Disbursements														
Payroll Expenses & Group Benefits	2	48,800	400	15,500	48,600	-	48,600	15,500	48,600	-	48,600	15,500	48,600	338,700
Selling, General & Administrative	3	7,100	2,800	3,800	2,500	17,700	5,200	4,900	600	17,100	2,800	3,800	2,500	70,800
Rent, Utilities, Insurance, Property Taxes	4	28,763	-	25,260	18,763	10,000	-	25,260	18,763	10,000	-	-	25,260	162,069
Duties & Taxes	5	760,000	-	-	-	-	-	-	-	-	-	-	-	760,000
Total Disbursements		844,663	3,200	44,560	69,863	27,700	53,800	45,660	67,963	27,100	51,400	19,300	76,360	1,331,569
Net Cash flow from Operations		(836,963)	(3,200)	(44,560)	(62,163)	(27,700)	(53,800)	(45,660)	(60,263)	(27,100)	(51,400)	(19,300)	(76,360)	(1,308,469)
Intercompany Transfer		850,000	-	50,000	60,000	30,000	50,000	50,000	60,000	30,000	40,000	30,000	70,000	1,320,000
Closing Cash		56,078	52,878	58,318	56,155	58,455	54,655	58,995	58,732	61,632	50,232	60,932	54,572	54,572

Green Growth Brands Inc.

Nevada

(USD) Week Ending	Note	Week 43 Forecast 13-Mar-21	Week 44 Forecast 20-Mar-21	Week 45 Forecast 27-Mar-21	Week 46 Forecast 3-Apr-21	Week 47 Forecast 10-Apr-21	Week 48 Forecast 17-Apr-21	Week 49 Forecast 24-Apr-21	Week 50 Forecast 1-May-21	Week 51 Forecast 8-May-21	Week 52 Forecast 15-May-21	Week 53 Forecast 22-May-21	Week 54 Forecast 29-May-21	Forecast Total (Mar 7, 2021 - May 29, 2021)
Opening Available Cash		1,821,317	1,353,989	1,325,289	1,652,589	933,889	1,889,289	1,500,689	1,827,989	3,069,289	1,162,189	1,085,989	1,484,689	1,821,317
Net Dispensary Sales	1	675,000	675,000	675,000	700,000	700,000	700,000	700,000	700,000	717,500	735,400	735,400	735,400	8,448,700
Tax Withholding	2	121,500	121,500	121,500	126,000	126,000	126,000	126,000	126,000	129,000	132,000	132,000	132,000	1,519,500
Wholesale Receipts	3	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
ATM Fee / Other	4	-	-	3,000	-	-	-	3,000	-	-	-	3,000	-	9,000
Total Receipts		816,500	816,500	819,500	846,000	846,000	846,000	849,000	846,000	866,500	887,400	890,400	887,400	10,217,200
Disbursements														
Merchandise Vendor Payments	5	277,318	280,000	280,000	280,000	280,000	280,000	280,000	280,000	280,000	290,000	290,000	290,000	3,387,318
Production Costs (excl. Payroll)	6	77,900	47,200	47,200	47,200	25,600	25,600	76,700	76,700	25,600	25,600	76,700	76,700	628,700
Payroll Expenses & Group Benefits	7	109,359	325,000	-	331,500	-	338,000	-	345,000	-	345,000	-	345,000	2,138,859
Selling, General & Administrative	8	67,000	100,000	113,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	1,135,000
Rent & Property Taxes	9	-	-	-	73,000	-	-	-	101,000	-	-	-	101,000	275,000
Duties & Taxes	10	-	-	-	608,000	-	426,000	-	618,000	-	-	-	-	1,652,000
Capital Expenditure*	11	175,000	43,000	2,000	-	1,585,000	-	-	-	2,333,000	158,000	-	-	4,296,000
Total Disbursements		706,577	795,200	442,200	1,434,700	1,985,600	1,164,600	451,700	1,515,700	2,733,600	913,600	461,700	907,700	13,512,877
Net Cash flow from Operations		109,923	21,300	377,300	(588,700)	(1,139,600)	(318,600)	397,300	(669,700)	(1,867,100)	(26,200)	428,700	(20,300)	(3,295,677)
Intercompany Transfer		(577,251)	(50,000)	(50,000)	(130,000)	2,095,000	(70,000)	(70,000)	1,911,000	(40,000)	(50,000)	(30,000)	(120,000)	2,818,749
Closing Cash		1,353,989	1,325,289	1,652,589	933,889	1,889,289	1,500,689	1,827,989	3,069,289	1,162,189	1,085,989	1,484,689	1,344,389	1,344,389

*The amounts in respect of capital expenditures (CAPEX) and the CAPEX DIP Draws are for illustrative purposes only and are at the sole discretion to be funded by the DIP Lender (as defined in the DIP Agreement).

Massachusetts

(USD) Week Ending	Note	Week 43 Forecast 13-Mar-21	Week 44 Forecast 20-Mar-21	Week 45 Forecast 27-Mar-21	Week 46 Forecast 3-Apr-21	Week 47 Forecast 10-Apr-21	Week 48 Forecast 17-Apr-21	Week 49 Forecast 24-Apr-21	Week 50 Forecast 1-May-21	Week 51 Forecast 8-May-21	Week 52 Forecast 15-May-21	Week 53 Forecast 22-May-21	Week 54 Forecast 29-May-21	Forecast Total (Mar 7, 2021 - May 29, 2021)
Opening Available Cash		7,871	15,371	16,871	13,144	16,144	15,144	18,144	17,144	10,144	19,144	12,144	11,144	7,871
Disbursements														
Payroll Expenses & Group Benefits	1	-	16,000	-	16,000	-	16,000	-	16,000	-	16,000	-	16,000	96,000
Selling, General & Administrative	2	12,500	11,000	3,727	1,000	11,000	1,000	1,000	11,000	1,000	1,000	1,000	11,000	66,227
Rent, Utilities, Insurance, Property Taxes	3	-	20,000	-	-	-	-	20,000	-	-	-	-	20,000	60,000
Capital Expenditure*	4	-	1,500	-	50,000	-	-	-	500,000	-	-	-	-	551,500
Total Disbursements		12,500	48,500	3,727	67,000	11,000	17,000	21,000	527,000	1,000	17,000	1,000	47,000	773,727
Net Cash flow from Operations		(12,500)	(48,500)	(3,727)	(67,000)	(11,000)	(17,000)	(21,000)	(527,000)	(1,000)	(17,000)	(1,000)	(47,000)	(773,727)
Intercompany Transfer		20,000	50,000	-	70,000	10,000	20,000	20,000	520,000	10,000	10,000	-	50,000	780,000
Closing Cash		15,371	16,871	13,144	16,144	15,144	18,144	17,144	10,144	19,144	12,144	11,144	14,144	14,144

*The amounts in respect of capital expenditures (CAPEX) and the CAPEX DIP Draws are for illustrative purposes only and are at the sole discretion to be funded by the DIP Lender (as defined in the DIP Agreement).

IN THE MATTER OF THE CCAA OF GREEN GROWTH BRANDS INC., GGB CANADA INC., GREEN GROWTH BRANDS REALTY LTD. AND XANTHIC BIOPHARMA LIMITED (each an "Applicant" and collectively, the "Applicants").

Notes to the Unaudited Cash Flow Forecast of the Applicants

Disclaimer

In preparing this cash flow forecast (the "**Cash Flow Forecast**"), the Applicants have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Applicants and additional assumptions discussed below with respect to the requirements and impact of a *Companies' Creditors Arrangement Act* ("**CCAA**") filing. Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview

The Cash Flow Forecast includes receipts and disbursements of the Applicants and of its US subsidiaries during the Cash Flow Forecast period. The Applicants, with the assistance of Ernst & Young Inc., in its capacity as the monitor of the Applicants (the "**Monitor**"), have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the CCAA proceedings and the ongoing operations.

The cash flow is presented in United States dollars. Receipts and disbursements denominated in Canadian dollars have been converted into United States dollars using an exchange rate of CAD 1.2668 = USD 1.00.

Business Unit: Green Growth Brands Inc. – Located in Toronto, Ontario

	Category	**Description**
1	Payroll Expenses & Group Benefits	This includes net payroll and benefits for one employee. Payroll is paid in arrears twice per month and the forecast is based on historical run rates and expected disbursements.
2	Source Deductions	Represents employee and employer payroll source deductions to be remitted to the Canada Revenue Agency ("CRA").
3	Selling, General & Administrative	This includes a provision for software subscription fees, reimbursable employee expenses and other administrative related expenses.

	Category	Description
4	FX Conversion Costs	This includes fees charged to the Applicant in order to convert DIP funding from American to Canadian currency.
5	Restructuring Costs	Fees owing to or estimated to be incurred by the Applicant's legal counsel, the Monitor and the Monitor's legal counsel in connection with the CCAA filing.
6	DIP Interest Payments & Commitment Fee	As per the DIP Agreement, interest is compounded monthly, payable in arrears on the first of the month at a rate of 5% per annum.
7	Unrealized FX (Gain) / Loss	Funds held in Canadian dollars but reported on the cash flow in American dollars are subject to unrealized gains or losses depending on the change in value between the two currencies.
8	DIP Draw for Operations	Represents DIP advances that will fund operating expenditures excluding capital expenditures.
9	Interest on Operational DIP	Interest related to the operational DIP facility.
10	DIP Draw for CAPEX	Represents DIP advances that fund capital expenditures in the U.S. subsidiaries. The amounts in respect of capital expenditures (CAPEX) and the CAPEX DIP Draws are for illustrative purposes only and are at the sole discretion to be funded by the DIP Lender (as defined in the DIP Agreement).
11	Interest on CAPEX DIP	Interest related to the capital expenditure DIP facility.

Business Unit: U.S. Home Office – GGB Holdings (Columbus, Ohio)

	Category	Description
1	Sales Receipts & Other Receipts	Includes reimbursements of employee health insurance premiums paid by Green Growth Brands Inc. on behalf of the CBD businesses that were previously owned by Green Growth Brands Inc.
2	Payroll Expenses & Group Benefits	This includes gross payroll and benefits for seven head office employees. Employees are paid on the 15th and 30th of the month for the period in arrears.
3	Selling, General & Administrative	This includes non-CCAA related legal fees, software subscription fees, network fees, postage fees, office supplies, cleaning expenses, and office equipment lease expenses.
4	Rent, Utilities, Insurance, & Property Taxes	This includes property, general liability, and directors and officer's insurance. Rent for the Home Office is paid out of Nevada.
5	Duties & Taxes	The amount reflected includes one of the estimated quarterly federal tax installments owing for fiscal 2021.

Business Unit: Nevada

	Category	Description
1	Net Dispensary Sales	This includes net cash and debit card receipts from retail sales.
2	Tax Withholding	Sales tax is collected when a sale is made and subsequently remitted to the government. Sales tax is calculated as a flat percentage (18%) of sales during the forecast period.
3	Wholesale Receipts	These receipts relate to the sale of bulk product, typically to another dispensary.
4	ATM Fees & Other Receipts	ATM fees are charged to customers withdrawing funds from ATM's located at the Nevada dispensaries.
5	Merchandise Vendor Payments	This includes expenses related to the purchase of third-party product.
6	Production Costs (excl. Payroll)	These costs include amounts related to cultivation, such as fertilizer and other consumables necessary to grow the plants, as well as rent and utilities of the cultivation facility.
7	Payroll Expenses & Group Benefits	This includes gross payroll (including the employee and employer portion of source deductions) and benefits for one-hundred and eighty six employees, of which one-hundred and seventy three are full-time.
8	Selling, General & Administrative	This includes software subscription fees, network fees, postage fees, office supplies, insurance, utilities, cleaning expenses, office equipment lease expenses and a provision for legal fees.
9	Rent & Property Taxes	This includes rent for GGB Holdings as well as four Nevada dispensaries.
10	Duties & Taxes	Represents the remittance of sales and use tax in Nevada related to wholesale and dispensary sales, business license fees and municipal taxes.
11	Capital Expenditure	Includes investment in the ERP transition to Microsoft 365, equipment and machinery for cultivation and an estimate for investment in the new dispensaries and distribution facility. The amounts in respect of capital expenditures (CAPEX) and the CAPEX DIP Draws are for illustrative purposes only and are at the sole discretion to be funded by the DIP Lender (as defined in the DIP Agreement).

Business Unit: Massachusetts

	Category	Description
1	Payroll Expenses & Group Benefits	This includes gross payroll (including the employee and employer portion of source deductions) and benefits for three employees. Employees are paid bi-monthly for the period in arrears.
2	Selling, General & Administrative	These disbursements include a provision for monthly legal expenses, license renewals, and other SG&A expenses.

	Category	Description
3	Rent, Utilities, Insurance & Property Taxes	This includes rent and utilities for one dispensary.
4	Capital Expenditure	This includes an estimate for investment in dispensaries. The amounts in respect of capital expenditures (CAPEX) and the CAPEX DIP Draws are for illustrative purposes only and are at the sole discretion to be funded by the DIP Lender (as defined in the DIP Agreement).