Court File No. CV-20-00638930-00CL

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

EIGHTEENTH REPORT OF THE MONITOR

Dated February 23, 2022

INTRODUCTION

1. On March 31, 2020 (the "**Filing Date**"), the Court granted an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") that, among other things, appointed Ernst & Young Inc. as monitor of the Applicants (in such capacity, the "**Monitor**"), approved a stay of proceedings until and including April 9, 2020 (the "**Stay Period**"), granted certain Court-ordered charges, and approved FTI Consulting Canada Inc. continuing to act as Chief Restructuring Officer (the "**CRO**") of the Applicants. In addition, the Initial Order granted a limited stay of proceedings during the Stay Period in favour of O Cannabis We Stand on Guard For Thee Corporation, Cannatrek Ltd., Elmcliffe Investments [No. 2] Inc. and Cannabis Coffee and Tea Pod Company Ltd. staying any rights arising out of, related to, or triggered by the insolvency of any of the Applicants or the commencement of these proceedings (the "**CCAA Proceedings**").

2. On April 9, 2020, the Court granted an order (the "**Amended and Restated Initial Order**") that amongst other things:

   a) extended the Stay Period to July 5, 2020;

b) increased the maximum amount of each of the Administration Charge, the Directors' Charge and the Intercompany Charge, as defined in the Initial Order;

c) approved the amended and restated engagement letter dated as of April 3, 2020, pursuant to which the Applicants engaged Greenhill & Co. Canada Limited, as a financial advisor (the "**Financial Advisor**"), to assist the Applicants in a review of strategic alternatives (the "**Financial Advisor Engagement Letter**") and granted the Transaction Fee Charge (as defined in the Amended and Restated Initial Order);

d) approved the Key Employee Retention Plan (the "**KERP**") and granted the KERP Charge (as defined in the Amended and Restated Initial Order); and

e) approved a limited stay of proceedings in respect of various current and former directors, officers and employees of the Applicants, and the auditors, certain underwriters and certain selling shareholders that were named, in addition to the Applicants, as defendants in the Canadian Class Actions, the Zola Action, the US Class Actions and the Construction Action, all as defined in the initial affidavit of Greg Guyatt dated March 31, 2020.

3. On May 8, 2020, the Court granted an order (the "**SISP Order**") approving the Applicants' sale and investment solicitation process. The deadline for Phase 1 Qualified Bidders (as defined in the SISP Order) to submit non-binding letters of interest was June 22, 2020. In and around June 29, 2020, the Applicants and the Financial Advisor in consultation with the Monitor assessed the results of Phase 1 of the SISP and, based on the results, paused on the continuation of Phase 2 of the SISP to focus on the mediation efforts and the development of the CCAA Plan.

4. The Stay Period has been further extended, in addition to the dates mentioned herein, pursuant to orders of the Court dated July 2, 2020, October 28, 2020, January 29, 2021, April 30, 2021, June 24, 2021, July 16, 2021, and August 27, 2021, December 16, 2021, and January 31, 2022.

5. On April 16, 2021, the Court granted an order (the "**Meeting Order**"), among other things, authorizing CannTrust Holdings Inc. ("**CannTrust Holdings**"), CannTrust Inc.

("**Canntrust Opco**") and Elmcliffe Investments Inc. ("**Elmcliffe**") (collectively, the "**CannTrust Plan Companies**") to call, hold and conduct meetings of their creditors (the "**Meetings**") to vote on their plan of compromise, arrangement, and reorganization (as amended, the "**CCAA Plan**").

6. On April 30, 2021, the Court granted an order (the "**DIP Approval Order**"), among other things, authorizing the Applicants to borrow under a CCAA interim financing and exit credit facility (the "**DIP and Exit Loan**") to be provided by Cortland Credit Lending Corporation in its capacity as administrative agent (the "**Agent**") on behalf of itself, its affiliates and other lenders to be designated from time to time (collectively, the "**DIP Lender**") in the maximum amount of $22.5 million, on the terms and subject to the conditions set forth in the term sheet between the Applicants and the Agent dated April 13, 2021 (the "**DIP Term Sheet**"), sealing the unredacted version of the DIP Term Sheet and granting a charge over the Applicants' property in respect of these borrowings.

7. The Meetings were held on May 28, 2021, for all Affected Creditors, and each class of Affected Creditors approved the CCAA Plan in accordance with the Meeting Order. The CannTrust Plan Companies brought a motion for the Court to sanction the CCAA Plan, which was heard on June 11, 2021, and June 17, 2021. On June 24, 2021, the Honourable Mr. Justice Pattillo issued an endorsement dismissing the motion to sanction the CCAA Plan with leave to bring the motion again once certain issues identified in the endorsement had been addressed and, in the interim, extending the Stay Period to July 30, 2021.

8. The Applicants amended the CCAA Plan to address the issues raised in Justice Pattillo's endorsement. The fourth amended and restated plan of compromise, arrangement and reorganization of the CannTrust Plan Companies dated July 7, 2021 (which will be referred to hereinafter as the "**CCAA Plan**") was sanctioned by the Court on July 16, 2021 (the "**Sanction Order**").

9. On August 27, 2021, the Court granted an order (the "**Stay Extension and Internal Reorganization Approval Order**"), among other things, approving the incorporation of CannTrust Equity Inc. ("**CannTrust Equity**"), as a wholly-owned subsidiary of CannTrust

Holdings and the acquisition of all of the outstanding common shares of CannTrust Opco by CannTrust Equity for the purpose of implementing an incentive plan for employees.

10. Implementation of the CCAA Plan was conditional on, among other things, the "**U.S. Approval Order**" being obtained in the U.S. Class Action, which was the lead class action that was commenced against CannTrust Holdings in the Southern District of New York. The motion was heard on December 2, 2021, and the U.S. court approved the settlements and granted the U.S. Approval Order.

11. On December 16, 2021, the Court granted an order, which among other things:

   a) extended the Stay Period to January 31, 2022;

   b) enhanced the powers of the Monitor in addition to the powers and duties set out in the Initial Order, or any other Order of the Court in these proceedings, among other powers, to allow, if all directors of CannTrust Holdings resign, the Monitor to take any actions to execute all documents and writings on behalf and in the name of the Applicants; cause the Applicants to exercise any powers that may be exercised in an Applicant's capacity as a shareholder; exercise any powers of the board of directors of the Applicants; retain the services of any person as an employee, consultant or similar capacity for the Applicants; operate and control on behalf of the Applicants any existing accounts at any financial institution; conduct, supervise and direct any restructuring activity permitted by the Initial Order; commence or continue any negotiations with investors, lenders, or other parties; and commence any process to recover property belonging or owing to the Applicants; and

   c) approved the Articles of Reorganization.

12. On January 5, 2022, the CCAA Plan was implemented, and the Monitor's Certificate was issued and posted on the Monitor's website at www.ey.com/ca/canntrust (the "**Monitor's Website**"). Upon implementation of the CCAA, certain of the directors of CannTrust Holdings resigned. The two remaining directors are Greg Guyatt and Dan Hogan.

13. Despite the implementation of the CCAA Plan, the Applicants continue to experience severe liquidity issues and have been urgently pursuing a going concern strategic option to avoid a wind-down scenario. Given the limitation on funds, the Applicants worked to conserve their cash flow to provide as much, albeit very limited time, for potential counterparties to conduct due diligence and prepare proposals. At the same time, the Applicants have been preparing for a wind-down scenario.

14. On January 31, 2022, the Court granted, among other things, an order extending the Stay Period to February 28, 2022, to provide a brief remaining period for the Applicants to pursue a going concern strategic transaction.

PURPOSE

15. The purpose of the eighteenth report of the Monitor (the "**Eighteenth Report**") is to provide a report to the Court in respect of the following:

    a) the proposed transaction (the "**Transaction**") contemplated under:

        (i) the subscription agreements (the "**Subscription Agreements**") to be entered into between CannTrust Equity Inc. ("**CannTrust Equity**", together with CannTrust Holdings and CannTrust Opco, the "**CannTrust Transaction Parties**"), as issuer, and each of Marshall Fields International B.V., (the "**Investor**"), and Daniel Koehn, Andrew Peppin, Jeffrey Zietlow and Greg Guyatt (collectively, the "**Individual Investors**"), as investors; and

        (ii) a unanimous shareholder agreement (the "**USA**") to be entered into between CannTrust Holdings and CannTrust Equity, the Investor and the Individual Investors, reflecting the terms described in a schedule to the Subscription Agreements;

    b) the interim financing and exit credit facility (the "**Investor DIP Loan**") agreed to be provided by the Investor, Daniel Koehn, and Andrew Peppin, as lenders, to

CannTrust Holdings, CannTrust Equity, CannTrust Opco and Elmcliffe (the "**Borrowers**");

c) the termination of the CCAA Proceedings;

d) details of the Applicants' receipts and disbursements for the period from January 17, 2022, to February 13, 2022, compared to the cash flow forecast (the "**Seventeenth Report Cash Flow Forecast**") appended as Appendix "D" to the Seventeenth Report;

e) details of the Applicants' cash flow forecast for the period from February 14, 2022, to April 3, 2022; and

f) the Monitor's recommendation in respect of the Applicants' motion for an order (the "**Investment Approval Order**"), among other things:

  (i) approving the Transaction;

  (ii) authorizing and approving the Intercompany Assignments (defined herein);

  (iii) authorizing the Borrowers to obtain and borrow under the Investor DIP Loan;

  (iv) granting a charge over the Borrowers property in respect of the borrowings under the Investor DIP Loan (the "**Investor DIP Charge**");

  (v) directing the Monitor to serve and file the Monitor's Closing Certificate (defined herein);

  (vi) amending the Monitor's Discharge Certificate as attached to the Sanction Order;

  (vii) sealing the subscription price of the Subscription Agreement and the summary of the letters of intentions received in the current solicitation process; and

(viii) extending the Stay Period to and including the earlier of the Closing Effective Time (defined herein) and March 25, 2022.

TERMS OF REFERENCE

16. In preparing this Eighteenth 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**").

17. 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 Canadian auditing standards ("**CAS**") or any other standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CAS or any other standards in respect of the Information.

18. Some of the information referred to in this Eighteenth 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.

19. Future-oriented financial information referred to in this Eighteenth 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.

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

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

22. Capitalized terms used in this Eighteenth Report are as defined herein or shall have the meanings given to them in the CCAA Plan.

23. All court documents and materials related to these CCAA Proceedings have been posted on the Monitor's Website.

PROPOSED TRANSACTION

Background

24. As further indicated in the affidavit of Greg Guyatt sworn February 18, 2022 (the "**Guyatt Affidavit**"), the Applicants continue to experience severe liquidity challenges. To address these ongoing funding issues for CannTrust Opco, the Applicants have been seeking potential going concern strategic opportunities as an alternative to a wind-down of the operations. The Applicants have been in discussions with several parties and have worked closely with one particular party to get to the proposed transaction described herein.

Solicitation Process

25. Given the Applicants' liquidity constraints and lack of success with their prior broad SISP, in December, the Applicants began a process using their existing relationships and networks to solicit parties regarding a potential strategic or financing transaction.

26. Given the Applicants' current liquidity position, the unsuccessful SISP process completed in 2020 and current market conditions, the Applicants did not believe that initiating another full sale and investment solicitation process would be feasible at this time. As detailed in the Guyatt Affidavit, the Applicants had conducted a robust but unsuccessful SISP process in 2020, and they were able to leverage that prior process to inform and target their activities and efforts in their current solicitation process. For instance, while there were 36 "known potential bidders" identified in the SISP (after contacting more than 100 parties), not one of those parties ultimately submitted an executable proposal during the SISP. It also became clear to the Applicants that several of the participants in the SISP were

interested only in purchasing certain discrete assets rather than participating in any going-concern transaction. The Monitor understands that, in designing and implementing their current solicitation process, the Applicants were informed in part by their experience from the original SISP, which assisted the Applicants in creating a targeted list of potential investors and strategic partners that had communicated a potential interest in participating in a going-concern transaction that would have a reasonable prospect of being completed within the necessary timeframe, having regard to the Applicants' liquidity situation.

27. As further described in the Guyatt Affidavit, CannTrust Holdings remains subject to a cease trade order dated April 13, 2020 (the "**CTO**") made by the Ontario Securities Commision for failing to file certain periodic discosures required by the Ontario securities legislation. The Monitor further understands that the CTO prevents any securities issuance by CannTrust Holdings and, because CannTrust Equity is not a reporting issuer, any securities issuance by CannTrust Equity must be limited to accredited investors or satisfy some other exemption from the prospectus requirement under applicable securities laws.

28. As further detailed in the Guyatt Affidavit, as part of the current targeted solicitation process, the Applicants approached ten potential investors and strategic partners directly over a 10-week period. The Monitor also understands that the CannTrust opportunity was well-known in the industry, including through the Applicants' court materials describing their efforts to seek a going-concern transaction and through the prior SISP, and that the Financial Advisor had solicited some additional potential counterparties. The Monitor notes that in light of various challenges presently facing the cannabis industry in Canada, very few potential strategic investors are seeking to expand their domestic footprint in the industry at this time, which limits the pool of potential transaction counterparties. In addition, the Monitor is not aware of any eligible party being refused access to participation in the process. The Monitor was kept apprised in this process and is of the view that the process followed, including the potential parties approached, was reasonable in the circumstances.

29. Similar to the prior SISP, the Applicants compiled and provided access to a dataroom for interested parties and facilitated site visits. The Monitor was kept up-to-date throughout

this process as well. It is the Monitor's understanding that the DIP Lender was also informed at certain milestones throughout the process.

30. As there were a small number of parties potentially interested in a strategic transaction, the Applicants, with the input of the Monitor, sent a process letter to each interested party to set out deadlines and the expectations of the contents of any letter of interest ("**LOI**") to be submitted. The deadline for LOI submission was February 2, 2022. An extract of the key portions of the bid process letter with the timelines and expectations is attached as **Appendix "A".**

31. The Monitor is of the view that the solicitation process was reasonable in these circumstances. The process was an efficient one targeted at parties that the Applicants' management believed would have an interest and ability to complete a going-concern transaction within the necessary timeframe while also being open to participation by other interested eligible parties. Moreover, a wider, more formal solicitation process would not have been feasible in light of the Applicants' liquidity position. Although the previous Court-approved SISP did not produce an executable proposal, it did serve to make known in the industry the potential CannTrust opportunity, and CannTrust management was able to leverage the experience gained and output from that SISP process to conduct a targeted and efficient process that resulted in three LOIs received by the deadline provided.

LOIs

32. On February 2, 2022, three LOIs were received by the Applicants. As further described in the Guyatt Affidavit, the LOIs were evaluated based on, among other things:

a) the value and the amount of capital provided by the proposal;

b) the ability of the counterparty to successfully complete the transaction and the speed with which it could do so;

c) the ability and willingness to provide interim financing;

d) the structure of the transaction and the stakeholder impact;

e) any assets and liabilities that would be included or excluded from the proposal; and

f) the Applicants' ability, as a result of any proposal, to continue as a successful going concern post-transaction.

33. A summary of LOIs received is attached as **Confidential Appendix "B".**

34. Following the review of each LOI, the Applicants, in consultation with legal counsel and the Monitor, determined to select the LOI submitted by the Investor as it offers:

a) the highest amount of cash investment;

b) the best economic outcome for the Applicants' stakeholders viewed as a whole;

c) relative simplicity, speed of execution and relative certainty of closing; and

d) interim financing to support the Applicants' current liquidity challenges and availability of the funding necessary to close a transaction.

35. Shortly after the selection of the LOI from the Investor, the Applicants notified the non-successful bidders.

36. Subsequent to the selection of the Investor's LOI as the preferred proposal arising under the current targeted solicitation process, certain modifications were made to the form of Transaction contemplated by the LOI. One of those modifications was the inclusion of the Individual Investors in the Transaction. As further described in the Guyatt Affidavit, two of the Individual Investors, Greg Guyatt and Jeffrey Zietlow are CannTrust Holdings' CEO and Chief Commercial Officer, respectively. The Investor requested that each of these executives support the completion of the Transaction by investing personally in shares of CannTrust Equity, at the same price per share being paid by the Investor to align their continued involvement and motivation considering their proposed continued involvement in the business. The other Individual Investors were welcomed by the Investor to participate as parties to the Transaction, as co-lenders under the Investor DIP loan and as equity investors in CannTrust Equity (Messrs. Guyatt and Zietlow were not invited to participate as lenders in the Investor DIP Loan). These other two Individual Investors are

existing shareholders of CannTrust Holdings and were part of a consortium of investors that had submitted an LOI as part of the Applicants' current target solicitation process. At the time that the Applicants selected the Investor's LOI as the preferred counterparty, and the Monitor supported the selection of the LOI from the Investor, the Investor had not communicated its request to the Applicants or the Monitor that any member of CannTrust's management or any other insider would support the Transaction by investing in CannTrust Equity.

37. The Investor is a subsidiary of Kenzoll B.V, a recent carve-out of the Dutch hybrid private equity/venture capital firm, Ramphastos. As indicated in the Guyatt Affidavit, Ramphastos is majority-owned by Dutch billionaire and entrepreneur Marcel Boekhoorn. Kenzoll B.V. is controlled by Corné Melissen, who was, up until the carve-out, an executive director of Ramphastos for 16 years. Kenzoll B.V.'s portfolio comprises investments in energy, technology and cannabis.

38. The Monitor performed a liquidation analysis of the alternative to the Transaction, which would involve a wind-down of the Applicants, to consider the potential funds that would be available to the Applicants' stakeholders as a comparison to what is contemplated in the proposed Transaction. Based on this analysis, the potential funds to CannTrust Holdings after satisfaction of creditor claims could range from $nil to approximately $5 million[1] in a wind-down as most of the proceeds would be paid to satisfy:

a) the DIP Facility;

b) liability that may arise from the termination of certain contractual agreements; and

c) wind-down costs and professional fees.

39. Based on the liquidation analysis, unsecured creditors of CannTrust Opco would receive no recovery at all due to the Intercompany Advances made by CannTrust Holdings to

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[1] The range of nil to $5 million is dependant on the marshalling of the collateral to pay down the DIP Facility and the liability under certain agreements if they were terminated.

CannTrust Opco during the CCAA Proceedings and the resultant secured intercompany payable owed to CannTrust Holdings.

40. The Subscription Price, while subject to a request for a sealing order, is well in excess of the potential funds that would be available to CannTrust Holdings and CannTrust Opco in the above liquidation analysis. In addition, the Investor DIP provides a further $5.5 million in more immediate financing availability above and beyond the Subscription Price.

41. It is the Monitor's view that the overall impact on the stakeholders of the Applicants of the completion of the proposed Transaction is better than a wind-down scenario and would see the amounts owed by CannTrust Opco to trade creditors and employees either paid immediately or in the normal course. There are additional benefits for a going concern transaction, including the retention of jobs for employees who are offered continuing employment, payment of outstanding payables to trade vendors, and continued supply of cannabis products to support CannTrust Opco's medical patients.

The Proposed Transaction

42. Since receiving the LOI, the Applicants have been working with the Investor to finalize definitive terms for the Transaction. The Applicants and Investor have finalized a form of Subscription Agreement and, subject to Court approval, will enter into it immediately after the Assignments described below. A redacted copy of the form of Subscription Agreements is attached to the Guyatt Affidavit and reproduced herein as **Appendix "C"**. The unredacted details of the Subscription Agreements have been provided separately to the Court as confidential Exhibit "1" to the Guyatt Affidavit. The Applicants are seeking a sealing order in respect of the redacted details of the Subscription Agreements, as the financial terms of the Transaction are commercially sensitive and, if disclosed prior to completion of the Transaction, could have an adverse impact on the Applicants in the event the Transaction does not close, and it becomes necessary or desirable to attempt to develop an alternative transaction with one or more other counterparties. The Monitor is of the opinion that the granting of a sealing order would be appropriate in these circumstances.

43. The key terms of the Subscription Agreements are as follows:

a) CannTrust Equity will issue common shares that would be equivalent to 90% of the total equity after issuance, and the Investor and Individual Investors will pay the Subscription Price (the amount subject to the sealing order request);

b) the closing date will be March 3, 2022, or such other date as soon as possible thereafter as is mutually agreed (the "**Closing Date**") with 5 pm being the closing time (the "**Closing Effective Time**");

c) the liability of the DIP Facility will be assumed;

d) the Investor DIP Term Sheet (defined herein), providing for a second lien secured loan in the amount of $5.5 million (which is in addition to the Subscription Price), will be approved by the Court;

e) the intercompany debt owing from CannTrust Opco to CannTrust Holdings, in the amount of approximately $300 million, will be assigned by CannTrust Holdings to CannTrust Equity, together with its related security;

f) CannTrust Holdings' investment in Cannabis Coffee and Tea Pod Company Ltd. will be assigned to CannTrust Equity;

g) closing will be conditional upon the approval by the CCAA Court;

h) closing will be conditional upon the consent of the DIP Lender; and

i) closing will involve the execution of the USA (further discussed herein).

The unanimous shareholder agreement (USA)

44. As part of the Transaction, CannTrust Holdings and the Investor and Individual Investors intend to enter into the USA, reflecting the terms of the form of USA term sheet attached to the Subscription Agreements and providing for the Exchange Right (defined below) in favour of the Investor.

45. The "Exchange Right" will permit the Investor to elect to exchange its shares in the capital of CannTrust Equity for a like number of shares of CannTrust Holdings, without the

payment of any additional consideration, subject to the satisfaction of certain conditions precedent, which will include CannTrust Holdings having obtained an order from the Ontario Securities Commission revoking the CTO. The USA will also require that if the Investor elects to exercise the Exchange Right; the Individual Investors will be required to likewise exchange their CannTrust Equity shares for shares in CannTrust Holdings.

46. The Subscription Agreements contemplate that the USA will also provide that, if the Investor exercises its Exchange Right, the parties to the USA will use their commercially reasonable best efforts to cause CannTrust Holdings to implement a rights offering in accordance with National Instrument 45-105 – Prospectus Exemptions, pursuant to which CannTrust Holdings' shareholders will be permitted to subscribe for additional CannTrust Holdings' shares at a discount, on such terms as may be agreed by the board of directors of CannTrust Holdings.

Intercompany Assignments

47. As part of the Transaction, the CannTrust Transaction Parties will make two intercompany assignments (the "**Assignments**"):

a) the assignment of the intercompany debt owed from CannTrust Opco to CannTrust Holdings (approximately $300 million) to CannTrust Equity, together with related security. The Guyatt Affidivat indicates that it is important for this assignment to occur prior to executing the Subscription Agreements for tax efficiency and that the assignment is an important feature for the Investor in the event the Share Exchange Option cannot be completed for any reason; and

b) the assignment of CannTrust Holdings' shareholding in Cannabis Coffee and Tea Pod Company Ltd. ("**CCTP**") to CannTrust Equity. As per the Guyatt Affidavit, transferring this interest into CannTrust Equity is also an important feature for the Investor in the event the Share Exchange Option cannot be completed for any reason.

48. It is Monitor's view that the Assignments are reasonable in these circumstances.

The Second Lien DIP Term Sheet

49. In order to ensure the Applicants' ability to fund their operations during the period prior to the Closing Effective Time, the Transaction includes interim financing. The following is a summary of certain key terms included in the term sheet between the Borrowers and the Investor, Daniel Koehn, and Andrew Peppin, as lenders, dated February 18, 2022 (the "**Investor DIP Term Sheet**"):

a) maximum facility limit of $5,500,000;

b) multi-draw non-revolving term loan with convertible options;

c) secured on the Property (as defined in the Initial Order) of the Borrowers with a charge on the Property of the Applicants, in priority to the Transaction Fee charge and the Intercompany Charge and behind the existing DIP Lender's Charge (all as defined in the Initial Order);

d) Initial advance of $2,500,000, with subsequent advances of a minimum amount of $500,000;

e) term ends on the earlier of 12 months, or any other Termination Date (as defined in the Investor DIP Term Sheet);

f) interest rate of 10%. Interest will accrue and be added to the outstanding principal amount;

g) no fees or deposits;

h) use of proceeds for working capital needs during the CCAA Proceedings and for general corporate purposes;

i) Excluded property:

    (i) Borrowers right and interest in Cannatrek Limited;

(ii) the trust established for the purpose of settling potential director and officer liabilities; and

(iii) reserve and deposits in connection with the tolling agreement made as of January 31, 2018, among Balfour Energy Corp, CannTrust Inc., Elmcliffe Investments Inc (the "**Balfour Tolling Agreement**");

j) the Investor will have a right to elect to convert all or part of the borrowings and any accrued and unpaid interest under the Investor DIP Loan into fully paid and non-assessable common shares of CannTrust Equity, valued at the subscription price per share payable under the Subscription Agreements and, if the Investor elects to convert, then the Individual Investors will be obligated to convert on the same terms; and

k) mandatory repayment from the disposal of real estate collateral.

50. A copy of the DIP Term Sheet is attached as **Appendix "D"** to this Eighteen Monitor's Report.

51. The Monitor is of the view that interim financing provided by the DIP Term Sheet is necessary for the Applicants to proceed to close the Transaction as the Applicants' cash flow would not be sufficient, absent of such funding. As such, the interim financing will enhance the prospects of a going-concern transaction during the limited period proposed prior to the closing of the Transaction and the completion of the CCAA Proceedings. The Monitor is also of the view that the terms set out in the DIP Term Sheet, the interim financing provided by the DIP Term Sheet, and the proposed DIP charge are appropriate and limited to what is reasonably necessary in the circumstances. In addition, it is the Monitor's understanding that the DIP Lender is also in support of the Transaction and the DIP Term Sheet.

Monitor's Recommendation

52. The Monitor recommends that the Court approve the Transaction contemplated under the Subscription Agreements, approve the Supscription Agreements, the USA and the

Assignments and authorize the CannTrust Transaction Parties to execute such agreements, and approve the DIP Term Sheet and DIP Charge, for the following reasons:

a) the solicitation process was the product of extensive consultation, and was established with the advice of the Monitor, and was reasonable in the circumstances, particularly given the Applicants' liquidity constraints;

b) the Transaction will result in the highest economic outcome for the stakeholders as a whole and will see the Applicants post-filing creditors either paid on closing or when due or as agreed to with the creditor;

c) it provides the interim financing needed to support the Applicants' liquidity until the Closing Date;

d) the terms of the LOI are commercially reasonable, and the Transaction should close quickly and within the proposed Stay Period;

e) the DIP Lender is supportive of the Transaction; and

f) the Transaction likely provides greater recovery for the Applicants' stakeholders than could be obtained in a bankruptcy or liquidation and allows the current common shareholders to retain a 10% indirect equity ownership in CannTrust Opco.

THE REMAINING ACTIVITIES IN THE CCAA PROCEEDINGS

53. The remaining activities required to complete the CCAA Proceedings by the Monitor include:

a) distributing the remaining funds to employee creditors affected by the CCAA Plan once clearance is received by Employment and Social Development Canada;

b) resolving disputed and unresolved claims, including the claim filed by the CRA against CannTrust Holdings;

c) distributing the final payment to the creditor of Elmcliffe in accordance with the CCAA Plan; and

d) ensuring the payment by the Applicants to satisfy the Administration Charge, the Transaction Charge, and the KERP Charge (all as defined in the Initial Order).

APPLICANTS' RECEIPTS AND DISBURSEMENTS

54. A summary of the Applicants' actual receipts and disbursements during the period from January 17, 2022, to February 13, 2022 (the "**Reporting Period**") as compared to the Seventeenth Report Cash Flow Forecast covering the same period (the "**Variance Analysis**") is attached as **Appendix "E"** to this Eighteenth Report.

55. During the Reporting Period, the Applicants incurred a net cash outflow of approximately $427,000. The disbursements relate mainly to payroll and employee-related expenses, KERP, utilities, insurance, costs related to the DIP and Exit Loan and production costs.

56. The unfavourable net cash flow variance for the Reporting Period of approximately $2.9 million results from the delayed receipt of business-to-business wholesale receipts of approximately $1.1 million, and the delay of the receipt of the HST Refund of approximately $2.8 million. Some of these unfavourable variances were offset by the Applicants' cash conservation to payments for on-going operations. In addition, no proceeds have been received to date through the call option agreement dated January 18, 2022 (the "**Call Option Agreement**") between CannTrust Opco and David Oshlack for the sale of the CannTrek Option Shares (as defined in the Call Option Agreement). Details of both the permanent and timing differences are attached to the Variance Analysis.

57. During the Reporting Period, the Agent advanced approximately $584,000 in interim financing to the Applicants to fund their operations, and $933,000 was repaid, for a net outflow of approximately $349,000. As of February 13, 2022, the Applicants' cash on hand was approximately $606,000.

58. CannTrust Holdings has made, with approval from the Monitor, Intercompany Advances (as defined in the Amended and Restated Initial Order) of $1.25 million during the

Reporting Period to fund disbursements of the other Applicants. This is $1.25 million greater than forecast due to the unfavourable cash flow variance. The total Intercompany Advances since the Filing Date are $72.05 million.

OVERVIEW OF APPLICANTS' CASH FLOW FORECAST OVER THE STAY PERIOD

59. The Applicants, with the assistance of the CRO and in consultation with the Monitor, have prepared a cash flow forecast (the "**Cash Flow Forecast**") running from February 14, 2022, to the week ending April 3, 2022 (the "**Forecast Period**"). The Cash Flow Forecast is attached as **Appendix "F"** to this Eighteenth Report.

60. The Cash Flow Forecast projects that during the Forecast Period, the Applicants will have total receipts of approximately $3.8 million and estimated total combined disbursements of approximately $9.1 million for a forecast net cash outflow of $5.3 million.

61. Included within the receipts are $2.8 million from cannabis product sales and $1 million of additional funding from CannTrust Equity subsequent to the closing of the Transaction.

62. As a result of the Applicants' limited funds on hand and the hold by CRA on the $2.8 million HST Refund (further described herein), CannTrust has been conservatively paying operating costs and payroll and employee benefits. The following amounts have not yet been paid as at the date of this Eighteenth Report:

    a) certain due and accrued post-filing payables of approximately $3.02 million;

    b) payments to terminated employees of CannTrust Holdings pursuant to agreements reached;

    c) remaining 50% KERP payments which will be owed upon closing of a going concern transaction; and

    d) accrued professional fees of approximately $960,000 (collectively, the "**Outstanding Amounts**").

63. The forecast disbursements prior to the receipt of the first advance under the Investor DIP Loan mainly consist of payroll and benefits costs, operating costs, and insurance. Once the funds are drawn from the Investor DIP Loan, should it be approved by the Court, the Applicants will begin paying down certain Outstanding Amounts. However, in light of the Applicants limited liquidity to fund payroll and operations cost through to the closing of the Transaction, certain of the Outstanding Amounts will have to be paid subsequent to the close of the Transaction to ensure that sufficient funds are available to get to the close.

64. The Monitor is working with the Applicants to develop a payment direction upon closing of the Transaction to satisfy any Outstanding Amounts that have not been paid. This is reflected in the Cash Flow Forecast in the week ending April 3, 2022 assuming that the Trasaction closes on March 25, 2022, which is the last day of the proposed Stay Period extension. If the Transactions closes sooner, these amounts would be paid earlier.

65. The Applicants anticipate $100,000 of Intercompany Advances during the Forecast Period. The Cash Flow Forecast projects that the Applicants will have an ending cash balance at March 27, 2022, excluding any cash proceeds related to the close of the Transaction, of approximately $253,000.

66. The Applicants forecast that they will require draws of approximately $461,000 and make repayments of approximately $459,000 for a net draw of approximately $2,000 from the DIP and Exit Loan during the Forecast Period. The accrued interest and fees during the Forecast Period under the DIP and Exit Loan are forecast to be $344,000, and the Applicants will have paid $472,000 in interest and fees at the end of the Forecast Period, for a net balance of $128,000. The ending balance of the DIP and Exit Loan at the end of the Forecast Period is forecast to be approximately $18.6 million.

67. The Applicants forecast draws totalling $5,500,000 from the Investor DIP Loan during the Forecast Period. The Applicants require a further $1,000,000 from CannTrust Equity which is presented in the Cash Flow Forecast as Other Receipts in the week ending April 3, 2022 to satisfy operating costs and certain Outstanding Amounts, which is forecast to be funded from proceeds of the Transaction. The ending balance of the Investor DIP Loan at the end of the Forecast Period is $5,521,000, inclusive of accrued interest.

68. The Applicants file HST returns on a monthly basis. CRA has indicated that it is auditing the December HST return for CannTrust Opco, which refund was anticipated to be received mid-February in the amount of approximately $2.8 million. Due to the uncertainty regarding the timing of the release of the HST refund for CannTrust Opco, it has not been included in the Cash Flow Forecast, and it is assumed that there is a hold on CannTrust Opco from receiving any subsequent HST Refund until the audit is complete.

69. CRA continues to maintain a hold on the HST account for CannTrust Holdings and has not given any indication of when the hold will be removed. Due to the uncertainty regarding the timing of the release of the HST refund for CannTrust Holdings, it has not been included in the Cash Flow Forecast.

STAY EXTENSION

70. The Stay Period is currently set to expire on February 28, 2022. The Applicants are requesting an extension of the Stay Period until the earlier of the Closing Effective Time and March 25, 2022.

71. Based on the Cash Flow Forecast, the Monitor believes that the Applicants will have sufficient liquidity to fund their operations through to March 25, 2022, the length of the proposed extension of the Stay Period, should the Investor DIP Loan be approved and closed.

72. The Monitor is of the view that the requested extension of the Stay Period is appropriate because the Applicants have continued to act in good faith and with due diligence since the Filing Date, and the extension would allow the Applicants to work toward the completion of the Transaction.

CONCLUSIONS AND RECOMMENDATIONS

73. For the foregoing reasons, the Monitor supports the Applicants' request for an order:

a) approving the Transaction;

b) authorizing the Borrowers to borrow under the Investor DIP Loan and approving the Term Sheet;

c) granting the Investor DIP Charge;

d) ancillary relief to terminate the CCAA Proceedings; and

e) extending the Stay Period until the earlier of the Closing Effective Time and March 25, 2022.

74. If the Transaction is approved and closes, it will result in the Applicants completing a going concern transaction that will preserve its operations and its underlying jobs. The Investor DIP Loan should also provide sufficient liquidity to fund the Applicants operations until closing the Transaction, and provide the resources to reduce some of the post-filing unpaid supplier obligations immediately and the remaining on or after the closing of the Transaction. If the Transaction is not completed and without the liquidity from the Investor

DIP Loan, it is likely that the Applicants will have to commence an imminent wind up of its operations.

All of which is respectfully submitted this 23rd day of February 2022.

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

per:

Alex Morrison, CPA, CA, CIRP, LIT
Senior Vice President

Karen Fung, CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX "A"

BID PROCESS LETTER

CannTrust Holdings Inc. , CannTrust Inc. and Elmcliffe Investments Inc. (collectively, “CannTrust”) Bid Instructions

Introduction

- On March 31, 2020, CannTrust obtained an initial order (as amended from time to time, the “Initial Order”) from the Ontario Superior Court of Justice (the “Court”) pursuant to the *Companies’ Creditors Arrangement Act* (“CCAA”). Capitalized terms used in these bid instructions and not otherwise defined have the meanings given to them in the Initial Order.

- The Initial Order authorizes CannTrust to pursue financing and M+A transactions, subject to approval of any material transaction by the Court.

- On January 5, 2022, CannTrust implemented a CCAA Plan of Arrangement which resulted in a compromise and settlement of it pre-filing claims, including class action and other litigation claims. In light of CannTrust’s liquidity challenges, CannTrust obtained an order from the Court on December 16, 2021 that permitted it to remain under CCAA protection after implementation of its CCAA Plan of Arrangement, to provide it more time to seek financing or M+A opportunities to complete the restructuring of its business.

- They stay of proceedings under the Initial Order has been extended to January 31, 2022. At a court hearing scheduled for January 31, 2022, CannTrust will be seeking to extend the stay until February 28, 2022, with the objective of completing a financing or M+A transaction in this period of time.

Bid Process and Timeline

- This section sets out the process and timetable that CannTrust has established, in consultation with the Monitor, to govern the submissions by interested parties (“Interested Parties”) of letters of intent (each, an “LOI”) regarding a proposed transaction to purchase or finance CannTrust (a “Transaction”), followed by negotiation of a definitive agreement for the selected Transaction, court approval and closing.

- Interested Parties are requested to submit their LOI by email to CannTrust (to the attention of Mr. Greg Guyatt – Chief Executive Officer at gguyatt@canntrust.ca), with a copy to CannTrust’s legal counsel, McCarthy Tetrault LLP (to the attention of Mr. James Gage at jgage@mccarthy.ca), and with a copy to the Court appointed Monitor, Ernst & Young Inc. (to the attention of Mr. Alex Morrison at alex.f.morrison@parthenon.ey.com) by <u>February 2, 2022 at 3:00pm EST</u>.

- An LOI should include the following:

    - Description of the form and nature of the proposed Transaction (i.e. share purchase, refinancing, recapitalization, etc.);
    - The purchase price in Canadian dollars, including the details of any liabilities to be assumed and key assumptions supporting the valuation;
    - Description of the assets and business operations included, as well as any liabilities or obligations not to be assumed, in the proposed Transaction;

  - Description of the proposed treatment of CannTrust's debtor-in-possession secured debt facility with Cortland Capital;
  - Description of the proposed treatment of CannTrust's employees;
  - The amounts, form and uses of consideration including a sources and uses of funds statement;
  - Method of financing the Transaction and written evidence of a firm commitment for financing or other evidence of your ability to consummate the proposed Transaction;
  - Any required conditions to be in a position to submit a final and binding offer, including any specific due diligence items to be confirmed or clarified, or regulatory or other third party approvals required in connection with the proposed Transaction, including an indication of the timing needed to obtain such approvals or authorizations;
  - Confirmation that the anticipated closing timing of the proposed Transaction will be no later than February 28, 2022, unless interim financing will be provided, in which case the specific details of the proposed interim financing must be included;
  - Any other points that you consider integral to the proposed Transaction that would be of interest to CannTrust or its stakeholders.
- LOI's should include a commitment to provide a deposit offered upon the Interested Party being selected to advance to the process of negotiating a definitive agreement. Depending on circumstances and timelines, interim financing may be required to the closing of a proposed Transaction.

- CannTrust will evaluate the LOIs in consultation with Cortland Capital and the Monitor before selecting one or more Interested Parties to advance to the process of negotiating a definitive agreement over a short period of time.

- The following is the deadline for submitting LOIs and the proposed timeline following that deadline that CannTrust is contemplating to complete the selected Transaction (which will be further discussed and agreed to with the successful Interested Party):

  - February 2 - Submission of LOIs
  - February 5 - Selection of Interested Party(ies) to negotiate definitive agreements
  - February 15 - Drafting and finalizing definitive agreements
  - TBD - Court approval of the Transaction
  - TBD - Closing of the Transaction
- CannTrust reserves the right to modify this process at any time, and will have no obligation to accept any proposed Transaction and will have no obligation to any Interested Party in connection with this process (whether for fees and expenses or any other matter whatsoever). CannTrust disclaims any and all liability for all representations, statements and other information provided to Interested Parties (except as may be expressly agreed in a definitive document approved by the Court in respect of a selected Transaction).

CONFIDENTIAL

APPENDIX "B"

SUMMARY OF LOIS

APPENDIX "C"

REDACTED SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT

TO: **CannTrust Equity Inc.** (the "**Company**")

FROM: **Marshall Fields International B.V.** (the "**Subscriber**")

The undersigned Subscriber, on its own behalf, and, if applicable, on behalf of those for whom the undersigned is contracting hereunder, hereby irrevocably subscribes for and agrees to purchase [redacted] common shares (the "**Securities**" or the "**Shares**") of the Company, at a price of $[redacted] per Share (the "**Issue Price**"), subject to the following terms and conditions.

This subscription agreement, which for certainty includes and incorporates the attached Terms and Conditions of Subscription (the "**Terms and Conditions of Subscription**") and the schedules attached hereto, are collectively referred to as the "**Subscription Agreement**". The Foreign Subscriber's Certificate attached hereto as Schedule B is referred to in the Subscription Agreement as a "**Subscriber Certificate**".

The Subscriber, on its own behalf, and, if applicable, on behalf of each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, agrees to be bound by the Terms and Conditions of Subscription, including without limitation the representations, warranties and covenants set forth in the schedules attached thereto, and the representations, warranties and covenants set forth in the applicable Subscriber Certificate, and acknowledges and agrees, without limitation, that the Company and its counsel may rely on the Subscriber's representations, warranties and covenants contained in the Subscription Agreement. The Securities are available upon and subject to the terms and conditions set forth herein, including the terms, representations, warranties, covenants and acknowledgements herein and in the schedules attached hereto. References to "$" refer to Canadian dollars.

This subscription is irrevocable and subject to acceptance or rejection by the Company in whole or in part.

____
Marshall Fields International B.V.

By:_________________________________
(Authorized Signature)

____
(Official Capacity or Title – please print)

____
(Please print name of individual whose signature appears above if different than the name of the Subscriber printed above)

____
(Subscriber's Address)

____

____

____
(Telephone Number)

____
(E-mail Address)

Number of Shares: [redacted]

Aggregate Subscription Price: CAD $[redacted]

<u>Disclosed Beneficial Purchaser Information:</u>

If the Subscriber is signing as agent for a beneficial purchaser, please complete the following (unless the Subscriber is an accredited investor by virtue of being a trust company or trust corporation acting on behalf of a fully managed account or is a person acting on behalf of a fully managed account managed by it and registered or authorized to carry on business as a securities adviser):

____
(Name of Beneficial Purchaser)

____
(Beneficial Purchaser's Address)

____

____
(Beneficial Purchaser's Telephone Number and E-mail Address)

Register the Shares as set forth below:	**Deliver the Shares as set forth below:**
(Name)	(Name)
(Account reference, if applicable)	(Account reference, if applicable)
(Address)	(Contact Name)
	(Address)

ACCEPTANCE: The Company accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement. The Company and CannTrust Holdings (as defined below) as parent to the Company, represent and warrant to the Subscriber that the representations and warranties with respect to CannTrust Group (as defined below) set forth herein will be true and correct in all material respects as of the Closing Date and that the Subscriber is entitled to rely thereon.

____________________, 2022

CANNTRUST EQUITY INC.

By: ________________________________

Name: ________________________________

Title: ________________________________

CANNTRUST HOLDINGS INC.

By: ________________________________

Name: ________________________________

Title: ________________________________

TERMS AND CONDITIONS OF SUBSCRIPTION

1. Terms of the Offering.

(a) The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the Shares subscribed for by it hereunder form part of a larger issuance and sale by the Company, including to the Subscriber as a non-brokered private placement consisting of the issuance and sale of up to [redacted] Shares at a price of $[redacted] per Share for maximum gross proceeds of $[redacted] (the "**Offering**"), exempt from any requirement to prepare, file or deliver a prospectus or similar document contained in any statute, regulation, instrument, rule or policy applicable to the sale of the Securities or upon the issue of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or filing or delivering a similar document, to qualify the distribution of such Shares to the Subscriber.

(b) The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that this subscription is subject to rejection or allotment by the Company in whole or in part at any time prior to the Closing Time. In the event that the Company rejects this Subscription Agreement, any subscription proceeds advanced will be promptly returned to the Subscriber without interest or deduction. Upon acceptance by the Company of this Subscription Agreement, same will constitute an agreement of the Subscriber to subscribe for and purchase from the Company, and of the Company to sell to the Subscriber, the number of Shares set out on the face page hereof.

2. Definitions. In addition to the terms previously defined and terms defined elsewhere in this Subscription Agreement, the following terms shall have the following meanings, respectively:

(a) "**Approval Order**" means an order of the CCAA Court approving, among other things, the execution and delivery of this Subscription Agreement by the Company and CannTrust Holdings and the Investor DIP Facility Agreement;

(b) "**associate**", "**affiliate**" and "**distribution**" and "**insider**" have the respective meanings ascribed to them in the *Securities Act* (Ontario);

(c) "**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Toronto, Ontario are not open for business;

(d) "**CannTrust Group**" means, collectively, CannTrust Holdings, the Company and any of their respective affiliates;

(e) "**CannTrust Holdings**" means CannTrust Holdings Inc., a corporation existing under the laws of Ontario;

(f) "**CCAA Court**" has the meaning ascribed to it in the CCAA Plan;

(g) "**CCAA Plan**" means the fourth amended and restated plan of compromise, arrangement and reorganization of the CannTrust Holdings, CannTrust Inc. and Elmcliffe Investments Inc. dated July 6, 2021;

(h) "**Closing**" means the completion of the issue and sale by the Company and the subscription by the Subscribers for [redacted] Shares for an aggregate subscription price of $[redacted] on the Closing Date, pursuant to the provisions of this Subscription Agreement;

(i) "**Closing Date**" means **[March 3]**, 2022, or such other date as soon as possible thereafter as the Company and the Subscriber mutually determine;

(j) "**Closing Time**" means 5:00 p.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Subscriber may agree;

(k) “**Company**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(l) “**Cortland DIP Loan**” means the summary of terms and conditions made as of April 13, 2021, between CannTrust Holdings and Cortland Credit Lending Corporation, among others, as amended or supplemented from time to time;

(m) “**Designated Jurisdictions**” means all of the provinces of Canada, to the extent that any Subscribers are resident therein;

(n) “**Executives**” means Greg Guyatt and Jeffrey Zietlow;

(o) “**International Jurisdiction**” has the meaning ascribed to it in Section (q) of this Subscription Agreement;

(p) “**Investor DIP Facility Agreement**” means the agreement entered between the Subscriber and the Company whereby the Subscriber will make available to the Company a facility in a maximum amount of $5,000,000.00;

(q) “**Issue Price**” has the meaning ascribed to it in Section (a) of this Subscription Agreement;

(r) “**McCarthy Tétrault LLP**” means the office of McCarthy Tétrault LLP in Toronto, Ontario, including any employed representative thereof;

(s) “**Offering**” has the meaning ascribed to it in Section (a) of this Subscription Agreement;

(t) “**person**” shall be broadly interpreted and shall include an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

(u) “**Personal Information**” means any information about a person (whether an individual or otherwise) required to be disclosed to a Securities Commission or stock exchange, whether pursuant to a form or request made by a Securities Commission or stock exchange, and includes, but is not limited to, the amount of Shares subscribed for by such person and whether the Subscriber is an “insider” of the Company or a “registrant” (each as defined under applicable Securities Laws of the Province of Ontario) or any other information contained in this Subscription Agreement (including, for greater certainty, the Subscriber Certificate incorporated by reference herein);

(v) “**Regulation S**” means Regulation S promulgated under the U.S. Securities Act;

(w) “**Securities**” or “**Shares**” means the common shares of the Company;

(x) “**Securities Commissions**” means, collectively, the applicable securities commission or other securities regulatory authority in each of the Designated Jurisdictions;

(y) “**Securities Laws**” means, collectively, the applicable securities laws of each of the Designated Jurisdictions and the respective regulations and rules made and forms prescribed thereunder together with all applicable and legally enforceable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the Securities Commissions;

(z) “**Subscriber**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(aa) “**Subscriber Certificate**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(bb) “**Subscription Agreement**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(cc) "**Subscription Price**" means the product of the Issue Price and the total number of Shares subscribed for under this Subscription Agreement;

(dd) "**Terms and Conditions of Subscription**" has the meaning ascribed to it on the second page of this Subscription Agreement;

(ee) "**Term Sheet**" means the indicative term sheet in respect of the Offering, a copy of which is attached hereto as Schedule A-1 to this Subscription Agreement;

(ff) "**U.S. Person**" means a U.S. person as defined in Rule 902(k) of Regulation S;

(gg) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

(hh) "**U.S. Subscriber**" has the meaning ascribed to it on the first page of this Subscription Agreement; and

(ii) "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

3. Delivery and Payment.

(a) In respect of the Offering, the Subscriber agrees that the following shall be delivered to McCarthy Tétrault LLP or as otherwise indicated, on behalf of the Company, in accordance with the directions and by the date and time set out on the face page hereof:

(i) a completed and duly signed copy of this Subscription Agreement;

(ii) if the Subscriber or beneficial purchaser, if any, is resident in a jurisdiction outside of Canada and is not a U.S. Subscriber, a duly completed and executed copy of the Foreign Subscriber's Certificate in the form attached hereto as Schedule B;

(iii) the Subscription Price payable by the Subscriber for the Securities in such method of payment and to such recipient bank or trust account as directed by the Company or McCarthy Tétrault LLP, prior to execution of this Subscription Agreement; and

(iv) any other documents required by the Securities Laws which the Company requests.

(b) The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, acknowledges and agrees that such documents, when executed and delivered by the Subscriber, will form part of and will be incorporated into this Subscription Agreement with the same effect as if each constituted a representation and warranty or covenant of the Subscriber hereunder in favour of the Company. The Subscriber and each such beneficial purchaser consents to the filing of such documents as may be required to be filed with the Securities Commissions in connection with the transactions contemplated hereby.

(c) Use of proceeds. The net proceeds from the Offering will be used for working capital and general corporate purposes.

4. Closing. The transactions contemplated hereby will be completed on the Closing Date at the offices of McCarthy Tétrault LLP, in Toronto, Ontario. The Company shall be entitled to rely on delivery of a scanned (PDF) or facsimile copy of the executed Subscription Agreement, and acceptance by the Company of such scanned or facsimile Subscription Agreement shall be legally effective to create a valid and binding agreement between the Subscriber and the Company in accordance with the terms hereof. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. If less than a complete copy of a Subscription Agreement is delivered to the Company at the Closing Time, the Company shall be entitled to assume that the Subscriber accepts and agrees with all terms and conditions of this Subscription Agreement on pages not delivered at the Closing Time and that such pages have not been altered.

Representations, Warranties and Covenants with respect to CannTrust Group. CannTrust Holdings and the Company hereby represent and warrant to, and covenant with, the Subscriber as follows as of the date hereof and as of the Closing Time and acknowledges that the Subscriber is relying on such representations and warranties in connection with the transactions contemplated herein:the Company and members of the CannTrust Group are validly existing and subsisting corporations incorporated under the laws of the Province of Ontario or under the laws of their respective jurisdictions, are in good standing and have the full corporate power and authority to perform each of their respective obligations as herein contemplated and have requisite corporate power and capacity to carry on the business of the Company as presently conducted;

(b) this Subscription Agreement, any related transaction documents (which shall include, for greater certainty, the unanimous shareholders agreement referred to in Schedule A-2 herein) when accepted by the Company, and all other certificates and instruments delivered in connection with the Offering will, at the Closing Time, subject to compliance with the Approval Order, constitute legal, valid and binding obligations of the Company and CannTrust Holdings, enforceable in accordance with their respective terms subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction;

(c) the execution and delivery of, and the performance of the terms of the Subscription Agreement by the Company, including, the issue of the Securities does not and will not constitute a breach of or default under the constating documents of the Company or, subject to the Approval Order, any law, regulation, order or ruling applicable to the Company or any agreement, contract or indenture to which the Company is a party or by which it is bound;

(d) other than (i) as set out in the CCAA Plan; (ii) proceedings in respect of claims settled by the CCAA Plan and to be discharged; or (iii) disclosed in writing to the Subscriber on or prior to the date hereof, there are no material claims, proceedings, actions or lawsuits in existence, or, to the Company's knowledge, pending or threatened, against the CannTrust Group;

(e) the Company is authorized to issue an unlimited number of common shares, of which there are at the date hereof 141,487,194 common shares issued and outstanding, all of which are owned by CannTrust Holdings;

(f) the Company and each member of the CannTrust Group have all permits, licences and governmental authorizations necessary and required for their respective operations;

(g) neither the Company nor any member of the CannTrust Group is a party to any real or immovable property lease other than the leases that have been made available to Subscriber;

(h) the accounts receivable owing to CannTrust Goup as shown on its financial statements are actual and bona fide receivables resulting from the conduct of the business of CannTrust Group in its ordinary course;

(i) each of the member of the CannTrust Group is, and has been continuously since January 1, 2020, insured by reputable and financially responsible insurers and the insurance policies are appropriate to the business of the CannTrust Group in such amounts and against such risks as are customarily carried and insured against by prudent owners of comparable business;

(j) the Company and each member of the CannTrust Group has prepared and filed all tax returns within the prescribed period with the appropriate tax authority in accordance with applicable laws and regulation and each such tax return is true, complete and accurate;

(k) except as has been disclosed to the Subscriber by the CEO of the Company, the operations of CannTrust Group have at all times been carried on and are currently being carried on in compliance with all environmental laws in all material respects and CannTrust Group has not used any of its property, or permitted them to be used, to generate, manufacture, refine, treat, transport, process produce any substance other than in compliance with all environmental laws and no work or expenditure is required by CannTrust Group to ensure its compliance with all applicable environmental laws;

(l) neither the Company nor any member of the CannTrust Group is a party to, or subject to or affected by any certification orders, collective agreement or any other contract with a labour or trade union or employee association and there are no pending proceedings for a certification. Except as has been disclosed to the Subscriber by the Company, no complaint, claim or other proceeding has been filed or commenced against neither the Company nor any member of the CannTrust Group with respect of any of their respective employees and CannTrust Group has always complied with all applicable employment and labour laws, including under occupation health and safety, pay equity or employment standards laws;

(m) at the Closing Time, subject to complying with the Approval Order, all material third-party consents that may be necessary or useful to complete the Offering will be obtained, including consents from governmental authorities, customers or clients, lenders and lessors, without requiring any conditions or obligations on the Subscriber;

(n) at the Closing Time, subject to complying with the Approval Order, the Company and each member of the CannTrust Group will have obtained all necessary orders and approvals required to complete the Offering;

(o) except for CannTrust Group's potential sale of all or part of its investments in Cannatrek Ltd. and Grey Wolf Animal Health Inc. and any transactions or events in the ordinary course of business or with the written approval of the Subscriber, CannTrust Group will not, between the date of this Subscription Agreement and the Closing Date:

 (i) have sold, assigned, transferred, leased or otherwise disposed of its material assets or have created any hypothec, security interest, charge or other encumbrance thereupon, nor have made any commitment to do any of the foregoing;

 (ii) have modified the remuneration and other forms of benefits payable to its employees;

 (iii) have incurred capital expenditures or acquired assets;

 (iv) be party to any legal proceedings, except (A) those proceedings before the CCAA Court (court file no.CV-20-0063830-00CL); (B) proceedings in respect of claims settled by the CCAA Plan and to be discharged; or (C) those proceedings disclosed in writing to the Subscriber on or prior to the date hereof;

 (v) have cancelled or terminated, materially modified or knowingly allowed to lose any permit or governmental authorization necessary for its operations;

 (vi) except pursuant to the CannTrust Equity 2021 Omnibus Incentive Plan, have issued, or agreed to issue, any shares, bonds, obligations, or other securities, or any instruments that gives its holder the right to acquire or subscribe for shares, bonds, obligations, or other securities; and

 (vii) passed or adopted any resolution regarding its winding-up or dissolution, including that of any entity described in Schedule A-1 of the Term Sheet; and

(p) at the Closing Time, CannTrust Group will be the sole and absolute owner of and have a good and valid title to all its assets, free and clear of any encumbrance, other than (i) Permitted Encumbrances (as defined in the Investor DIP Facility Agreement); or (ii) as set out in the CCAA Plan or others for which the Subscriber will have expressly consented.

6. Completeness of Disclosure and Reliance upon and Survival of Representations, Warranties and Covenants with respect to the CannTrust Group.

(a) The Company acknowledges that the Subscriber is relying on the foregoing representations, warranties and covenants in connection with the transactions contemplated herein, all of which shall survive the Closing.

(b) Neither this Subscription Agreement nor any transaction document to which the Company or CannTrust Holdings is a party (i) contains or will contain any untrue statement of a material fact, or (ii) omits or will omit any material fact necessary in order to make the statements contained herein or therein not misleading.

(c) The Company has made available to Subscriber through the "*sharefolder*" virtual dataroom all documentation, including commercial, financial, marketing, sales and operational documentation, relating to CannTrust Group which are and would be material to a purchaser of the Securities.

7. Indemnification by the Company and CannTrust Holdings. The Company and CannTrust Holdings shall jointly but not severally indemnify, defend and hold harmless the Subscriber from and against, and shall pay to Subscriber, on demand, the amount of any damages suffered by, imposed upon or asserted against the Subscriber as a result of, in respect of, if and to the extent caused by:

(a) any inaccuracy in or breach of any representation or warranty with respect to CannTrust Group made by the Company or CannTrust Holdings in **Article 5** of this Subscription Agreement; and

(b) any breach or nonfulfillment by the Company or CannTrust Holdings of the covenants of the Company set forth this Subscription Agreement.

8. Subscriber's Representations and Warranties. The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, represents and warrants to the Company as follows and acknowledges that the Company is relying on such representations and warranties in connection with the transactions contemplated in this Subscription Agreement which representations and warranties shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Company with respect thereto and notwithstanding any subsequent disposition by the Subscriber of any of the Securities shall continue in full force and effect for the benefit of the Company following the Closing Date for a period of two years:

(a) **Authorization and Effectiveness.** If the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is an individual, he or she is of the full age of majority and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder, or if the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is a corporation, the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is duly incorporated and is a valid and existing corporation, has the necessary corporate capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Securities and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is a partnership, syndicate or other form of unincorporated organization, the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has the necessary legal capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Securities and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in any case, upon acceptance by the Company, this Subscription Agreement will constitute a legal, valid and binding agreement of the Subscriber and the beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, enforceable against the Subscriber and the beneficial purchaser in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Subscriber's and beneficial purchaser's constating documents, by-laws or authorizing resolutions (if applicable), any agreement to which the Subscriber or the beneficial purchaser is a party or by which the Subscriber or beneficial purchaser is bound or any law applicable to the Subscriber or beneficial purchaser or any judgment, decree, order, statute, rule or regulation applicable to the Subscriber or beneficial purchaser;

(b) **Residence.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, was offered the Shares in, and is a resident of, or if not an individual has its head office in, the jurisdiction referred to under the heading "Name and Address of Subscriber" and "Details of Beneficial Purchaser", respectively, set out on the face page and page 2 hereof, intends that the securities laws of that jurisdiction do and shall govern this subscription by the Subscriber of the Shares, is not aware of any reason why the laws of such jurisdiction would not govern such subscription and that such addresses were not created and are not used solely for the purpose of acquiring the Securities;

(c) **Private Placement Exemptions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, has properly completed, executed and delivered to the Company the Subscriber Certificate attached hereto (dated as of the date hereof) and the information contained therein is true and correct and the representations, warranties and covenants contained in the Subscriber Certificate attached hereto will be true and correct both as of the date of execution of this Subscription Agreement and as at the Closing Time;

(d) **Subscriber Certificate.** The Subscriber has properly completed, executed and delivered as principal, or, if the Subscriber is contracting hereunder as trustee, agent, representative or nominee for one or more beneficial purchasers, on behalf of each such beneficial purchaser, the Subscriber Certificate, and related appendix, if applicable;

(e) **Investment Purposes.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, is subscribing for the Shares for investment purposes only and not with a view to resale or distribution that would or may contravene the prospectus requirements of Securities Laws;

(f) **Illegal Use of Funds.** None of the funds being used to subscribe for the Securities are to the Subscriber's or beneficial purchaser's knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to subscribe for the Securities which will be advanced by the Subscriber to the Company hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLTFA**") or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**") and the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, acknowledges that the Company may in the future be required by law to disclose the Subscriber's or beneficial purchaser's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA or the PATRIOT Act. To the best of its knowledge (i) none of the funds to be provided by the Subscriber or the beneficial purchaser are being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (ii) it shall promptly notify the Company if the Subscriber or beneficial purchaser discovers that any of such representations cease to be true, and to provide the Company with appropriate information in connection therewith;

(g) **Trade Sanctions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom it is acting as trustee or agent, is not a person or entity identified in *the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism*, the *United Nations Al-Qaida and Taliban Regulations*, the *Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea*, the *Regulations Implementing the United Nations Resolution on Iran*, the *United Nations Cote d'Ivoire Regulations*, the *United Nations Democratic Republic of the Congo Regulations*, the *United Nations Liberia Regulations*, the *United Nations Sudan Regulations*, the *Special Economic Measures (Zimbabwe) Regulations* or the *Special Economic Measures (Burma) Regulations* (collectively, the "**Trade Sanctions**"). The Subscriber (and each beneficial purchaser, if any) acknowledges that the Company may in the future be required by law to disclose the name and other information of the Subscriber and the beneficial purchaser, if any, related to the acquisition of the Securities hereunder, on a confidential basis, pursuant to the Trade Sanctions;

(h) **Resale Restrictions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, , for whom it is acting as trustee or agent, have been advised to consult their own legal advisors with respect to trading in the Securities with respect to the statutory resale restrictions imposed by the Securities Laws in the jurisdiction in which the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, resides and other applicable securities laws, and acknowledges that no representation has been made respecting the applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, to resell such securities, that the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, is solely responsible to find out what these restrictions are and the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, is solely responsible (and the Company is not in any way responsible) for compliance with applicable resale restrictions and the Subscriber is aware that it (or any beneficial purchaser for whom it is contracting hereunder) may not be able to resell such securities except in accordance with limited exemptions under the Securities Laws and other applicable securities laws. The physical certificate (or other instruments) evidencing the Securities shall bear legends denoting such restrictions substantially in the following form:

"*Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is 4 months and a day after the later of (i) [the Closing Date], and (ii) the date the issuer became a reporting issuer in any province or territory*."

(i) **Compliance with Resale Restrictions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, fully understands the restrictions on resale on the Securities and will not resell the Securities except in accordance with the provisions of applicable Securities Laws;

(j) **Company or Unincorporated Organization.** If the Subscriber, and each beneficial purchaser, if any, for whom it is acting as trustee or agent, is a corporation or a partnership, syndicate, trust, association, or any other form of unincorporated organization or organized group of persons, the Subscriber or such beneficial purchaser was not created or being used solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption from applicable Securities Laws or exemption from the registration requirements of the U.S. Securities Act;

(k) **Absence of Offering Memorandum or Similar Document.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, has not received, nor has it requested, nor does it have any need to receive, any offering memorandum or any other document describing the business and affairs of the Company (other than this Subscription Agreement and the Term Sheet), nor has any document been prepared for delivery to, or review by, prospective purchasers in order to assist them in making an investment decision in respect of the Securities being offered under the Offering;

(l) **Absence of Advertising.** The offering and sale of the Shares to the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, was not made or solicited through, and the Subscriber and each such beneficial purchaser is not aware of, any general solicitation or general advertising with respect to this Offering, or any directed selling efforts within the meaning of Regulation S, including advertisements, articles, notices or other communications published in any printed public media, radio, television or telecommunications, including electronic display (such as the Internet, including but not limited to the Company's website), or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(m) **Investment Suitability.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the Securities and is able to bear the economic risk of and can afford the total loss of such investment;

(n) **Other Documents.** The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, will execute and deliver any other documents required by applicable Securities Laws to permit the subscription for and purchase of the Shares on the terms herein set forth which the Company requests, acting reasonably;

(o) **Personal Information.** The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, acknowledges that this Subscription Agreement requires the Subscriber to provide certain Personal Information to the Company and its advisors as reasonably necessary in connection with the Offering. Such information is being collected and will be used by the Company for the purposes of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility to subscribe for and purchase the Shares under applicable Securities Laws, the U.S. Securities Act and applicable securities laws of any International Jurisdiction, as applicable, and completing filings required by the Securities Commissions and under the U.S. Securities Act and applicable securities laws of any International Jurisdiction, as applicable, . The Subscriber agrees that the Subscriber's Personal Information may be disclosed by the Company to: (i) stock exchanges or securities regulatory authorities; (ii) any government agency, board or other entity; and (iii) any of the other parties involved in the Offering, including the Company and its legal counsel, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Subscriber is deemed to be consenting to the foregoing collection, use and disclosure of the Subscriber's Personal Information;

(p) **Compliance with United States Securities Laws.** The Subscriber acknowledges and agrees that:

(i) the Shares have not been offered to the Subscriber while the Subscriber was in the United States, and the individuals making the order to purchase the Shares and executing and delivering this Subscription Agreement for the account or benefit of the Subscriber were not in the United States when the order was placed or when this Subscription Agreement was executed and delivered;

(ii) the Subscriber is not in the United States or a U.S. Person and is not purchasing the Shares for the account or benefit of a person in the United States or a U.S. Person, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States;

(iii) the Subscriber is not purchasing the Shares as the result of any “directed selling efforts” (as defined in Rule 902(c) of Regulation S and, including any press releases made by the Company relating to the Offering or any report, notification or summary of the same) made in the United States by the Company, a distributor, any of their respective affiliates, or any person acting on behalf of any of the foregoing;

(iv) the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the U.S. Securities Act or any applicable state securities laws; and

(v) the Subscriber undertakes and agrees that it will not offer or sell the Securities in the United States unless such Securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell the Securities, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules.

(q) **International Subscribers.** If the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, is a resident of a country other than Canada and is not a U.S. Subscriber (an "**International Jurisdiction**"), then in addition to the other representations and warranties contained herein, the Subscriber represents and warrants that:

(i) the Subscriber is knowledgeable of, or has been independently advised as to, the applicable securities laws of the International Jurisdiction which would apply to this Subscription Agreement, if any;

(ii) the Subscriber is subscribing for the Shares pursuant to exemptions from the prospectus, financial promotion and registration requirements under the applicable securities laws of that International Jurisdiction or, if such is not applicable, the Subscriber is permitted to purchase the Shares under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption;

(iii) the applicable securities laws of the International Jurisdiction do not require the Company to file a prospectus, offering memorandum or similar document or to register or qualify the distribution of the Securities or for the Company to be registered with or to make any filings or seek any approvals of any kind whatsoever from any governmental or regulatory authority of any kind whatsoever in the International Jurisdiction;

(iv) the delivery of this Subscription Agreement, the acceptance of it by the Company and the issuance of the Securities to the Subscriber complies with all applicable laws of the Subscriber's jurisdiction of residence or domicile and all other applicable laws and will not cause the Company to become subject to or comply with any continuous disclosure, prospectus or other periodic filing or reporting requirements under any such applicable laws; and

(v) the Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom it is acting as trustee or agent, has duly completed and delivered to the Company the Subscriber Certificate appended hereto as Schedule B and represents and warrants set forth therein shall be accurate as of the date hereof and as of the Closing Time.

The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom it is acting as trustee or agent, acknowledges and agrees that the foregoing representations and warranties, and the acknowledgments made in Section 9 hereof, are made by it with the intention that they may be relied upon by the Company and its counsel in determining the Subscriber's eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to subscribe for the Shares under the Securities Laws and other applicable securities laws. The Subscriber and each beneficial purchaser further agrees that by accepting delivery of the Securities on the Closing Date, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the Closing Time with the same force and effect as if they had been made by the Subscriber at the Closing Time. The Subscriber and the beneficial purchaser undertakes to notify the Company immediately of any change in any representation, warranty or other information relating to the Subscriber or beneficial purchaser set out in this Subscription Agreement which takes place prior to the Closing Time.

9. Subscriber's Acknowledgements. The Subscriber, and any beneficial purchaser(s) for whom the Subscriber is acting, acknowledges and agrees that: (i) no agency, securities commission, governmental authority, regulatory body, stock exchange or other entity has reviewed or passed on, made any finding or determination as to the merit for investment in the Company, nor have any such agencies, securities commissions or governmental authorities made any recommendation or endorsement with respect to the Securities or the Offering; (ii)there is no government or other insurance covering the Securities; and (iii) there are risks associated with the subscription for and purchase of the Shares;

(b) the subscription for the Shares has not been or will not be (as applicable) made through, or as a result of, and the distribution of the Shares is not being accompanied by, a general solicitation or advertisement including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(c) there is no market for the Securities and there is no assurance that a market will develop in the future and that no representation has been made to the Subscriber by or on behalf of the Company with respect thereto;

(d) the Shares are being offered for sale only on a "private placement" basis;

(e) the Subscriber has received a copy of the Term Sheet attached hereto as Schedule A-1, setting out the principal terms of the Offering;

(f) all costs and expenses incurred by the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting, (including any fees and disbursements of legal counsel retained by the Subscriber or any beneficial purchaser) relating to the subscription for and purchase of the Shares shall be borne solely by the Subscriber or the beneficial purchaser;

(g) the Subscriber acknowledges that the Company's counsel, McCarthy Tétrault LLP, does not assume any responsibility or liability of any nature whatsoever for the accuracy or adequacy of the information upon which the Subscriber's or the beneficial purchaser's, if any, investment decision has been made;

(h) no person has made any written or oral representations: (i) that any person will resell or repurchase the Shares following subscription of the Shares; (ii) that any person will refund the Subscription Price; or (iii) as to the future price or value of the Securities;

(i) the original Subscriber may not engage in any hedging transactions involving the Securities or resell or otherwise transfer the Securities to U.S. Persons or to persons in the United States or to or for the account or benefit of U.S. Persons or persons in the United States, except in compliance with the U.S. Securities Act and applicable state securities legislation;

(j) the Subscriber is solely responsible for obtaining such tax, investment, legal and other professional advice as it considers appropriate in connection with the offer and sale of the Shares and the issuance of the Securities, the execution, delivery and performance by it of this Subscription Agreement, applicable tax considerations and the applicable hold periods and resale restrictions imposed in respect of the Securities by applicable securities legislation and regulatory policies, and confirms that it (and any disclosed principal, if applicable) is not relying on the Company or its counsel to any of them in this regard. The Subscriber is solely responsible for compliance with applicable resale restrictions and applicable tax legislation;

(k) there may be material tax consequences to the Subscriber of an acquisition or disposition, as applicable, of the Shares and the Company gives no opinion and makes no representation with respect to the tax consequences to the Subscriber of an acquisition, disposition or exercise, as applicable, of the Shares or the Securities, it being understood that it is the sole responsibility of the Subscriber to determine the tax consequences applicable to its particular circumstances;

(l) the Company may complete additional financings in the future in order to develop the business of the Company and fund its ongoing development, and such future financings may have a dilutive effect on current securityholders of the Company, including the Subscriber, and there is no assurance that such financing will be available, on reasonable terms or at all, and if not available, the Company may be unable to fund its ongoing development;

(m) McCarthy Tétrault LLP is acting solely as counsel to the Company and not as counsel to the Subscriber;

(n) the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has had the opportunity to review this Subscription Agreement and the schedules attached hereto and the transactions contemplated by this Subscription Agreement and fully understands the same; and

(o) the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has had the opportunity to ask questions and receive answers concerning the terms and conditions of the Offering and it has had access to such information concerning the Company as it has considered necessary or appropriate in connection with its investment decision to acquire the Securities.

10. Further Acknowledgements of the Subscriber. The Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual), acknowledges that this Subscription Agreement and the Schedules hereto require the Subscriber to provide certain Personal Information to the Company and its respective counsel. Such information is being collected by the Company and its counsel for the purposes of completing the Offering described herein, which includes, without limitation, determining the Subscriber’s eligibility to purchase the Shares under applicable securities legislation, preparing and registering certificates (or other instruments) representing the Shares to be issued to the Subscriber and completing filings required by any stock exchange, securities commission or securities regulatory authority, taxation authorities or other regulatory bodies. Certain securities commissions have been granted the authority to indirectly collect this Personal Information pursuant to securities legislation and this Personal Information is also being collected for the purpose of administration and enforcement of securities legislation. The Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual) agrees that the Subscriber’s Personal Information may be disclosed by the Company or its legal counsel to: (a) stock exchanges, securities commissions or securities regulatory authorities; (b) the Company’s registrar and transfer agent, if applicable; (c) taxation authorities; (d) regulatory bodies; and (e) any of the other parties involved in the Offering, including legal counsel, and may be included in record books in connection with the Offering and the Company’s corporate records. By executing this Subscription Agreement, the Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual) is deemed, where applicable, to be authorizing and consenting to the foregoing collection (including the indirect collection of Personal Information), use and disclosure of the Subscriber’s Personal Information as set forth above. The Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual) also consents to the filing of copies or originals of any of the Subscriber’s documents described in this Subscription Agreement as may be required to be filed with any stock exchange, securities commission, securities regulatory authority or any other regulatory body in connection with the transactions contemplated hereby. In the event the Subscriber has any questions with respect to the indirect collection of such information, the Subscriber should contact the applicable securities regulatory authority at the contact details provided in Schedule C to this Subscription Agreements.**Subscriber's Covenants**. If the Company has reason to believe the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent does not qualify as an “accredited investor” under applicable Securities Laws, the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent covenants and agrees to provide information as reasonably requested by the Company to verify that the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent qualifies as an accredited investor, which information may include, without limitation, financial records of the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent.

12. Conditions of Closing.The respective obligations of the Company and the Subscriber to consummate the transactions contemplated hereunder in respect of the Closing are subject to the satisfaction or written waiver by such party, in whole or in part (to the extent such conditions can be waived), in their respective sole discretion, of the following conditions:

(i) Cortland Credit Lending Corporation shall have consented to the Offering in accordance with the terms of the Cortland DIP Loan;

(ii) amending the terms of the intercompany loan advanced by CannTrust Holdings to CannTrust Inc., on terms satisfactory to the Company and the Subscriber;

(iii) execution of a unanimous shareholders' agreement, in a form reasonably satisfactory to the Subscriber and CannTrust Holdings, substantially on the terms set forth in Schedule A-2 hereto;

(iv) the offer, issue, sale and delivery of the Securities, as applicable, being exempt from the requirements to file a prospectus, registration statement, or deliver an offering memorandum or any similar document under applicable Securities Laws and other applicable securities laws relating to the sale of the Securities, or the Company having received such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or delivering an offering memorandum or any similar document; and

(v) no temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of any of the Offering shall be in effect, and no law shall have been enacted or shall be deemed applicable to the Offering which makes the consummation of the Offering illegal.

(b) The Subscriber acknowledges that the Company's obligation to sell the Shares to the Subscriber pursuant to the Closing is subject to the satisfaction (or written waiver by the Company, in whole or in part, to the extent such conditions can be waived), in its sole discretion, of the following conditions:

(i) the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, executing and returning to the Company all documents required by applicable Securities Laws (including but not limited to the applicable Subscriber Certificate) for delivery on behalf of the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, including, without limitation, the applicable schedules attached hereto by no later than the date and time set out on the face page hereof; and

(ii) the representations and warranties of the Subscriber set out herein, including in the Subscriber Certificate attached hereto, being true and correct as at the Closing Time; and

(iii) the Subscriber shall have performed or complied in all material respects with all covenants and agreements required by this Subscription Agreement to be performed or complied with by the Purchaser at or prior to the Closing Time.

(c) The Company acknowledges that the Subscriber's obligation to consummate the transactions hereunder pursuant to the Closing is subject to the satisfaction (or written waiver by the Subscriber, in whole or in part, to the extent such conditions can be waived), in its sole discretion, of the following further conditions

(i) the representations and warranties of the Company and CannTrust Holdings set out herein being true and correct as at the Closing Time in all material respects;

(ii) the Company and CannTrust Holdings shall have performed or complied in all material respects with the relevant provisions of the Approval Order and all covenants and agreements required by this Subscription Agreement to be performed or complied with by the Company at or prior to the Closing Time;

(iii) no material adverse change in CannTrust Group's business properties, assets, liabilities, capitalization, condition (financial or other), operations, prospects or value will have occurred or been uncovered from the date hereof until the Closing Date;

(iv) the Subscriber shall have received a legal opinion from McCarthy Tétrault LLP with respect to the incorporation and existence of the Company and CannTrust Holdings and the enforceability of this Subscription Agreement;

(v) the minute book of the subsidiary Cannabis Coffee & Tea Pod Company Ltd. shall have been updated in a manner that is satisfactory to the Subscriber acting reasonably;

(vi) execution and delivery of an employment agreement between the Company and each of the Executives, on terms and conditions customary for an agreement of this nature, which is satisfactory to both the Subscriber and each Executive acting reasonably.

The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, acknowledges and agrees that (i) the sale of the Shares will not be qualified by a prospectus; (ii) the Securities have not been and will not be registered under the U.S. Securities Act, or applicable state securities laws; (iii) any such sale is subject to the condition that the Subscriber (or, if applicable, any others for whom the Subscriber is contracting hereunder) signs and returns McCarthy Tétrault LLP this Subscription Agreement, including any applicable schedules attached hereto; and (iv) McCarthy Tétrault LLP is acting solely as legal counsel to the Company in connection with the Offering and accepts no duty, responsibility or obligation to any other person.

The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, acknowledges and agrees that the Company may be required to provide to the Securities Commissions a list setting out the identities of the beneficial purchasers of the Securities. Notwithstanding that the Subscriber may be subscribing for the Securities as an agent on behalf of an undisclosed principal (if permissible under the relevant Securities Laws or other applicable securities laws), the Subscriber agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Company in order to comply with the Securities Laws and any other applicable laws.

13. **Modification**. Subject to the terms hereof, neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.**Assignment**. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber, the Company and their respective successors and assigns; provided that this Subscription Agreement shall not be assignable by any party without the prior written consent of the other parties. For greater certainty this Subscription Agreement may only be transferred or assigned by the Subscriber subject to compliance with applicable laws (including, without limitation, applicable Securities Laws) and with the express written consent of the Company.**Governing Law**. This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario in the City of Toronto with respect to any matters arising out of this Subscription Agreement.**Entire Agreement**. This Subscription Agreement (including the schedules hereto) and the Investor DIP Facility Agreement contain the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only.**Time of Essence**. Time shall be of the essence of this Subscription Agreement.**Currency.** All dollar amounts referred to in this Subscription Agreement are in Canadian dollars, unless otherwise indicated.**Further Assurances**. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Subscription Agreement.**Singular and Plural, etc**. Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine, and neuter genders.**Headings**. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

[*Remainder of page intentionally left blank*.]

SCHEDULE A-1
TERM SHEET

(See attached.)

SCHEDULE A-2

CANNTRUST EQUITY INC.

UNANIMOUS SHAREHOLDERS AGREEMENT – SUMMARY OF PRINCIPAL TERMS

1.	**Parties:**	CannTrust Equity and shareholders thereof (the "**Shareholders**")
2.	**Purpose of Agreement:**	A unanimous shareholders' agreement (the "**Shareholders' Agreement**") that sets out the rights and obligations of the Shareholders with respect to their Shares in the Company.
3.	**Share Exchange Option:**	Marshall Fields Holding B.V. ("**Marshall**") shall have the right, at its election (the "**Share Exchange Option**"), for a period of [18] months following the Closing Date ("**Share Exchange Option Period**"), to cause the exchange of its Shares for common shares of CannTrust Holdings (the "**Holdings Shares**"), on a one-for-one basis (the "**Share Exchange**").
4.	**Drag-Along Right:**	In the event that Marshall elects to exercise the Share Exchange Option, the remaining Shareholders (other than CannTrust Holdings) shall be required to exchange their Shares for Holdings Shares on the same terms
5.	**Conditions to Share Exchange Option:**	The exercise of the Share Exchange Option shall be conditional upon, among other things: • the revocation of the "failure to file" cease trade order dated April 13, 2020 made by the Ontario Securities Commission issued against CannTrust Holdings (the "**CTO**"); • the offer, issue, sale and delivery of the Holdings Shares, as applicable, being exempt from the requirements to file a prospectus, registration statement, or deliver an offering memorandum or any similar document under applicable Securities Laws and other applicable securities laws relating to the sale of the Securities, or the CannTrust Holdings having received such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or delivering an offering memorandum or any similar document; and • no temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of any of the Share Exchange Option shall be in effect, and no law shall have been enacted or shall be deemed applicable to the Share Exchange Option which makes the consummation of the Share Exchange Option illegal.
6.	**Adjustments to Share Exchange Option:**	In the event that, prior to the exercise of the Share Exchange Option, CannTrust Holdings issues additional Holdings Shares, or securities convertible into Holdings Shares (collectively, "**Additional Securities**"), the Share Exchange Option ratio shall be adjusted accordingly such that, upon the exercise of the Share Exchange Option, Marshall shall own [90]%

		of all issued and outstanding Holdings Shares, taking into account the Additional Securities.
7.	**Share Exchange Option Not Exercised:**	In the event that the Share Exchange Option is not exercised during the Share Exchange Option Period, CannTrust Equity shall reimburse CannTrust Holdings for its reasonable costs and expenses related to its liquidation or winding up.
8.	**Rights Issue:**	In the event that the Share Exchange Option is exercised by Marshall, CannTrust Holdings will use its best efforts to initiate a rights offering within [150] days of the effective date of the Share Exchange in accordance with Part 2 of National Instrument 45-106 – *Prospectus Exemptions*, whereby shareholders of record of CannTrust Holdings prior to the Share Exchange (the "**Legacy Shareholders**") shall be offered rights to purchase Holdings Shares for a period of not less than 21 days and not more than 90 days from the date the rights offering notice is sent to the Legacy Shareholders, at a discounted subscription price to be determined by the board of directors of CannTrust Holdings and on such other terms to be agreed by Holdings and Marshall.
9.	**Other Provisions:**	The Shareholders' Agreement shall include other customary provisions as may be agreed by the Subscriber and CannTrust Holdings, acting reasonably, including pre-emptive rights, transfer restrictions and drag-along, among others. CannTrust Equity shall use its commercially reasonable efforts to have Marshall's director nominees named in the management slate of directors to be elected by the shareholders of CannTrust Holdings. The Shareholders' Agreement shall include other customary provisions as may be agreed by the Subscriber and CannTrust Holdings, acting reasonably, regarding certain protective rights to be granted to the Subscriber, which shall include, but not be limited to, fundamental decisions with respect to CannTrust, such as, for example, any amendment to the articles of CannTrust or the entering into any material agreements.
10.	**Governing Law:**	The Shareholders' Agreement shall be governed pursuant to the laws of Ontario.

SCHEDULE B

FOREIGN SUBSCRIBER'S CERTIFICATE
(Residents of Jurisdictions other than Canada and Non-U.S. Subscribers)

TO: **CannTrust Equity Inc.** (the "**Company**")

Capitalized terms not specifically defined in this *__Schedule B__* *have the meanings ascribed to them in the Subscription Agreement to which this* *__Schedule B__* *is attached.*

In connection with the subscription by the undersigned Subscriber for the Shares, the Subscriber, on its own behalf and on behalf of each of the beneficial purchasers for whom the Subscriber is acting, hereby represents, warrants, covenants and certifies to the Company (and acknowledges that the Company and its counsel are relying thereon) that:

1. it is resident in the jurisdiction set out as the "Subscriber's Address" on the face page of the Subscription Agreement (the "**International Jurisdiction**") and the undersigned Subscriber certifies that it and (if applicable) any other purchaser for whom it is acting hereunder is not resident in or otherwise subject to applicable securities laws of any province or territory of Canada;

2. it is knowledgeable of, or has been independently advised as to, the applicable securities laws of the securities regulatory authorities ("**Authorities**") having application in its International Jurisdiction that would apply to this subscription, if there are any;

3. it is subscribing for the Shares pursuant to exemptions from any substantive or procedural requirements (including without limitation exemptions from prospectus or registration requirements or equivalent requirements) under the applicable securities laws of the Authorities in the International Jurisdiction or, if such is not applicable, the Subscriber is permitted to subscribe for the Securities under the applicable securities laws of the Authorities in the International Jurisdiction without the need to rely on any exemption;

4. The purchase of Shares by the Subscriber, and any other purchaser for whom it is acting hereunder, does not contravene any of the applicable securities laws in the International Jurisdiction or any other securities laws to which the Subscriber;

5. by committing to subscribe for the Shares, it has obtained all necessary consents and authorizations to enable it to agree to subscribe for the Shares and to perform its obligations under this Subscription Agreement and it has otherwise observed the laws and regulatory requirements of the International Jurisdiction, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in such International Jurisdiction in connection with its acceptance and it has not taken any action which will or may result in the Company acting in breach of any regulatory or legal requirements of any territory or jurisdiction in connection with the Offering;

6. the applicable laws of the Authorities in the International Jurisdiction do not require the Company to make any filings or seek any approvals or exemptions of any nature whatsoever from any Authority of any kind whatsoever in the International Jurisdiction in connection with the sale of the Shares;

7. 4. The Shares are being acquired for investment purposes only and not with a view to the resale or distribution of all or any of the Shares;

8. the subscription for the Shares by the Subscriber does not trigger: (a) any obligation to prepare and file a prospectus, an offering memorandum or similar document, (b) any other report with respect to such subscription in the International Jurisdiction, (c) any continuous disclosure reporting obligation of the Company in the International Jurisdiction or (d) any registration or other obligation on the part of the Company under the applicable securities laws in the International Jurisdiction or any other securities laws to which the Subscriber and (if applicable) any other purchaser for whom the Subscriber is acting hereunder are otherwise subject;

9. it will provide such evidence of compliance with all such matters as the Company or its counsel may request and it will, if requested by the Company, deliver to the Company, as applicable, a certificate or opinion of local counsel from the International Jurisdiction which will confirm the matters referred to in paragraphs 3, 5 and 6 above to the satisfaction of the Company, as the case may be;

10. upon execution of this Schedule B by or on behalf of the Subscriber, this Schedule B shall be incorporated into and form a part of the Subscription Agreement. Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Subscription Agreement to which this Schedule B is attached; and

11. if any representations and warranties contained in this Schedule B shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Company prior to the Closing Time.

DATED: ______________________________

SIGNED:

MARSHALL FIELDS INTERNATIONAL B.V.

____
By:

____
Address of Subscriber

SCHEDULE C

CONTACT INFORMATION FOR CANADIAN SECURITIES COMMISSIONS

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador
Financial Services Regulation Division
P.O. Box 8700, Confederation Building
2nd Floor, West Block, Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Government of the Northwest Territories
Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Attention: Deputy Superintendent, Legal & Enforcement
Telephone: (867) 767-9305
Facsimile: (867) 873-0243
Public official contact: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact: Executive Director

Government of Nunavut
Department of Justice
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6590
Facsimile: (867) 975-6594
Public official contact: Superintendent of Securities

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)
Public official contact: Secrétaire générale

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact: Director

Government of Yukon
Department of Community Services
Office of the Superintendent of Securities
307 Black Street
Whitehorse, Yukon Y1A 2N1
Telephone: 867-667-5466
Facsimile: (867) 393-6251
Email: securities@gov.yk.ca
Public official contact: Superintendent of Securities

CANNTRUST EQUITY INC.

SUBSCRIPTION AGREEMENT

INSTRUCTION PAGE

☐ Complete and sign pages 2 and 3 of this Subscription Agreement.

☐ Complete the appropriate Schedule to this Subscription Agreement.

☐ If you are resident in Canada and subscribing under the "Accredited Investor" exemption, complete and sign Schedule B – *Accredited Investor Status Certificate* attached to this Subscription Agreement. If you are subscribing as an individual relying on subparagraph (j), (k) or (l) of the Accredited Investor Status Certificate, complete and sign Appendix I – *Risk Acknowledgement Certificate* attached to Schedule B.

☐ If you are a person who is (i) in the United States, (ii) a U.S. Person (as defined herein), (iii) subscribing for the Securities (as defined herein) for the account or benefit of a person that is in the United States or a U.S. Person, (iv) a person that received an offer to subscribe for the Securities while in the United States or (v) a person that executed this Subscription Agreement while in the United States (collectively, a "**U.S. Subscriber**"), then complete and sign Schedule C – *U.S. Subscriber's Certificate* attached to the Subscription Agreement.

☐ If you are not resident in Canada or a U.S. Subscriber (as defined herein), complete and sign Schedule D – *Foreign Subscriber's Certificate* attached to this Subscription Agreement.

Delivery of Documents:

For Subscribers (as defined herein) participating in the Offering (as defined herein), deliver a completed and executed copy of this Subscription Agreement (an e-mailed scanned copy of which shall be sufficient), including the completed schedules attached hereto (as applicable) to Victoria de Luna (vdeluna@mccarthy.ca) of McCarthy Tétrault LLP by no later than Friday, February 18, 2022.

Payment/Wire Instructions:

Payment of the Subscription Price (as defined herein) shall be in such form as directed by the Company (as defined herein).

SUBSCRIPTION AGREEMENT

TO: **CannTrust Equity Inc.** (the "**Company**")

The undersigned (the "**Subscriber**"), on its own behalf, and, if applicable, on behalf of those for whom the undersigned is contracting hereunder, hereby irrevocably subscribes for and agrees to purchase the number of common shares (the "**Securities**" or the "**Shares**") of the Company set out below, at a price of $[redacted] per Share (the "**Issue Price**"), subject to the following terms and conditions.

This subscription agreement, which for certainty includes and incorporates the attached Terms and Conditions of Subscription (the "**Terms and Conditions of Subscription**") and the schedules attached hereto, are collectively referred to as the "**Subscription Agreement**". The Accredited Investor Status Certificate attached hereto as Schedule B, the U.S. Subscriber's Certificate attached hereto as Schedule C and the Foreign Subscriber's Certificate attached hereto as Schedule D, are each referred to in the Subscription Agreement as a "**Subscriber Certificate**" and collectively referred to in the Subscription Agreement as the "**Subscriber Certificates**".

The Subscriber, on its own behalf, and, if applicable, on behalf of each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, agrees to be bound by the Terms and Conditions of Subscription, including without limitation the representations, warranties and covenants set forth in the schedules attached thereto, and the representations, warranties and covenants set forth in the applicable Subscriber Certificate, and acknowledges and agrees, without limitation, that the Company and its counsel may rely on the Subscriber's representations, warranties and covenants contained in the Subscription Agreement. The Securities are available upon and subject to the terms and conditions set forth herein, including the terms, representations, warranties, covenants and acknowledgements herein and in the schedules attached hereto. References to "$" refer to Canadian dollars.

This subscription is irrevocable and subject to acceptance or rejection by the Company in whole or in part.

____
(Name of Subscriber – please print)

By:______________________________
(Authorized Signature)

____
(Official Capacity or Title – please print)

____
(Please print name of individual whose signature appears above if different than the name of the Subscriber printed above)

____
(Subscriber's Address)

____

____

____
(Telephone Number)

____
(E-mail Address)

Number of Shares: ______________________

Aggregate Subscription Price: CAD $___________

Disclosed Beneficial Purchaser Information:

If the Subscriber is signing as agent for a beneficial purchaser, please complete the following (unless the Subscriber is an accredited investor by virtue of being a trust company or trust corporation acting on behalf of a fully managed account or is a person acting on behalf of a fully managed account managed by it and registered or authorized to carry on business as a securities adviser):

____
(Name of Beneficial Purchaser)

____
(Beneficial Purchaser's Address)

____

____
(Beneficial Purchaser's Telephone Number and E-mail Address)

Register the Shares as set forth below:	**Deliver the Shares as set forth below:**
(Name)	(Name)
(Account reference, if applicable)	(Account reference, if applicable)
(Address)	(Contact Name)
	(Address)

ACCEPTANCE: The Company accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement and the Company represent and warrant to the Subscriber that the representations and warranties made by the Company herein will be true and correct in all material respects as of the Closing Date and that the Subscriber is entitled to rely thereon.

__________________, 2022

CANNTRUST EQUITY INC.

By: ________________________________

Name: ________________________________

Title: ________________________________

TERMS AND CONDITIONS OF SUBSCRIPTION

1. Terms of the Offering.

(a) The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the Shares subscribed for by it hereunder form part of a larger issuance and sale by the Company, including to the Subscriber as a non-brokered private placement consisting of the issuance and sale of up to [redacted] Shares at a price of $[redacted] per Share for maximum gross proceeds of $[redacted] (the "**Offering**"), exempt from any requirement to prepare, file or deliver a prospectus or similar document contained in any statute, regulation, instrument, rule or policy applicable to the sale of the Securities or upon the issue of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or filing or delivering a similar document, to qualify the distribution of such Shares to the Subscriber.

(b) The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that this subscription is subject to rejection or allotment by the Company in whole or in part at any time prior to the Closing Time. In the event that the Company rejects this Subscription Agreement, any subscription proceeds advanced will be promptly returned to the Subscriber without interest or deduction. Upon acceptance by the Company of this Subscription Agreement, same will constitute an agreement of the Subscriber to subscribe for and purchase from the Company, and of the Company to sell to the Subscriber, the number of Shares set out on the face page hereof.

2. Definitions. In addition to the terms previously defined and terms defined elsewhere in this Subscription Agreement, the following terms shall have the following meanings, respectively:

(a) "**associate**", "**affiliate**" and "**distribution**" and "**insider**" have the respective meanings ascribed to them in the *Securities Act* (Ontario);

(b) "**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Toronto, Ontario are not open for business;

(c) "**CannTrust**" has the meaning ascribed to it in the Term Sheet;

(d) "**CannTrust Holdings**" means CannTrust Holdings Inc., a corporation existing under the laws of Ontario;

(e) "**CCAA Court**" has the meaning ascribed to it in the CCAA Plan;

(f) "**CCAA Plan**" means the fourth amended and restated plan of compromise, arrangement and reorganization of the CannTrust Holdings, CannTrust Inc. and Elmcliffe Investments Inc. dated July 6, 2021.

(g) "**Closing**" means the completion of the issue and sale by the Company and the subscription by the Subscribers for [redacted] Shares for an aggregate subscription price of $[redacted] on the Closing Date, pursuant to the provisions of this Subscription Agreement;

(h) "**Closing Date**" means **[March 3]**, 2022, or such other date as soon as possible thereafter as the Company and the Subscriber mutually determine;

(i) "**Closing Time**" means 5:00 p.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Subscriber may agree;

(j) "**Company**" has the meaning ascribed to it on the second page of this Subscription Agreement;

(k) “**Cortland DIP Loan**” means the summary of terms and conditions made as of April 13, 2021, between CannTrust Holdings and Cortland Credit Lending Corporation, among others, as amended or supplemented from time to time;

(l) “**Designated Jurisdictions**” means all of the provinces of Canada, to the extent that any Subscribers are resident therein;

(m) “**International Jurisdiction**” has the meaning ascribed to it in Section 7(t) of this Subscription Agreement;

(n) “**Issue Price**” has the meaning ascribed to on page 2 of this Subscription Agreement;

(o) “**McCarthy Tétrault LLP**” means the office of McCarthy Tétrault LLP in Toronto, Ontario, including any employed representative thereof;

(p) “**NI 45-106**” means National Instrument 45-106 *Prospectus Exemptions*;

(q) “**Offering**” has the meaning ascribed to it on page 2 of this Subscription Agreement;

(r) “**person**” shall be broadly interpreted and shall include an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

(s) “**Personal Information**” means any information about a person (whether an individual or otherwise) required to be disclosed to a Securities Commission or stock exchange, whether pursuant to a form or request made by a Securities Commission or stock exchange, and includes, but is not limited to, the amount of Shares subscribed for by such person and whether the Subscriber is an “insider” of the Company or a “registrant” (each as defined under applicable Securities Laws of the Province of Ontario) or any other information contained in this Subscription Agreement (including, for greater certainty, the Subscriber Certificate incorporated by reference herein);

(t) “**Regulation S**” means Regulation S promulgated under the U.S. Securities Act;

(u) “**Securities**” or “**Shares**” means the common shares of the Company;

(v) “**Securities Commissions**” means, collectively, the applicable securities commission or other securities regulatory authority in each of the Designated Jurisdictions;

(w) “**Securities Laws**” means, collectively, the applicable securities laws of each of the Designated Jurisdictions and the respective regulations and rules made and forms prescribed thereunder together with all applicable and legally enforceable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the Securities Commissions;

(x) “**Subscriber**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(y) “**Subscriber Certificates**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(z) “**Subscription Agreement**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(aa) “**Subscription Price**” means the product of the Issue Price and the total number of Shares subscribed for under this Subscription Agreement;

(bb) “**Terms and Conditions of Subscription**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(cc) "**Term Sheet**" means the indicative term sheet in respect of the Offering, a copy of which is attached hereto as Schedule A-1 to this Subscription Agreement;

(dd) "**U.S. Person**" means a U.S. person as defined in Rule 902(k) of Regulation S;

(ee) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

(ff) "**U.S. Subscriber**" has the meaning ascribed to it on the first page of this Subscription Agreement;

(gg) "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

3. Delivery and Payment.

(a) In respect of the Offering, the Subscriber agrees that the following shall be delivered to McCarthy Tétrault LLP or as otherwise indicated, on behalf of the Company, in accordance with the directions and by the date and time set out on the face page hereof:

(i) a completed and duly signed copy of this Subscription Agreement;

(ii) one of the following:

(A) if the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is resident in Canada and subscribing for the Securities in reliance on the "accredited investor" exemption provided by Section 2.3 of NI 45-106:

(I) a duly completed and executed copy of the Accredited Investor Status Certificate in the form attached hereto as Schedule B; and

(II) if the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent is an individual and relying on subparagraph (j), (k) or (l) of the Accredited Investor Status Certificate attached hereto as Schedule B, a duly completed and executed copy of the Risk Acknowledgement Certificate in the form attached hereto as Appendix I to Schedule B; or

(B) if the Subscriber is a U.S. Subscriber, a duly completed and executed copy of the U.S. Subscriber's Certificate in the form attached hereto as Schedule C;

(C) if the Subscriber or beneficial purchaser, if any, is resident in a jurisdiction outside of Canada and is not a U.S. Subscriber, a duly completed and executed copy of the Foreign Subscriber's Certificate in the form attached hereto as Schedule D;

(iii) the Subscription Price payable by the Subscriber for the Securities in such method of payment and to such recipient bank or trust account as directed by the Company or McCarthy Tétrault LLP; and

(iv) any other documents required by the Securities Laws which the Company requests.

(b) The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, acknowledges and agrees that such documents, when executed and delivered by the Subscriber, will form part of and will be incorporated into this Subscription Agreement with the same effect as if each constituted a representation and warranty or covenant of the Subscriber hereunder in favour of the Company. The Subscriber and each such beneficial purchaser consents to the filing of such documents as may be required to be filed with the Securities Commissions in connection with the transactions contemplated hereby.

(c) Use of proceeds. The net proceeds from the Offering will be used for working capital and general corporate purposes.

4. Closing. The transactions contemplated hereby will be completed on the Closing Date at the offices of McCarthy Tétrault LLP, in Toronto, Ontario. The Company shall be entitled to rely on delivery of a scanned (PDF) or facsimile copy of the executed Subscription Agreement, and acceptance by the Company of such scanned or facsimile Subscription Agreement shall be legally effective to create a valid and binding agreement between the Subscriber and the Company in accordance with the terms hereof. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. If less than a complete copy of a Subscription Agreement is delivered to the Company at the Closing Time, the Company shall be entitled to assume that the Subscriber accepts and agrees with all terms and conditions of this Subscription Agreement on pages not delivered at the Closing Time and that such pages have not been altered. **Representations, Warranties and Covenants of the Company.** The Company hereby represent and warrant to, and covenant with, the Subscriber as follows as of the date hereof and as of the Closing Time and acknowledges that the Subscriber is relying on such representations and warranties in connection with the transactions contemplated herein:the Company is a validly existing and subsisting corporation incorporated under the laws of the Province of Ontario, is in good standing and has full corporate power and authority to perform each of its obligations as herein contemplated and has requisite corporate power and capacity to carry on its business as presently conducted;

(b) this Subscription Agreement, when accepted by the Company, and all other certificates and instruments delivered in connection with the Offering will, at the Closing Time, constitute legal, valid and binding obligations of the Company enforceable in accordance with their respective terms subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction;

(c) the execution and delivery of, and the performance of the terms of the Subscription Agreement by the Company, including, the issue of the Securities does not and will not constitute a breach of or default under the constating documents of the Company or any law, regulation, order or ruling applicable to the Company or any agreement, contract or indenture to which the Company is a party or by which it is bound;

(d) other than as set out in the CCAA Plan or disclosed in writing to the Subscriber on or prior to the date hereof, there are no material claims, proceedings, actions or lawsuits in existence, or, to the Company's knowledge, pending or threatened, against the Company;

(e) the Company is authorized to issue an unlimited number of common shares, of which there are at the date hereof 141,487,194 common shares issued and outstanding, all of which are owned by CannTrust Holdings;

(f) CannTrust has all permits, licences and governmental authorizations necessary and required for its operations;

(g) at the Closing Time, all material third-party consents that may be necessary or useful to complete the Offering will be obtained, including consents from governmental authorities, customers or clients, lenders and lessors, without requiring any conditions or obligations on the Subscriber;

(h) at the Closing Time, CannTrust will have obtained all necessary orders and approvals required to complete the Offering;

(i) except for CannTrust’s potential sale of all or part of its investments in Cannatrek Ltd. and Grey Wolf Animal Health Inc. and any transactions or events in the ordinary course of business or with the written approval of the Subscriber, CannTrust will not, between the date of this Subscription Agreement and the Closing Date:

(i) have sold, assigned, transferred, leased or otherwise disposed of its material assets or have created any hypothec, security interest, charge or other encumbrance thereupon, nor have made any commitment to do any of the foregoing;

(ii) have modified the remuneration and other forms of benefits payable to its employees;

(iii) have incurred capital expenditures or acquired assets;

(iv) be party to any legal proceedings, except those proceedings before the CCAA Court (court file no.CV-20-0063830-00CL) or those proceedings disclosed in writing to the Subscriber on or prior to the date hereof;

(v) have cancelled or terminated, materially modified or knowingly allowed to lose any permit or governmental authorization necessary for its operations;

(vi) except pursuant to the CannTrust Equity Long-Term Incentive Plan, have issued, or agreed to issue, any shares, bonds, obligations, or other securities, or any instruments that gives its holder the right to acquire or subscribe for shares, bonds, obligations, or other securities; and

(vii) passed or adopted any resolution regarding its winding-up or dissolution, including that of any entity described in Schedule A-1 of the Term Sheet; and

(j) at the Closing Time, CannTrust will be the sole and absolute owner of and have a good and valid title to all its assets, free and clear of any encumbrance, other than as set out in the CCAA Plan or others for which the Subscriber will have expressly consented.

6. Reliance upon and Survival of Representations, Warranties and Covenants of the Company. The Company acknowledges that the Subscriber is relying on the foregoing representations, warranties and covenants in connection with the transactions contemplated herein, all of which shall survive the Closing.

7. Subscriber's Representations and Warranties. The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, represents and warrants to the Company as follows and acknowledges that the Company is relying on such representations and warranties in connection with the transactions contemplated in this Subscription Agreement which representations and warranties shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Company with respect thereto and notwithstanding any subsequent disposition by the Subscriber of any of the Securities shall continue in full force and effect for the benefit of the Company following the Closing Date for a period of two years:

(a) **Authorization and Effectiveness.** If the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is an individual, he or she is of the full age of majority and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder, or if the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is a corporation, the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is duly incorporated and is a valid and existing corporation, has the necessary corporate capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Securities and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is a partnership, syndicate or other form of unincorporated organization, the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has the necessary legal capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Securities and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in any case, upon acceptance by the Company, this Subscription Agreement will constitute a legal, valid and binding agreement of the Subscriber and the beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, enforceable against the Subscriber and the beneficial purchaser in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Subscriber's and beneficial purchaser's constating documents, by-laws or authorizing resolutions (if applicable), any agreement to which the Subscriber or the beneficial purchaser is a party or by which the Subscriber or beneficial purchaser is bound or any law applicable to the Subscriber or beneficial purchaser or any judgment, decree, order, statute, rule or regulation applicable to the Subscriber or beneficial purchaser;

(b) **Residence.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, was offered the Shares in, and is a resident of, or if not an individual has its head office in, the jurisdiction referred to under the heading “Name and Address of Subscriber” and “Details of Beneficial Purchaser”, respectively, set out on the face page and page 2 hereof, intends that the securities laws of that jurisdiction do and shall govern this subscription by the Subscriber of the Shares, is not aware of any reason why the laws of such jurisdiction would not govern such subscription and that such addresses were not created and are not used solely for the purpose of acquiring the Securities;

(c) **Private Placement Exemptions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, has properly completed, executed and delivered to the Company the applicable Subscriber Certificate attached hereto (dated as of the date hereof) and the information contained therein is true and correct and the representations, warranties and covenants contained in the applicable Subscriber Certificate attached hereto will be true and correct both as of the date of execution of this Subscription Agreement and as at the Closing Time;

(d) **Subscriber Certificate.** The Subscriber has properly completed, executed and delivered as principal, or, if the Subscriber is contracting hereunder as trustee, agent, representative or nominee for one or more beneficial purchasers, on behalf of each such beneficial purchaser, the applicable Subscriber Certificate, and related appendix, if applicable;

(e) **Subscribing as Principal.** In the case of a Subscriber in Canada, unless paragraph (h) below applies, the Subscriber is subscribing for the Securities as principal (as defined in all applicable Securities Laws) for its own account, and not for the benefit of any other person;

(f) **No Syndication.** In the case of a Subscriber in Canada, the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” provided in Schedule B;

(g) **Investment Purposes.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, is subscribing for the Shares for investment purposes only and not with a view to resale or distribution that would or may contravene the prospectus requirements of Securities Laws;

(h) **Subscribing as Agent or Trustee.**

(i) In the case of the subscription by a Subscriber in Canada for the Securities as agent or trustee for any principal whose identity is disclosed or identified, each beneficial purchaser of the Securities for whom the Subscriber is acting, (A) is subscribing for the Securities as principal for its own account and not for the benefit of any other person; (B) was not created or used solely to subscribe for and purchase or hold securities in reliance on the “Minimum Amount Investment” exemption provided under Section 2.10 of NI 45-106 and it pre-existed the Offering and has a bona fide purpose other than investment in the Securities; and (C) either (I) where such beneficial purchaser is not an individual, is subscribing for the Securities at an aggregate acquisition cost to such beneficial purchaser of not less than $150,000, or (II) the beneficial purchaser is an “accredited investor” as defined in NI 45-106;

(ii) In the case of the subscription by a Subscriber in Canada for the Securities as agent or trustee for any principal whose identity is disclosed or identified, the Subscriber is the duly authorized trustee or agent of such disclosed beneficial purchaser with due and proper power and authority to execute and deliver, on behalf of each such beneficial purchaser, this Subscription Agreement and all other documentation in connection with the subscription for the Securities hereunder, to agree to the terms and conditions herein and therein set out and to make the representations, warranties, acknowledgements and covenants herein and therein contained, all as if each such beneficial purchaser were the Subscriber and the Subscriber's actions as trustee or agent are in compliance with applicable law and the Subscriber and each beneficial purchaser acknowledges that the Company is required by law to disclose to certain regulatory authorities the identity of each beneficial purchaser of the Securities for whom it may be acting; and

(iii) In the case of the subscription by a Subscriber in Canada for the Securities on behalf of an undisclosed beneficial purchaser, the Subscriber is deemed under applicable Securities Laws to be subscribing as principal;

(i) **Illegal Use of Funds.** None of the funds being used to subscribe for the Securities are to the Subscriber's or beneficial purchaser's knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to subscribe for the Securities which will be advanced by the Subscriber to the Company hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLTFA**") or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**") and the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, acknowledges that the Company may in the future be required by law to disclose the Subscriber's or beneficial purchaser's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA or the PATRIOT Act. To the best of its knowledge (i) none of the funds to be provided by the Subscriber or the beneficial purchaser are being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (ii) it shall promptly notify the Company if the Subscriber or beneficial purchaser discovers that any of such representations cease to be true, and to provide the Company with appropriate information in connection therewith;

(j) **Trade Sanctions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom it is acting as trustee or agent, is not a person or entity identified in *the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism*, the *United Nations Al-Qaida and Taliban Regulations*, the *Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea*, the *Regulations Implementing the United Nations Resolution on Iran*, the *United Nations Cote d'Ivoire Regulations*, the *United Nations Democratic Republic of the Congo Regulations*, the *United Nations Liberia Regulations*, the *United Nations Sudan Regulations*, the *Special Economic Measures (Zimbabwe) Regulations* or the *Special Economic Measures (Burma) Regulations* (collectively, the "**Trade Sanctions**"). The Subscriber (and each beneficial purchaser, if any) acknowledges that the Company may in the future be required by law to disclose the name and other information of the Subscriber and the beneficial purchaser, if any, related to the acquisition of the Securities hereunder, on a confidential basis, pursuant to the Trade Sanctions;

(k) **Resale Restrictions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, , for whom it is acting as trustee or agent, have been advised to consult their own legal advisors with respect to trading in the Securities with respect to the statutory resale restrictions imposed by the Securities Laws in the jurisdiction in which the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, resides and other applicable securities laws, and acknowledges that no representation has been made respecting the applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, to resell such securities, that the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, is solely responsible to find out what these restrictions are and the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, is solely responsible (and the Company is not in any way responsible) for compliance with applicable resale restrictions and the Subscriber is aware that it (or any beneficial purchaser for whom it is contracting hereunder) may not be able to resell such securities except in accordance with limited exemptions under the Securities Laws and other applicable securities laws. The physical certificate (or other instruments) evidencing the Securities shall bear legends denoting such restrictions substantially in the following form:

"*Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is 4 months and a day after the later of (i) [the Closing Date], and (ii) the date the issuer became a reporting issuer in any province or territory*."

(l) **Compliance with Resale Restrictions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, fully understands the restrictions on resale on the Securities and will not resell the Securities except in accordance with the provisions of applicable Securities Laws;

(m) **Company or Unincorporated Organization.** If the Subscriber, and each beneficial purchaser, if any, for whom it is acting as trustee or agent, is a corporation or a partnership, syndicate, trust, association, or any other form of unincorporated organization or organized group of persons, the Subscriber or such beneficial purchaser was not created or being used solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption from applicable Securities Laws or exemption from the registration requirements of the U.S. Securities Act;

(n) **Absence of Offering Memorandum or Similar Document.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, has not received, nor has it requested, nor does it have any need to receive, any offering memorandum or any other document describing the business and affairs of the Company (other than this Subscription Agreement and the Term Sheet), nor has any document been prepared for delivery to, or review by, prospective purchasers in order to assist them in making an investment decision in respect of the Securities being offered under the Offering;

(o) **Absence of Advertising.** The offering and sale of the Shares to the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, was not made or solicited through, and the Subscriber and each such beneficial purchaser is not aware of, any general solicitation or general advertising with respect to this Offering, or any directed selling efforts within the meaning of Regulation S, including advertisements, articles, notices or other communications published in any printed public media, radio, television or telecommunications, including electronic display (such as the Internet, including but not limited to the Company's website), or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(p) **Investment Suitability.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the Securities and is able to bear the economic risk of and can afford the total loss of such investment;

(q) **Other Documents.** The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, will execute and deliver any other documents required by applicable Securities Laws to permit the subscription for and purchase of the Shares on the terms herein set forth which the Company requests, acting reasonably;

(r) **Personal Information.** The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, acknowledges that this Subscription Agreement requires the Subscriber to provide certain Personal Information to the Company and its advisors as reasonably necessary in connection with the Offering. Such information is being collected and will be used by the Company for the purposes of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility to subscribe for and purchase the Shares under applicable Securities Laws, the U.S. Securities Act and applicable securities laws of any International Jurisdiction, as applicable, and completing filings required by the Securities Commissions and under the U.S. Securities Act and applicable securities laws of any International Jurisdiction, as applicable, . The Subscriber agrees that the Subscriber's Personal Information may be disclosed by the Company to: (i) stock exchanges or securities regulatory authorities; (ii) any government agency, board or other entity; and (iii) any of the other parties involved in the Offering, including the Company and its legal counsel, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Subscriber is deemed to be consenting to the foregoing collection, use and disclosure of the Subscriber's Personal Information;

(s) **Compliance with United States Securities Laws.** The Subscriber acknowledges and agrees that:

(i) If the Subscriber is a U.S. Subscriber, then in addition to the other representations and warranties contained herein, the Subscriber represents and warrants that:

(A) the Subscriber is aware that the Securities, have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the Securities may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and it acknowledges that the Company has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Securities;

(B) unless the Subscriber has executed and delivered Schedule C hereto (in which case it makes the representations and warranties set forth therein), the Subscriber or any person for whom it is acting is not in the United States or a U.S. Person and is not acquiring the Securities for the account or benefit of a U.S. Person or a person in the United States or for resale in the United States and confirms that the Securities have not been offered to the Subscriber in the United States and that this Subscription Agreement has not been signed in the United States;

(C) neither the Subscriber nor any person for whom it is acting will offer, sell or otherwise dispose of the Securities in the United States unless the Company has consented to such offer, sale or distribution and such offer, sale or disposition is made in accordance with an exemption from the registration requirements of the U.S. Securities Act and the securities laws of all applicable states of the United States or the Company has filed, and the U.S. Securities and Exchange Commission has declared effective, a registration statement in respect of such securities; and

(D) the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, has duly completed and delivered to the Company the Subscriber Certificate appended hereto as Schedule C and agrees to the terms set forth therein.

(ii) Unless the Subscriber is, or is subscribing for the account or benefit of, a person in the United States or a U.S. Person and the Subscriber has completed and delivered U.S. Subscriber’s Certificate appended hereto as Schedule C (in which case the Subscriber makes the representations, warranties and covenants therein), the Subscriber acknowledges and agrees that:

(A) the Shares have not been offered to the Subscriber while the Subscriber was in the United States, and the individuals making the order to purchase the Shares and executing and delivering this Subscription Agreement for the account or benefit of the Subscriber were not in the United States when the order was placed or when this Subscription Agreement was executed and delivered;

(B) the Subscriber is not in the United States or a U.S. Person and is not purchasing the Shares for the account or benefit of a person in the United States or a U.S. Person, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States;

(C) the Subscriber is not purchasing the Shares as the result of any "directed selling efforts" (as defined in Rule 902(c) of Regulation S and, including any press releases made by the Company relating to the Offering or any report, notification or summary of the same) made in the United States by the Company, a distributor, any of their respective affiliates, or any person acting on behalf of any of the foregoing;

(D) the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the U.S. Securities Act or any applicable state securities laws; and

(E) the Subscriber undertakes and agrees that it will not offer or sell the Securities in the United States unless such Securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell the Securities, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules.

(t) **International Subscribers.** If the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, is a resident of a country other than Canada and is not a U.S. Subscriber (an "**International Jurisdiction**"), then in addition to the other representations and warranties contained herein, the Subscriber represents and warrants that:

(i) the Subscriber is knowledgeable of, or has been independently advised as to, the applicable securities laws of the International Jurisdiction which would apply to this Subscription Agreement, if any;

(ii) the Subscriber is subscribing for the Shares pursuant to exemptions from the prospectus, financial promotion and registration requirements under the applicable securities laws of that International Jurisdiction or, if such is not applicable, the Subscriber is permitted to purchase the Shares under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption;

(iii) the applicable securities laws of the International Jurisdiction do not require the Company to file a prospectus, offering memorandum or similar document or to register or qualify the distribution of the Securities or for the Company to be registered with or to make any filings or seek any approvals of any kind whatsoever from any governmental or regulatory authority of any kind whatsoever in the International Jurisdiction;

(iv) the delivery of this Subscription Agreement, the acceptance of it by the Company and the issuance of the Securities to the Subscriber complies with all applicable laws of the Subscriber's jurisdiction of residence or domicile and all other applicable laws and will not cause the Company to become subject to or comply with any continuous disclosure, prospectus or other periodic filing or reporting requirements under any such applicable laws; and

(v) the Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom it is acting as trustee or agent, has duly completed and delivered to the Company the Subscriber Certificate appended hereto as Schedule D and represents and warrants set forth therein shall be accurate as of the date hereof and as of the Closing Time.

The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom it is acting as trustee or agent, acknowledges and agrees that the foregoing representations and warranties, and the acknowledgments made in Section 8 hereof, are made by it with the intention that they may be relied upon by the Company and its counsel in determining the Subscriber's eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to subscribe for the Shares under the Securities Laws and other applicable securities laws. The Subscriber and each beneficial purchaser further agrees that by accepting delivery of the Securities on the Closing Date, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the Closing Time with the same force and effect as if they had been made by the Subscriber at the Closing Time. The Subscriber and the beneficial purchaser undertakes to notify the Company immediately of any change in any representation, warranty or other information relating to the Subscriber or beneficial purchaser set out in this Subscription Agreement which takes place prior to the Closing Time.

8. Subscriber’s Acknowledgements. The Subscriber, and any beneficial purchaser(s) for whom the Subscriber is acting, acknowledges and agrees that: (i) no agency, securities commission, governmental authority, regulatory body, stock exchange or other entity has reviewed or passed on, made any finding or determination as to the merit for investment in the Company, nor have any such agencies, securities commissions or governmental authorities made any recommendation or endorsement with respect to the Securities or the Offering; (ii) there is no government or other insurance covering the Securities; and (iii) there are risks associated with the subscription for and purchase of the Shares;

(b) the subscription for the Shares has not been or will not be (as applicable) made through, or as a result of, and the distribution of the Shares is not being accompanied by, a general solicitation or advertisement including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(c) in the case of any Subscriber or beneficial purchaser in Canada, no prospectus or other offering document has been filed by the Company with a securities commission or other securities regulatory authority in any province of Canada, or any other jurisdiction in or outside of Canada in connection with the issuance of the Securities and such issuance is exempt from the prospectus requirements otherwise applicable under the provisions of Securities Laws and, as a result, in connection with its subscription for the Securities hereunder, as applicable:

(i) the Company has advised the Subscriber that the Company is relying on an exemption from the requirements to provide the Subscriber with a prospectus and that the Subscriber and each beneficial purchaser, if any, is restricted from using most of the protections, rights and remedies available under Securities Laws including, without limitation, statutory rights of rescission or damages;

(ii) the common law may not provide investors with an adequate remedy in the event that they suffer investment losses in connection with securities acquired in a private placement (such as the Securities issued under the Offering);

(iii) the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, will not receive information that may otherwise be required to be provided to the Subscriber and each beneficial purchaser, if any, under applicable Securities Laws or contained in a prospectus prepared in accordance with applicable Securities Laws; and

(iv) the Company is relieved from certain obligations that would otherwise apply under such applicable Securities Laws;

(d) there is no market for the Securities and there is no assurance that a market will develop in the future and that no representation has been made to the Subscriber by or on behalf of the Company with respect thereto;

(e) the Shares are being offered for sale only on a "private placement" basis;

(f) the Subscriber has received a copy of the Term Sheet attached hereto as Schedule A-1, setting out the principal terms of the Offering;

(g) all costs and expenses incurred by the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting, (including any fees and disbursements of legal counsel retained by the Subscriber or any beneficial purchaser) relating to the subscription for and purchase of the Shares shall be borne solely by the Subscriber or the beneficial purchaser;

(h) in subscribing for the Shares, the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has relied solely upon this Subscription Agreement, the Term Sheet and publicly available information relating to the Company and not upon any other document or verbal or written representation as to any fact or otherwise made by or on behalf of the Company or any employee, agent or affiliate thereof or any other person associated therewith. The Company's counsel, McCarthy Tétrault LLP, does not assume any responsibility or liability of any nature whatsoever for the accuracy or adequacy of the information upon which the Subscriber's or the beneficial purchaser's, if any, investment decision has been made. The Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting, is not relying upon anyone to conduct any due diligence investigation on behalf of the Subscriber concerning the Offering, the Securities, the Company's business, management, financial position, condition or prospects;

(i) no person has made any written or oral representations: (i) that any person will resell or repurchase the Shares following subscription of the Shares; (ii) that any person will refund the Subscription Price; or (iii) as to the future price or value of the Securities;

(j) the original Subscriber may not engage in any hedging transactions involving the Securities or resell or otherwise transfer the Securities to U.S. Persons or to persons in the United States or to or for the account or benefit of U.S. Persons or persons in the United States, except in compliance with the U.S. Securities Act and applicable state securities legislation;

(k) the Subscriber is solely responsible for obtaining such tax, investment, legal and other professional advice as it considers appropriate in connection with the offer and sale of the Shares and the issuance of the Securities, the execution, delivery and performance by it of this Subscription Agreement, applicable tax considerations and the applicable hold periods and resale restrictions imposed in respect of the Securities by applicable securities legislation and regulatory policies, and confirms that it (and any disclosed principal, if applicable) is not relying on the Company or its counsel to any of them in this regard. The Subscriber is solely responsible for compliance with applicable resale restrictions and applicable tax legislation;

(l) there may be material tax consequences to the Subscriber of an acquisition or disposition, as applicable, of the Shares and the Company gives no opinion and makes no representation with respect to the tax consequences to the Subscriber of an acquisition, disposition or exercise, as applicable, of the Shares or the Securities, it being understood that it is the sole responsibility of the Subscriber to determine the tax consequences applicable to its particular circumstances;

(m) the Company may complete additional financings in the future in order to develop the business of the Company and fund its ongoing development, and such future financings may have a dilutive effect on current securityholders of the Company, including the Subscriber, and there is no assurance that such financing will be available, on reasonable terms or at all, and if not available, the Company may be unable to fund its ongoing development;

(n) McCarthy Tétrault LLP is acting solely as counsel to the Company and not as counsel to the Subscriber;

(o) the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has had the opportunity to review this Subscription Agreement and the schedules attached hereto and the transactions contemplated by this Subscription Agreement and fully understands the same; and

(p) the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has had the opportunity to ask questions and receive answers concerning the terms and conditions of the Offering and it has had access to such information concerning the Company as it has considered necessary or appropriate in connection with its investment decision to acquire the Securities.

9. Further Acknowledgements of the Subscriber. The Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual), acknowledges that this Subscription Agreement and the Schedules hereto require the Subscriber to provide certain Personal Information to the Company and its respective counsel. Such information is being collected by the Company and its counsel for the purposes of completing the Offering described herein, which includes, without limitation, determining the Subscriber's eligibility to purchase the Shares under applicable securities legislation, preparing and registering certificates (or other instruments) representing the Shares to be issued to the Subscriber and completing filings required by any stock exchange, securities commission or securities regulatory authority, taxation authorities or other regulatory bodies. Certain securities commissions have been granted the authority to indirectly collect this Personal Information pursuant to securities legislation and this Personal Information is also being collected for the purpose of administration and enforcement of securities legislation. The Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual) agrees that the Subscriber's Personal Information may be disclosed by the Company or its legal counsel to: (a) stock exchanges, securities commissions or securities regulatory authorities; (b) the Company's registrar and transfer agent, if applicable; (c) taxation authorities; (d) regulatory bodies; and (e) any of the other parties involved in the Offering, including legal counsel, and may be included in record books in connection with the Offering and the Company's corporate records. By executing this Subscription Agreement, the Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual) is deemed, where applicable, to be authorizing and consenting to the foregoing collection (including the indirect collection of Personal Information), use and disclosure of the Subscriber's Personal Information as set forth above. The Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual) also consents to the filing of copies or originals of any of the Subscriber's documents described in this Subscription Agreement as may be required to be filed with any stock exchange, securities commission, securities regulatory authority or any other regulatory body in connection with the transactions contemplated hereby. In the event the Subscriber has any questions with respect to the indirect collection of such information, the Subscriber should contact the applicable securities regulatory authority at the contact details provided in Schedule E to this Subscription Agreements.**Subscriber's Covenants**. If the Company has reason to believe the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent does not qualify as an "accredited investor" under applicable Securities Laws, the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent covenants and agrees to provide information as reasonably requested by the Company to verify that the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent qualifies as an accredited investor, which information may include, without limitation, financial records of the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent.

11. Conditions of Closing. The respective obligations of the Company and the Subscriber to consummate the transactions contemplated hereunder in respect of the Closing are subject to the satisfaction or written waiver by such party, in whole or in part (to the extent such conditions can be waived), in their respective sole discretion, of the following conditions:

(a) the concurrent closing of the subscription by Marshall Fields International B.V. for Securities with an aggregate subscription price of $[redacted], which forms part of the Offering; and

(b) the execution by the Subscriber of a unanimous shareholders' agreement substantially on the terms set forth in Schedule A-2, setting out the rights and obligations of the shareholders of the Company.

The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, acknowledges and agrees that (i) the sale of the Shares will not be qualified by a prospectus; (ii) the Securities have not been and will not be registered under the U.S. Securities Act, or applicable state securities laws; (iii) any such sale is subject to the condition that the Subscriber (or, if applicable, any others for whom the Subscriber is contracting hereunder) signs and returns McCarthy Tétrault LLP this Subscription Agreement, including any applicable schedules attached hereto; and (iv) McCarthy Tétrault LLP is acting solely as legal counsel to the Company in connection with the Offering and accepts no duty, responsibility or obligation to any other person.

The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, acknowledges and agrees that the Company may be required to provide to the Securities Commissions a list setting out the identities of the beneficial purchasers of the Securities. Notwithstanding that the Subscriber may be subscribing for the Securities as an agent on behalf of an undisclosed principal (if permissible under the relevant Securities Laws or other applicable securities laws), the Subscriber agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Company in order to comply with the Securities Laws and any other applicable laws.

12. Modification. Subject to the terms hereof, neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.**Assignment**. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber, the Company and their respective successors and assigns; provided that this Subscription Agreement shall not be assignable by any party without the prior written consent of the other parties. For greater certainty this Subscription Agreement may only be transferred or assigned by the Subscriber subject to compliance with applicable laws (including, without limitation, applicable Securities Laws) and with the express written consent of the Company.**Governing Law**. This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario in the City of Toronto with respect to any matters arising out of this Subscription Agreement.**Entire Agreement**. This Subscription Agreement (including the schedules hereto) contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only.**Time of Essence**. Time shall be of the essence of this Subscription Agreement.**Currency.** All dollar amounts referred to in this Subscription Agreement are in Canadian dollars, unless otherwise indicated.**Further Assurances**. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Subscription Agreement.**Singular and Plural, etc**. Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine, and neuter genders.**Headings**. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

[*Remainder of page intentionally left blank*.]

SCHEDULE A-1

TERM SHEET

(See attached.)

SCHEDULE A-2

CANNTRUST EQUITY INC.

UNANIMOUS SHAREHOLDERS' AGREEMENT – SUMMARY OF PRINCIPAL TERMS

1.	**Parties:**	CannTrust Equity and shareholders thereof (the "**Shareholders**")
2.	**Purpose of Agreement:**	A unanimous shareholders' agreement (the "**Shareholders' Agreement**") that sets out the rights and obligations of the Shareholders with respect to their Shares in the Company.
3.	**Share Exchange Option:**	Marshall Fields Holding B.V. ("**Marshall**") shall have the right, at its election (the "**Share Exchange Option**"), for a period of [18] months following the Closing Date ("**Share Exchange Option Period**"), to cause the exchange of its Shares for common shares of CannTrust Holdings (the "**Holdings Shares**"), on a one-for-one basis (the "**Share Exchange**").
4.	**Drag-Along Right:**	In the event that Marshall elects to exercise the Share Exchange Option, the remaining Shareholders (other than CannTrust Holdings) shall be required to exchange their Shares for Holdings Shares on the same terms
5.	**Conditions to Share Exchange Option:**	The exercise of the Share Exchange Option shall be conditional upon, among other things: • the revocation of the "failure to file" cease trade order dated April 13, 2020 made by the Ontario Securities Commission issued against CannTrust Holdings (the "**CTO**"); • the offer, issue, sale and delivery of the Holdings Shares, as applicable, being exempt from the requirements to file a prospectus, registration statement, or deliver an offering memorandum or any similar document under applicable Securities Laws and other applicable securities laws relating to the sale of the Securities, or the CannTrust Holdings having received such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or delivering an offering memorandum or any similar document; and • no temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of any of the Share Exchange Option shall be in effect, and no law shall have been enacted or shall be deemed applicable to the Share Exchange Option which makes the consummation of the Share Exchange Option illegal.
6.	**Adjustments to Share Exchange Option:**	In the event that, prior to the exercise of the Share Exchange Option, CannTrust Holdings issues additional Holdings Shares, or securities convertible into Holdings Shares (collectively, "**Additional Securities**"), the Share Exchange Option ratio shall be adjusted accordingly such that, upon the exercise of the Share Exchange Option, Marshall shall own [90]%

		of all issued and outstanding Holdings Shares, taking into account the Additional Securities.
7.	**Share Exchange Option Not Exercised:**	In the event that the Share Exchange Option is not exercised during the Share Exchange Option Period, CannTrust Equity shall reimburse CannTrust Holdings for its reasonable costs and expenses related to its liquidation or winding up.
8.	**Rights Issue:**	In the event that the Share Exchange Option is exercised by Marshall, CannTrust Holdings will use its best efforts to initiate a rights offering within [150] days of the effective date of the Share Exchange in accordance with Part 2 of National Instrument 45-106 – *Prospectus Exemptions*, whereby shareholders of record of CannTrust Holdings prior to the Share Exchange (the "**Legacy Shareholders**") shall be offered rights to purchase Holdings Shares for a period of not less than 21 days and not more than 90 days from the date the rights offering notice is sent to the Legacy Shareholders, at a discounted subscription price to be determined by the board of directors of CannTrust Holdings and on such other terms to be agreed by Holdings and Marshall.
9.	**Other Provisions:**	The Shareholders' Agreement shall include other customary provisions as may be agreed by the Subscriber and CannTrust Holdings, acting reasonably, including pre-emptive rights, transfer restrictions and drag-along, among others. CannTrust Equity shall use its commercially reasonable efforts to have Marshall's director nominees named in the management slate of directors to be elected by the shareholders of CannTrust Holdings. The Shareholders' Agreement shall include other customary provisions as may be agreed by the Subscriber and CannTrust Holdings, acting reasonably, regarding certain protective rights to be granted to the Subscriber, which shall include, but not be limited to, fundamental decisions with respect to CannTrust, such as, for example, any amendment to the articles of CannTrust or the entering into any material agreements.
10.	**Governing Law:**	The Shareholders' Agreement shall be governed pursuant to the laws of Ontario.

SCHEDULE B

ACCREDITED INVESTOR STATUS CERTIFICATE

Capitalized terms not specifically defined in this Schedule B have the meanings ascribed to them in the Subscription Agreement to which this Schedule B is attached.

The categories listed herein contain certain specifically defined terms. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.

In connection with the subscription by the undersigned Subscriber for the Securities, the Subscriber, on its own behalf and on behalf of each of the beneficial purchasers for whom the Subscriber is acting (collectively, the "**Subscriber**"), hereby represents, warrants, covenants and certifies to the Company (and acknowledges that the Company and its counsel are relying thereon) that:

(a) the Subscriber is resident in or otherwise subject to the securities laws of one of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Newfoundland and Labrador, Nova Scotia, New Brunswick or Prince Edward Island;

(b) the Subscriber is subscribing for the Securities as principal for its own account and not for the benefit of any other person or is deemed to be subscribing as principal pursuant to NI 45-106;

(c) the Subscriber is an "accredited investor" within the meaning of NI 45-106 on the basis that the undersigned fits within one of the categories of an "accredited investor" reproduced below beside which the undersigned has indicated the undersigned belongs to such category;

(d) the Subscriber was not created or is not used solely to subscribe for and purchase or hold securities as an accredited investor as described in paragraph (m) below;

(e) if the Subscriber is an individual and does not meet the criteria set out in subparagraph (j.1) of this Schedule B, it has duly completed and executed a copy of the Risk Acknowledgement Certificate in the form attached hereto as Appendix I to this Schedule B;

(f) upon execution of this Schedule B by the Subscriber, this Schedule B "shall be incorporated into and form a part of the Subscription Agreement.

(PLEASE CHECK THE BOX OF THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR)

☐ (a) except in Ontario, a Canadian financial institution, or a Schedule III bank;

(a.1) in Ontario, a financial institution that is (i) a bank listed in Schedule I, II or III of the *Bank Act* (Canada); (ii) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act; or (iii) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;

☐ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

☐ (c) a subsidiary of any person referred to in paragraphs (a), (a.1) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, (except in Ontario as otherwise prescribed by the regulations under the *Securities Act* (Ontario);

☐ (e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);

☐ (e.1) an individual formerly registered under the securities legislation of a jurisdictio of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),

☐ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

☐ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

☐ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;

☐ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $1,000,000 **(note: check only if you do not qualify under option (j.1) immediately below)**;
[PLEASE ALSO COMPLETE SECTIONS 2-4 OF APPENDIX I]

☐ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $5,000,000 **(note: if individual accredited investors wish to subscribe and purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under section (t) below, which must be initialled)**;

☐ (k) an individual whose net income before taxes exceeded $200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
[PLEASE ALSO COMPLETE SECTIONS 2-4 OF APPENDIX I]

☐ (l) an individual who, either alone or with a spouse, has net assets of at least $5,000,000;
[PLEASE ALSO COMPLETE SECTIONS 2-4 OF APPENDIX I]

☐ (m) a person, other than an individual or investment fund, that has net assets of at least $5,000,000 as shown on its most recently prepared financial statements;

☐ (n) an investment fund that distributes or has distributed its securities only to

(i) a person that is or was an accredited investor at the time of the distribution

(ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [*Minimum amount investment*] or 2.19 [*Additional investment in investment funds*] of NI 45-106, or

(iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [*Investment fund reinvestment*] of NI 45-106;

☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;

☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;

☐ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;

☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or

☐ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

For the purposes hereof, the following definitions are included for convenience:

(a) “**Canadian financial institution**” means (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(b) “**company**” means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

(c) “**control person**” means

(i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or

(ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

(d) "**director**" means

(i) a member of the board of directors of a company or an individual who performs similar functions for a company, and

(ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

(e) "**eligibility adviser**" means

(i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed; and

(ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:

(A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders or control persons, and

(B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

(f) "**entity**" means a company, syndicate, partnership, trust or unincorporated organization;

(g) "**executive officer**" means, for an issuer, an individual who is

(i) a chair, vice-chair or president,

(ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or

(iii) performing a policy-making function in respect of the issuer;

(h) "**financial assets**" means cash, securities, or a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

(i) "**foreign jurisdiction**" means a country other than Canada or a political subdivision of a country other than Canada;

(j) "**founder**" means, in respect of an issuer, a person who, (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and (ii) at the time of the distribution or trade is actively involved in the business of the issuer;

(k) "**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

(l) "**investment fund**" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments and a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429 whose business objective is making multiple investments;

(m) "**jurisdiction**" or "jurisdiction of Canada" means a province or territory of Canada except when used in the term foreign jurisdiction;

(n) "**non-redeemable investment fund**" means an issuer:

(i) whose primary purpose is to invest money provided by its securityholders;

(ii) that does not invest

(A) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or

(B) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and

(iii) that is not a mutual fund;

(o) "**person**" includes

(i) an individual;

(ii) a corporation;

(iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and

(iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

(p) "**related liabilities**" means liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets and liabilities that are secured by financial assets;

(q) "**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(r) "**spouse**" means an individual who (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and

(s) "**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

In NI 45-106 a person or company is an affiliate of another person or company if one is a subsidiary of the other, or if each of them is controlled by the same person or company.

In NI 45-106 and except in Part 2 Division 4 of NI 45-106, a person (first person) is considered to control another person (second person) if (a) the first person beneficially owns or, directly or indirectly, exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

In NI 45-106 a trust company or trust corporation described in paragraph (p) above of the definition of "accredited investor" (other than in respect of a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada) is deemed to be subscribing as principal.

In NI 45-106 a person described in paragraph (q) above of the definition of "accredited investor" is deemed to be subscribing as principal.

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Time. If any such representations shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Company prior to the Closing Time.

DATED: ______________________ SIGNED: ______________________

____
Witness (if Subscriber is an individual)

____
Print the name of witness

____
Print the name of Subscriber

____
If Subscriber is not an individual,
print name and title of authorized signing officer

APPENDIX I TO SCHEDULE B

RISK ACKNOWLEDGEMENT CERTIFICATE

WARNING! **This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.**

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Shares	**Issuer:** CannTrust Equity Inc.
Securities to be purchased from: Issuer	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE SUBSCRIBER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your Initials**
Risk of loss – You could lose your entire investment of $__________________. [*Instruction: Insert the total dollar amount of the investment.]*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.	
3. Accredited investor status	
You must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	**Your initials**
• Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than $300,000 in the current calendar year.	

• Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print):	
Signature:	Date:

SECTION 5 TO BE COMPLETED BY THE SALESPERSON

5. Salesperson information

[Instruction: The salesperson is the person who meets with, or provides information to, the Subscriber with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]

First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	

SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER

6. For more information about this investment

CannTrust Equity Inc.
3280 Langstaff Road
Unit 1
Vaughan, ON

Contact person: Greg Guyatt, CEO
Email: GGuyatt@canntrust.ca

For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.

SCHEDULE C

U.S. SUBSCRIBER'S CERTIFICATE

TO: **CannTrust Equity Inc.** (the "**Company**")

Reference is made to the subscription agreement between the Company and the undersigned (referred to herein as the "**Subscriber**") dated as of the date hereof to which this Schedule C is attached (the "**Subscription Agreement**"). Upon execution of this Subscriber Certificate by the Subscriber, this Subscriber Certificate will be incorporated into and form a part of the Subscription Agreement. *Capitalized terms not specifically defined in this Schedule C have the meanings ascribed to them in the Subscription Agreement to which this Schedule C is attached.*

In connection with the subscription for the Securities by the Subscriber, the Subscriber represents, warrants and covenants and certifies to the Company and acknowledges that the Company is relying thereon that:

(a) the Subscriber is subscribing for the Securities for its own account (or for the account or one or more beneficial purchasers over which the Subscriber has sole investment discretion) and the Subscriber (and any beneficial purchaser) is subscribing for the Securities for investment purposes only and not with a view to resale or distribution or for the account or benefit of anyone other than the Subscriber (or such beneficial purchaser). The Subscriber has no intention to distribute either directly or indirectly any of the Securities in the United States; provided, however, that this paragraph shall not restrict the Subscriber from selling or otherwise disposing of any of the Securities pursuant to registration thereof pursuant to the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements;

(b) the Subscriber understands and acknowledges that the Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and that the offer and sale of Securities to it are being made in reliance upon the exemption from registration provided by Rule 506(b) of Regulation D under the U.S. Securities Act and similar exemptions under applicable state securities laws;

(c) the Subscriber (and any beneficial purchaser) is an "accredited investor", within the meaning of Rule 501(a) of Regulation D (a "**U.S. Accredited Investor**"), and satisfies the category of U.S. Accredited Investor set forth below:

(PLEASE CHECK THE BOX FOR THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR AND EXECUTE THIS CERTIFICATE ON THE LAST PAGE HEREOF. PLEASE INITIAL "P" BESIDE THE CATEGORY FOR THE SUBSCRIBER AND "BP" BESIDE THE CATEGORY FOR THE BENEFICIAL PURCHASER.)

_____Category 1. A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

_____Category 2. A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

_____Category 3. A broker or dealer registered pursuant to Section 15 of the United States Securities Exchange Act of 1934, as amended; or

_____Category 4. An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; or

_____Category 5. An investment company registered under the United States Investment Company Act of 1940, as amended; or

_____Category 6. A business development company as defined in Section 2(a)(48) of the United States Investment Company Act of 1940, as amended; or

_____Category 7. A small business investment company licensed by the U.S. Small Business Administration under Section 301 (c) or (d) of the United States Small Business Investment Act of 1958, as amended; or

_____Category 8. A plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of U.S. $5,000,000; or

_____Category 9. An employee benefit plan within the meaning of the United States Employee Retirement Income Security Act of 1974, as amended, in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan with total assets in excess of U.S. $5,000,000 or, if a self directed plan, with investment decisions made solely by persons who are U.S. Accredited Investors; or

_____Category 10. A private business development company as defined in Section 202(a)(22) of the United States Investment Advisers Act of 1940, as amended; or

_____Category 11. An organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1976, as amended, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Securities, with total assets in excess of U.S. $5,000,000; or

_____Category 12. A trust, with total assets in excess of U.S. $5,000,000, not formed for the specific purpose of acquiring the Securities, whose subscription is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the U.S. Securities Act;

_____Category 13. Any director or executive officer of the Company; or

_____Category 14. Any natural person whose individual net worth, or joint net worth with that person's spouse, exceeds U.S. $1,000,000 (for purposes of calculating net worth: (i) a person's primary residence shall not be included as an asset, (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of the Securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of the Securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability) and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of sale of the Securities shall be included as a liability); or

_____Category 15. A natural person who had an individual income in excess of U.S. $200,000 in each of the two most recent years or joint income with that person's spouse in excess of U.S. $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or

_____Category 16. An entity in which all of the equity owners are U.S. Accredited Investors;

(d) the Subscriber acknowledges that it has not subscribed for the Securities as a result of any form of "general solicitation" or "general advertising" within the meaning of Regulation D under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio, television, or the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(e) the Subscriber understands and agrees that the Securities will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and that if it decides to offer, sell, pledge or otherwise transfer the Securities, it may not offer, sell, pledge or otherwise transfer any of such Securities, directly or indirectly, unless the transfer is made:

(i) to the Company;

(ii) outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S and in compliance with applicable local laws and regulations;

(iii) in compliance with (A) Rule 144A under the U.S. Securities Act, if available, or (B) Rule 144 under the U.S. Securities Act, if available, and, in each case, in compliance with applicable state securities laws; or

(iv) in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws; and

the Subscriber has prior to any transfer pursuant to clauses (iii)(B) or (iv) (and, if required by the Company or any transfer agent for the Securities, clause (ii)) above furnished to the Company (and the transfer agent, if applicable) an opinion of counsel of recognized standing, or other evidence, reasonably satisfactory to the Company to the effect that such transfer does not require registration under the U.S. Securities Act or applicable state securities laws;

(f) the Subscriber and each beneficial purchaser for whom it is acting acknowledge and agree that upon the original issuance thereof, and until such time as the same is not required under applicable requirements of the U.S. Securities Act and applicable state securities laws, the certificates representing the Securities, and all certificates issued in exchange therefor or in substitution thereof, will bear a legend substantially in the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY SUBSCRIBING FOR THESE SECURITIES, AGREES FOR THE BENEFIT OF CANNTRUST EQUITY INC. (THE "**COMPANY**") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S ("**REGULATION S**") UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN LOCAL LAWS AND REGULATIONS, (C) IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION OR OTHER EVIDENCE REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE 'GOOD DELIVERY' IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if Securities are being sold under clause (B) above, the legend set forth above may be removed by providing a declaration to the Company and any transfer agent for the Securities, in the form attached as Appendix I to this Schedule C (or in such form as the Company may from time to time prescribe), together with any other evidence reasonably satisfactory to the Company that may be required by the Company or any transfer agent for the Securities, which evidence may include, without limitation, an opinion of counsel of recognized standing, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act;

notwithstanding the foregoing, the Company's transfer agent, if any, may impose additional requirements for the removal of legends from Securities sold in accordance with Rule 904 of Regulation S under the U.S. Securities Act in the future; and

provided, further, that if any such Securities are being sold pursuant to Rule 144 under the U.S. Securities Act, or in a transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the above legend may be removed by delivery to the Company or any duly appointed transfer agent for the Securities of an opinion of counsel, of recognized standing, reasonably satisfactory to the Company, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

(g) the Subscriber (and any beneficial purchaser) consents to the Company making a notation on its records or giving instruction to the registrar and transfer agent of the Company in order to implement the restrictions on transfer with respect to the Securities set forth and described herein;

(h) the Subscriber (and any beneficial purchaser) understands and acknowledges that the Company has no obligation or present intention of filing with the United States Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resales of the Securities in the United States;

(i) the Subscriber (and any beneficial purchaser) has had the opportunity to ask questions of and receive answers from the Company regarding the investment, and has received all the information regarding the Company that it has requested;

(j) the Subscriber (and any beneficial purchaser) has had access to such information concerning the Company as it has considered necessary or appropriate in connection with its investment decision to acquire the Securities;

(k) the office or other address of the Subscriber at which the Subscriber received and accepted the offer to subscribe for the Securities is the address listed as the "Subscriber's Address" on the signature page of the Subscription Agreement;

(l) the Subscriber understands and acknowledges that if the Company were to ever be deemed to be, or to have at any time previously been, an issuer with (i) no or nominal operations and (ii) no or nominal assets other than cash and cash equivalents, Rule 144 under the U.S. Securities Act may be unavailable with respect to resales of the Securities, and the Company is under no obligation to take, and has no present intention of taking, any required action in order to make Rule 144 under the U.S. Securities Act available with respect to resales of the Securities;

(m) the Subscriber (and any beneficial purchaser) is aware that (i) subscribing for, purchasing, holding and disposing of the Securities may have tax consequences under the laws of both Canada and the United States, (ii) the tax consequences for prospective investors who are resident in, or citizens of, the United States are not described in this Subscription Agreement, and (iii) it is solely responsible for determining the tax consequences applicable to its particular circumstances and should consult its own tax advisors concerning investment in such securities; in particular, no determination has been made whether the Company will be a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended;

(n) the Subscriber is aware that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Company is organized under the laws of Canada; (ii) some or all of the directors and officers may be residents of countries other than the United States; and (iii) all or a substantial portion of the assets of the Company and such persons may be located outside the United States;

(o) the Subscriber understands that the Company (i) is under no obligation to remain a "foreign issuer" (as defined in Regulation S), and (ii) may engage in one or more transactions which could cause the Company not to be a "foreign issuer";

(p) the Subscriber (and any disclosed principal, if applicable) understands and agrees that the financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and are subject to Canadian auditing standards and auditor independence standards, which differ in some respects from United States generally accepted accounting principles, auditing standards and auditor independence standards, respectively, and thus may not be comparable to financial statements of United States companies; and

(q) it acknowledges that the representations, warranties and covenants contained in this Schedule C are made by it with the intent that they may be relied upon by the Company in determining its eligibility to subscribe for and purchase the Securities and that the provisions herein will be will be true and correct as of the date of execution of this Subscription Agreement and as of the Closing Date and will survive after the date of execution of this Subscription Agreement.

[signature page follows]

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Time. If any such representations shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Company prior to the Closing Time.

Dated: ______________________________	Signed: ______________________________
______________________________ Witness (If Subscriber is an Individual)	______________________________ Print Name of Subscriber
______________________________ Print Name of Witness	______________________________ If Subscriber is not an Individual, Print Name and Title of Authorized Signing Officer

APPENDIX I TO SCHEDULE C
DECLARATION FOR REMOVAL OF LEGEND

TO: **CannTrust Equity Inc.**
AND TO: **The registrar and transfer agent for the securities of CannTrust Equity Inc.**

The undersigned (a) acknowledges that the current sale of ____________ of CannTrust Equity Inc. (the "**Company**") to which this declaration relates, represented by certificate number ________, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (b) certifies that (1) the undersigned is not an "affiliate" (as that term is defined in Rule 405 under the U.S. Securities Act) of the Company, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed in, on or through the facilities of the Toronto Stock Exchange or the TSX Venture Exchange (or another designated offshore securities market) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace such securities with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise defined herein, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: ___________________________ ___________________________________
Name of Seller

By: _________________________________
Name:
Title:

Affirmation by Seller's Broker-Dealer
(required for sales under (b)(2)(B) above)

We have read the foregoing representations of our customer, ____________________ (the "**Seller**") dated ____________________, with regard to our sale, for such Seller's account, of the securities of the Company described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of a "designated offshore securities market", (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

____
Name of Firm

By: X ____
Authorized officer

Date: __________________

SCHEDULE D

FOREIGN SUBSCRIBER'S CERTIFICATE
(Residents of Jurisdictions other than Canada and Non-U.S. Subscribers)

TO: **CannTrust Equity Inc.** (the "**Company**")

Capitalized terms not specifically defined in this <u>*Schedule B*</u> *have the meanings ascribed to them in the Subscription Agreement to which this* <u>*Schedule B*</u> *is attached.*

In connection with the subscription by the undersigned Subscriber for the Shares, the Subscriber, on its own behalf and on behalf of each of the beneficial purchasers for whom the Subscriber is acting, hereby represents, warrants, covenants and certifies to the Company (and acknowledges that the Company and its counsel are relying thereon) that:

1. it is resident in the jurisdiction set out as the "Subscriber's Address" on the face page of the Subscription Agreement (the "**International Jurisdiction**") and the undersigned Subscriber certifies that it and (if applicable) any other purchaser for whom it is acting hereunder is not resident in or otherwise subject to applicable securities laws of any province or territory of Canada;

2. it is knowledgeable of, or has been independently advised as to, the applicable securities laws of the securities regulatory authorities ("**Authorities**") having application in its International Jurisdiction that would apply to this subscription, if there are any;

3. it is subscribing for the Shares pursuant to exemptions from any substantive or procedural requirements (including without limitation exemptions from prospectus or registration requirements or equivalent requirements) under the applicable securities laws of the Authorities in the International Jurisdiction or, if such is not applicable, the Subscriber is permitted to subscribe for the Securities under the applicable securities laws of the Authorities in the International Jurisdiction without the need to rely on any exemption;

4. The purchase of Shares by the Subscriber, and any other purchaser for whom it is acting hereunder, does not contravene any of the applicable securities laws in the International Jurisdiction or any other securities laws to which the Subscriber;

5. by committing to subscribe for the Shares, it has obtained all necessary consents and authorizations to enable it to agree to subscribe for the Shares and to perform its obligations under this Subscription Agreement and it has otherwise observed the laws and regulatory requirements of the International Jurisdiction, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in such International Jurisdiction in connection with its acceptance and it has not taken any action which will or may result in the Company acting in breach of any regulatory or legal requirements of any territory or jurisdiction in connection with the Offering;

6. the applicable laws of the Authorities in the International Jurisdiction do not require the Company to make any filings or seek any approvals or exemptions of any nature whatsoever from any Authority of any kind whatsoever in the International Jurisdiction in connection with the sale of the Shares;

7. 4. The Shares are being acquired for investment purposes only and not with a view to the resale or distribution of all or any of the Shares;

8. the subscription for the Shares by the Subscriber does not trigger: (a) any obligation to prepare and file a prospectus, an offering memorandum or similar document, (b) any other report with respect to such subscription in the International Jurisdiction, (c) any continuous disclosure reporting obligation of the Company in the International Jurisdiction or (d) any registration or other obligation on the part of the Company under the applicable securities laws in the International Jurisdiction or any other securities laws to which the Subscriber and (if applicable) any other purchaser for whom the Subscriber is acting hereunder are otherwise subject;

9. it will provide such evidence of compliance with all such matters as the Company or its counsel may request and it will, if requested by the Company, deliver to the Company, as applicable, a certificate or opinion of local

counsel from the International Jurisdiction which will confirm the matters referred to in paragraphs 3, 5 and 6 above to the satisfaction of the Company, as the case may be;

10. upon execution of this Schedule B by or on behalf of the Subscriber, this Schedule B shall be incorporated into and form a part of the Subscription Agreement. Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Subscription Agreement to which this Schedule B is attached; and

11. if any representations and warranties contained in this Schedule B shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Company prior to the Closing Time.

DATED: ______________________

SIGNED:

____

Witness (if Subscriber is an individual)

____

Print the name of witness

____

Print the name of Subscriber

____

If Subscriber is not an individual,
print name and title of authorized signing officer

____

Address of Subscriber

____

SCHEDULE E

CONTACT INFORMATION FOR CANADIAN SECURITIES COMMISSIONS

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador
Financial Services Regulation Division
P.O. Box 8700, Confederation Building
2nd Floor, West Block, Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Government of the Northwest Territories
Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Attention: Deputy Superintendent, Legal & Enforcement
Telephone: (867) 767-9305
Facsimile: (867) 873-0243
Public official contact: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact: Executive Director

Government of Nunavut
Department of Justice
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6590
Facsimile: (867) 975-6594
Public official contact: Superintendent of Securities

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)
Public official contact: Secrétaire générale

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact: Director

Government of Yukon
Department of Community Services
Office of the Superintendent of Securities
307 Black Street
Whitehorse, Yukon Y1A 2N1
Telephone: 867-667-5466
Facsimile: (867) 393-6251
Email: securities@gov.yk.ca
Public official contact: Superintendent of Securities

APPENDIX "D"

INVESTOR DIP TERM SHEET

SUMMARY OF TERMS AND CONDITIONS

$5,500,000 SECOND RANKING DIP TERM SHEET

CREDIT FACILITY FOR CANNTRUST HOLDINGS INC., CANNTRUST EQUITY INC., CANNTRUST INC. AND ELMCLIFFE INVESTMENTS INC., PROVIDED BY MARSHALL FIELDS INTERNATIONAL B.V. AND THE LENDERS HERETO

FEBRUARY 18, 2022

The Agent and each of the Lenders (as such capitalized terms are defined below), hereby commits to provide the entire amount of the Credit Facility to the Borrowers upon the terms and subject to the conditions set forth in this binding term sheet (this "**Term Sheet**"). Capitalized terms used herein without express definition will have the same meanings as are assigned to them in **Schedule A**. Any word defined in or importing the singular number has the same meaning when used in the plural number, and *vice versa*.

Agent:	Marshall Fields International B.V., in its capacity as administrative agent for the Lenders (in such capacity, the "**Agent**").
Lender(s):	"**Lenders**" means, collectively, (a) Marshall Fields International B.V. or any designated affiliate or subsidiary ("**Marshall**"); (b) Andrew Peppin, an individual residing in Mississauga, Ontario ("**Peppin**"); and (c) Dan Koehn, an individual residing in San Francisco, California ("**Koehn**"). Each Lender agrees to provide its pro rata share of the Credit Facility up to its commitment as set forth on **Schedule B**.
Borrower(s):	CannTrust Holdings Inc., CannTrust Equity Inc., CannTrust Inc. and Elmcliffe Investments Inc. (collectively, the "**Borrowers**" and each, a "**Borrower**"). Unless otherwise stated, all obligations of the Borrowers are joint and several. Effective immediately upon (i) Cortland releasing CannTrust Holdings Inc. as a borrower and an obligor under the Cortland Credit Facility; and (ii) the date on which the CT Equity Investment (as defined below) is consummated and, each of the Agent and the Lenders shall be deemed to have: (a) irrevocably released CannTrust Holdings Inc. from all of its debts, liabilities and obligations under this Term Sheet and each of the other Credit Documents to which it is a party; (b) irrevocably released and discharged forever all security interests, charges, pledges, mortgages, guarantees and security which the Agent has or had from, or in respect of any property, assets, rights or undertaking of CannTrust Holdings Inc. pursuant to the Security (as defined below); and (c) acknowledged and agreed that CannTrust Holdings Inc. will cease to be a Borrower and an Obligor for all purposes of this Term Sheet and the other Credit Documents at all times thereafter.
Guarantors:	Any material wholly-owned subsidiaries of any Borrower and/or Guarantor.
Currency:	Unless otherwise noted, the currency of the Credit Facility shall be Canadian Dollars ("**CAD**").
Credit Facility:	A Debtor-In-Possession and CCAA Exit Credit Facility (the "**Credit Facility**" or the "**Facility**") with a maximum limit of $5,500,000. The Credit Facility shall consist of a multi-draw non-revolving term loan, which will be disbursed as follows: (1) the initial advance in an amount equal to $2,500,000 (the "**Initial Advance**") which will be advanced into escrow on February 24, 2022 to Lenders' counsel at BCF LLP (the "**Escrow Agent**") and allocated amongst the Lenders as follows: (a) Marshall will advance $2,000,000 of the Initial Advance to the Escrow Agent; (b) Peppin will

advance $400,000 of the Initial Advance to the Escrow Agent; and (c) Koehn will advance $100,000 of the Initial Advance to the Escrow Agent; and (2) each advance under the Credit Facility after the Initial Advance shall be for a minimum amount of $500,000 and be funded solely by Marshall. After the Initial Advance, the Borrowers may not request more than five advances under the Credit Facility.

The proceeds of the Initial Advance will be held by the Escrow Agent. Upon satisfaction of the "Conditions Precedent to Closing Date" below, each of the Agent and the Lenders irrevocably authorizes and directs the Escrow Agent to release the proceeds of the Initial Advance to the Borrowers (or as the Borrowers may otherwise direct the Escrow Agent in writing).

Use of Proceeds: Funds advanced under the Credit Facility shall be used to fund the Borrowers' working capital needs during the CCAA Proceedings and for general corporate purposes.

Interest Rate: The Outstanding Principal Amount shall accrue interest at a rate per annum equal to 10.0%, which interest will be calculated on the Outstanding Principal Amount and such interest shall be capitalized in arrears on each Interest Payment Date and added to the Outstanding Principal Amount for the period from and including the preceding Interest Payment Date to and including the day preceding such Interest Payment Date until the date that all of the Outstanding Principal Amount, together with all accrued and unpaid interest thereon, have been repaid in full or converted into common shares of CannTrust Equity Inc. in accordance with this Term Sheet.

Unless otherwise provided for herein, interest on any amount due hereunder shall be calculated daily and not in advance on the basis of a 365-day year. For the purposes of the *Interest Act* (Canada) in the case of a leap year, the annual interest rate corresponding to the interest calculated on the basis of a 365-day year is equal to the interest rate thus calculated multiplied by 366 and divided by 365. Any amount of principal, interest commission, discount, or any other nature remaining unpaid at maturity, shall bear interest at the rate provided for herein, being understood that the said interest rate on arrears shall not exceed the maximum rate provided by law. Interest on arrears shall be compounded monthly and payable on demand.

Conversion Right: During the Conversion Period, at any time and from time to time, each of the Lenders will have the option to convert all or part of the Outstanding Principal Amount owed to such Lender, together accrued and unpaid interest, into fully paid and non-assessable common shares of CannTrust Equity Inc. ("**CannTrust Equity Shares**") for an amount equal to $0.0131146538157383 per CannTrust Equity Share.

Each Lender acknowledges and agrees in favour of the Borrowers that, if the right of conversion set forth immediately above is not exercised by such Lender prior to the end of the Conversion Period in accordance with the terms hereof, such right of conversion shall terminate and be of no further force or effect.

Each Lender may exercise its right to convert by delivering to the Borrowers a notice, substantially in the form of **<u>Schedule D</u>** (a "**Conversion Notice**") at least 10 Business Days from the date that the Borrowers have received the related Conversion Notice.

In the event that Marshall exercises the foregoing conversion right in respect of all of the Outstanding Principal Amount owed to Marshall, then each of the other Lenders shall be deemed to also concurrently convert the Outstanding Principal Amount owed to such Lenders.

Each of the Borrowers and the Lenders agree that the conversion of the Outstanding Principal Amount, together with all accrued and unpaid interest thereon, into CannTrust Equity Shares. in accordance with this Term Sheet will constitute a full settlement of the debt obligation to the extent of the Outstanding Principal Amount converted in consideration for the issuance by CannTrust Equity Inc. of such CannTrust Equity Shares.

Notwithstanding the foregoing, should Marshall exercise its conversion right of the Outstanding Principal Amount ,together with all accrued and unpaid interest thereon, into CannTrust Equity Shares, such CannTrust Equity Shares shall then become eligible to the Share Exchange Option granted to Marshall pursuant to a Shareholders' Agreement to be further entered into between Marshall and CannTrust Equity Inc., whereby Marshall would be entitled to exchange the CannTrust Equity Shares received hereunder into common shares of CannTrust Holdings Inc., the whole as per the terms of the Shareholders' Agreement and as further described in the subscription agreement to be entered into with respect to the CT Equity Investment (the "**Subscription Agreement**").

For the purpose of this section, any capitalized words not otherwise defined shall have the meaning ascribed to them in the Subscription Agreement.

Term of Credit Facility; Maturity Date:

The term of the Credit Facility will be the earlier of (such earlier date, the "**Maturity Date**"): (i) 12 months from the Initial Advance under the Credit Facility (the "**Facility Term**"), which may be extended for an additional 12-month term upon the request of the Borrowers and the Agent and the Lenders agreeing to such extended term in their sole discretion; and (ii) any other Termination Date.

The Agent shall have the right to terminate the Credit Facility upon the occurrence of an Event of Default that is continuing and has not been waived.

The Agent shall have the immediate right to terminate the Credit Facility upon the giving of notice by the Agent to the Borrowers if an Event of Default has occurred and is continuing beyond a cure period or if the Credit Facility shall become, in whole or in part, illegal or in contravention of any Applicable Law or policy or request of any regulatory authority, unless such illegality or contravention resulted from the gross negligence or wilful misconduct of, or an illegal act by the Agent or a Lender.

The Facility may be terminated with the consent of both the Agent and the Borrowers, at which time, all accrued interest, principal and unpaid fees owing shall be paid in cash to the Agent on such Termination Date.

The date on which all Outstanding Principal Amount shall become due and payable will be termed the "**Termination Date**" and will be the date which is the earliest to occur of the following:

i. The Maturity Date;

ii. The date on which any Event of Default occurs or is discovered to have occurred in the past and remains uncured beyond the cure or grace period provided herein and the Agent has terminated the Credit Facility by notice to the Borrowers (as provided above);

iii. Unless waived or otherwise consented to by the Agent, the date on which any of the Obligors undertake a liquidation, reorganization event, or Change of Control, other than in connection with implementation of the CCAA Plan, the subscription for common shares of CannTrust Equity Inc. by the Agent, Peppin, Koehn and certain other investors for aggregate gross proceeds of at least $11,235,000 (the "**CT Equity Investment**"), or an internal reorganization in which the Agent retains the Security over the resulting entities from such reorganization; and

iv. Any other date which the Credit Facility becomes due and payable pursuant to any other terms within the Credit Documents.

All payments made by the Borrowers hereunder or received from proceeds of the enforcement or realization of any Security will be applied to amounts due under the Credit Facility, all as determined by the Agent.

Collateral: The Credit Facility shall be secured by a super-priority security interest in, and during the pendency of the CCAA Proceedings, a second-ranking super-priority DIP financing charge (the "**Second DIP Charge**"), with the priority described below, on (i) the Real Estate Collateral and (ii) all other present and after acquired property (other than Excluded Property) of the Borrowers that are applicants under the CCAA Proceedings ("**Other Collateral**" and together with the Real Estate Collateral, the "**Collateral**"), subject in each case to Permitted Encumbrances.

The security interest in the Collateral shall only be subordinate to the Administration Charge, the Directors' Charge, the DIP Charge (granted in favour of Cortland) and the KERP Charge (all as defined in the Amended and Restated Initial Order) and only up to the amounts set out in paragraph 57 of the Amended and Restated Initial Order for the aforementioned charges. Upon termination of the CCAA Proceedings, the security shall be subject to the first-ranking security in favour of Cortland and the other Permitted Encumbrances.

Excluded Property: All of the following shall constitute "**Excluded Property**" for purposes of the Credit Documents and the Second DIP Charge:

i. all of the Borrowers' right, title and interest in Cannatrek Limited;

ii. any residual beneficial interest that the Borrowers have in CannTrust Directors and Officers Trust, a trust established by the Borrowers for purposes of settling potential director and officer liabilities (provided that, for greater certainty, if the Borrowers receive any distribution from the trust upon its termination, the proceeds of the distribution will become Collateral); and

iii. any reserve accounts maintained by the Borrowers (or any one of them), and all funds on deposit therein (the "**Balfour Cash Collateral**"), in connection with the tolling agreement made as of January 31, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "**Balfour Tolling Agreement**") among Balfour Energy Corp., CannTrust Inc., Elmcliffe Investments Inc. and the other Obligors party thereto from time to time, provided that no Borrowers or any Guarantor will deposit any funds into such reserve accounts covered by this subsection (iii) while any amount is outstanding under the Credit Facility except for pre-scheduled payments set forth in a schedule provided by the Borrowers to the Agent.

Mandatory Repayment from Disposition of Real Estate Collateral: If a Borrower sells any of the Real Estate Collateral (with the prior written consent of the Agent and on terms satisfactory to the Agent), the Agent shall receive net sales proceeds from such sale (net only of usual closing adjustments and any amounts paid to Cortland as first-ranking secured creditor), up to the total amount of the Borrowers' indebtedness to the Agent and the Lenders under the Credit Facility. For greater certainty, any amount repaid by the Borrowers may not be re-borrowed.

Voluntary Repayments: The Borrowers may at any time and from time to time prepay the Outstanding Principal Amount, together with all accrued and unpaid interest thereon, if any, in whole or in part, without any notice or penalty to the Lenders.

Application of Mandatory and Voluntary Prepayments:	Any repayment of the Outstanding Principal Amount and interest made to the Agent and the Lenders by the Borrowers under the Credit Documents shall be applied on a pro rata basis among the Lenders based on their proportionate share of the Credit Facility as set forth on **Schedule B**.
Security Documentation:	As security for the indebtedness and all obligations of the Borrowers and any Guarantors to the Agent and the Lenders under or in connection with the Credit Documents, the Borrowers and the Guarantors shall provide to the Agent, for its own behalf and on behalf of the Lenders, collateral mortgages in favour of the Agent (in the case of Borrowers or Guarantors which possess any Real Estate Collateral) (collectively, the "**Mortgages**") and a general security agreement ("**GSA**") in favour of the Agent, for its own behalf and on behalf of the Lenders, including all documentation related to the GSA as may be required to secure and maintain the Agent's second-priority interest over the Collateral (collectively, "**Security**"), all of which shall be in a form and content acceptable to the Agent, acting reasonably in accordance with customary market practice. The Agent will hold the Security as trustee on behalf of each Lender in accordance with the provisions of the Credit Documents for any Lender and will hold and enforce such benefits in accordance with the Credit Documents on behalf of Lenders. Each Obligor will use its commercially reasonable efforts to obtain all necessary consents which may be required to pledge all shares and/or equity interests such Obligor owns in any non-wholly owned subsidiary in favour of the Agent. Each Obligor undertakes to provide all evidence that it has used its commercially reasonable efforts to obtain such consents from any Person required to grant such consent.
Conditions Precedent to the Closing Date:	The obligation of the Agent and the Lenders to make the Credit Facility available to the Borrowers and to fund the Initial Advance under the Credit Facility are subject to and conditional upon satisfaction (or waiver by the Agent) of the following conditions precedent (and the date on which such conditions precedent are satisfied or waived, the "**Closing Date**"): 1. Order of the Court approving the Credit Facility and related transactions, granting the Second DIP Charge and providing for the priority of the security in the Collateral in form and substance satisfactory to the Agent and its counsel (the "**Second DIP Order**"). 2. Confirmation that no amount will be owing to Greenhill & Co. Canada, Ltd. from the Borrowers as a result of the closing of the Credit Facility. 3. Each of the representations and warranties made by the Borrowers in this Term Sheet and each Credit Document shall be true and correct in all material respects. 4. No Material Adverse Change since the date of the latest financial statements provided to the Agent. 5. Review of the Borrowers' forecast financial statements for fiscal year 2022 and most recent 13- week cash flow forecast as provided from time to time by the Borrowers to the Lender, which is satisfactory to the Agent.
Post-Closing Conditions:	The following conditions shall be satisfied, or waived by the Agent, within five (5) Business Days of the Closing Date:

1. Receipt by the Agent of a certificate for the business and property insurance maintained by the Borrowers naming the Agent as mortgagee and loss payee as its interest may appear;

2. Receipt by the Agent of certificate for the commercial general liability insurance maintained by the Borrowers, naming the Agent as additional insured as its interest may appear.

Conditions Precedent to each Subsequent Advance under the Credit Facility:

The following conditions precedent shall be satisfied, or waived by the Agent, prior to each subsequent advance under the Credit Facility (after the Initial Advance):

1. delivery to the Agent of a drawdown request, in a substantially the form attached hereto as **Schedule C**, by 10 a.m. one Business Day prior to a proposed drawdown date;

2. each of the representations and warranties made by the Borrowers in this Term Sheet and each Credit Document shall be true and correct in all material respects as of the date made or deemed made (other than to the extent any representation and warranty relate specifically to an earlier date);

3. the Second DIP Order must not be vacated, stayed, amended, or otherwise caused to become ineffective without the prior written consent of the Agent; and

4. no Event of Default shall have occurred and be continuing, nor will any Event of Default occur as a result of the requested advance.

Conditions Precedent to Extension of Credit Facility After CCAA Exit

The following conditions precedent shall be satisfied, or waived by the Lender, prior to the continuation of the availability of the Credit Facility by the Lender to the Borrowers upon the Borrowers exit from the CCAA Proceedings:

1. the Lender being satisfied with the Borrowers' business plan and forecast;

2. negotiation, execution and delivery of a credit agreement (the "**Credit Agreement**") incorporating terms and conditions which are substantially similar to this Term Sheet and such other terms and conditions to be agreed upon between the Lender and the Borrowers to address the Borrowers' business plan upon exit of the CCAA Proceedings and due diligence by the Lender in respect of the same, including appropriate financial covenants required by the Agent and those in favour of Cortland or other senior lender;

3. Completion of Security, including receipt of customary legal opinions, in form and substance satisfactory to the Lender and its counsel;

4. Execution of a satisfactory subordination agreement, priorities agreement, intercreditor agreement, estoppel letters or similar arrangements between the Lender and each of the prior secured creditors of the Obligors to be determined following the completion of PPSA searches;

5. if required by Cortland, third party appraisal and/or full review of all Collateral;

6. if required by Cortland, receipt of equipment appraisals covering equipment where such appraisal is conducted by an appraiser approved and engaged by the Lender or Cortland;

7. each of the representations and warranties made by the Borrowers in the Credit Agreement shall be true and correct in all material respects as of the date made or deemed made (other than to the extent any representation and warranty relate specifically to an earlier date); and

8. no Event of Default has occurred and is continuing.

Facility Covenants:

So long as the Credit Facility is in effect, and until the obligations of the Borrowers to the Agent and the Lenders under the Credit Facility have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Agent, each Borrower covenants and agrees with the Agent that it:

1. Will pay all sums of money when due under the terms of the Credit Documents.

2. Will immediately advise the Agent of any event which constitutes or which, with notice, lapse of time or both, would constitute an Event of Default.

3. Will file all tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested.

4. Will give the Agent, as applicable, 30 days prior notice in writing of any Change of Control, and unless otherwise expressly waived by the Agent in writing, the Borrowers must repay all amounts outstanding under the Credit Facility prior to, or concurrently with, any Change of Control.

5. Will comply in all material respects with all applicable laws, including all Environmental Laws.

6. Will comply with the borrowing limit under the Cortland Credit Facility at all times (subject to any cure or grace period afforded thereunder).

7. Will immediately advise the Agent of any material action requests or material violation notices received concerning it and hold the Agent harmless from and against any losses, costs or expenses which the Agent may suffer or incur for any environment related liabilities existent now or in the future with respect to it except to the extent such losses, costs or expenses have resulted from the gross negligence, bad faith or wilful misconduct of the Agent.

8. Will immediately advise the Agent of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of the Credit Documents.

9. Will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils.

10. Will, at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default, the Agent is permitted to do the following at any time and without notice) permit the Agent or its representatives, from time to time, upon reasonable prior written notice and during normal business hours, (i) to visit and inspect a Borrower’s premises, properties and assets and examine and obtain copies of such Borrower’s records or other information, and (ii) to discuss such Borrower’s affairs with the auditors of such Borrower (in the presence of such Borrower’s representatives as it may designate). Each Borrower hereby authorizes and directs any such third party to provide to the Agent or its representatives all such information, records or documentation reasonably requested by the Agent.

11. Except for Permitted Encumbrances, will not, without the prior written consent of the Agent which will not be unreasonably withheld, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of the Collateral.

12. Will not, without the prior written consent of the Agent, sell, transfer, convey, lease or otherwise dispose of any of Collateral (a) to any third party, other than (i) in the ordinary course of business and on arm's-length, commercially reasonable terms; (ii) obsolete or otherwise superfluous tangible assets; (iii) the shares/equity interests of any non-wholly owned subsidiaries of the Borrowers or Guarantors and any minority interests held by the Borrowers or Guarantors, provided that such proceeds of any sale or disposal of shares/equity interests owned by any Borrower or such Guarantor shall be used to: (A) first, pay down the principal balances outstanding under the Cortland Credit Facility, together with any interest and fees relating thereto; and (B) second, to the extent any remaining funds, the Outstanding Principal Amount; (iv) Excluded Property; and (v) any other Property that has a fair market value of $100,000 or less per calendar year in the aggregate; or (b) to any other Borrower or any Guarantor.

13. Will not, without the prior written consent of the Agent, provide any guarantees, financial assistance or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other person, other than (a) to or for another Obligor; (b) the Security; and (c) Permitted Indebtedness.

14. will not, without giving the Agent 15 days prior notice in writing and obtaining the Agent's written consent, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person (other than amalgamations between (a) Obligors, (b) CannTrust Holdings Inc., (c) CTI Holdings (Osoyoos) Inc., and/or (d) Elmcliffe Investments [No.2] Inc.) and it will either: (i) cause any such resulting Person to become a borrower or guarantor, as applicable, hereunder and to grant such security and enter into such agreements as the Agent may require and in the event a Borrower is acquired within the Facility Term, or is the non-surviving party in a merger, or sells all or substantially all of its assets, the Credit Facility will not be automatically terminated and the surviving party must agree to be bound by the Credit Documents; or (ii) the Borrowers shall repay all principal, accrued interest, fees and expenses owing to the Agent pursuant to the Credit Documents in the event the Agent withholds its consent.

15. Will not pay any dividends, other corporate distributions, interest or principal on subordinated debt, other than regularly scheduled principal payments on the promissory note dated March 6, 2017 granted by Elmcliffe Investments Inc. in favour of 1970030 Ontario Inc.

16. Will not acquire or move any Collateral to any jurisdiction outside the Provinces of Ontario or British Columbia or any other jurisdiction where the Agent has perfected its Security over such Collateral without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in favour of the Agent a security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Agent.

17. Will not incur additional indebtedness other than Permitted Indebtedness.

18. Will maintain a minimum Tangible Net Worth of $20,000,000.

19. Shall notify the Agent within one (1) Business Day of any Account Debtor notifying such Borrower that they are contesting any invoice amount each time such notification is required to be made to Cortland.

20. Will at all times allow the Agent to have view access over all bank accounts maintained by each Borrower.

21. Will fully cooperate with each party conducting any field exam or due diligence on behalf of the Agent and will permit and reimburse the Agent for all costs associated with any appraisals at a minimum of once per calendar year.

22. Will provide copies to the Agent of any field exam or due diligence conducted on behalf of Cortland in connection with the Cortland Credit Facility.

23. Will provide information upon request by the Agent as it relates to any vendor number or similar identification of such obligor by its end customers and/or suppliers.

24. Will grant permission to the Agent to contact each of such Borrower's end customers and its own suppliers for the purposes of verification, other than, in each case, individual medicinal customers and subject to compliance with privacy laws and confidentiality obligations of the Borrowers.

Reporting Covenants:

So long as the Credit Facility is in effect, and until the obligations of the Borrowers to the Agent and the Lenders under the Credit Facility have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Agent, each Borrower covenants and agrees that it will provide or cause to be provided to the Agent, all of the following, in form and detail satisfactory to the Agent:

(i) Quarterly, within 30 days after each calendar quarter, financial reporting from each of the Borrowers on both a consolidated and unconsolidated basis

(ii) Monthly, within 30 days after the end of each calendar month;

  i. internal management prepared financial statements of the Obligors as at the end of such calendar month on a consolidated and unconsolidated basis;

  ii. a trial balance of the Obligors as at the end of such calendar month;

(iii) Monthly, within 10 days after the end of each calendar month, proof of all payments required to be made on all taxes owing by the Obligors;

(iv) Monthly, within 2 Business Days after the end of each calendar month;

  i. A Borrowing Base as at the last day of such calendar month

  ii. Bank statements of the Obligors

  iii. a cash reconciliation, to the extent not provided in any Borrowing Base, reconciling all purchases, repayments, chargebacks, write-offs and any other transactions covering the prior calendar month

(v) Weekly, and specifically on the Monday of each week, for the period covering the immediately prior week ending on Friday of such prior week;

  i. a Borrowing Base as at the Friday of the immediately prior week;

  ii. a cash reconciliation, to the extent not provided in any Borrowing Base, reconciling all purchases, repayments, chargebacks, write-offs, credit memos and any other transactions covering the prior week.

  iii. A 13-week cash forecast of the Borrowers covering the following 13-weeks from the time of reporting such forecast.

(vi) Each time it is requested by Cortland, copies of all original final purchase orders, invoices, supply agreements etc.;

(vii) Other items as the Agent may reasonably request from time to time.

Representations and Warranties:

Each Borrower represents and warrants (subject to obtaining the Second DIP Order, where applicable) to the Agent and the Lenders, upon which the Agent and the Lenders rely on in entering this Term Sheet that:

1. each Borrower is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary;

2. each Borrower has all requisite corporate power and authority to (i) own and operate its properties and assets and to develop, own and operate its business and (ii) to enter into and perform its obligations under this Term Sheet and the other Credit Documents to which it is a party;

3. the execution and delivery by each Borrower of this Term Sheet and the other Credit Documents to which it is a party and the performance by each Borrower of its respective obligations hereunder and thereunder have been duly authorized by all necessary corporate action and no authorization under any applicable law, and no registration, qualification, designation, declaration or filing with any governmental authority, is or was necessary therefor, other than filings which may be made to register or otherwise record the Second DIP Charge;

4. this Term Sheet and each of the other Credit Documents to which it is a party has been duly executed and delivered by each Borrower and constitutes a legal, valid and binding obligation of each Borrower, enforceable against it 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;

5. the Collateral (i) is owned by or licensed to the Borrowers and is only located at the locations disclosed in writing to the Agent and the Lenders, (ii) has not been sold, leased or otherwise disposed of other than inventory in the ordinary course of business and (iii) is not subject to any rights of any person or entity other than Permitted Encumbrances;

6. the execution and delivery by each Borrowers of this Term Sheet and the other Credit Documents to which it is a party and the performance by each Borrower of its obligations hereunder and thereunder and compliance with the terms, conditions and provisions hereof and thereof, will not conflict with or result in a breach of (i) its constating documents or by-laws; (ii) the material contracts to which it is party or (iii) any applicable law;

7. all statements (whether financial or otherwise), information, reports, budgets, forecasts and projections made available by a Borrower or anyone on its behalf to the Agent are true, complete and accurate in all material respects and do not omit any information necessary to make them true, complete and accurate in all material respects;

8. the business operations of each Borrower has been and will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is being carried on, other than to the extent it would not cause a Material Adverse Change;

9. each Borrower has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No

proceedings have been commenced or, to the knowledge of the Borrowers, threatened to revoke or amend any of such licenses or permits;

10. no Borrower is aware of any person with a secured claim against any Borrower or the Collateral except for the Permitted Encumbrances and the relevant tax authorities and each Borrower is not aware of any unpaid deductions at source owing to the relevant tax authorities;

11. each Borrower has filed or caused to be filed all tax returns and reports which are required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except taxes that are being contested in good faith by appropriate proceedings and for which adequate cash reserves are being maintained;

12. other than the CCAA Proceedings and litigation proceedings stayed by the Amended and Restated Initial Order, there are no material actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or, to the knowledge of each Borrower, threatened against or affecting the Borrowers;

13. (i) each Borrower is and has been in material compliance with all applicable environmental laws, including obtaining, maintaining and complying with all permits required by any applicable environmental law, (ii) no Borrower is party to, and no real property currently or previously owned, leased or otherwise occupied by or for any Borrower is subject to or the subject of, any contractual obligation or any pending or, to the knowledge of the Borrowers, threatened order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice under or pursuant to any environmental law which could reasonably be expected to result in a remedial obligation having a Material Adverse Change, (iii) no encumbrance in favour of any governmental authority securing, in whole or in part, environmental liabilities has attached to any property of the Borrowers and no facts, circumstances or conditions exist that could reasonably be expected to result in any such encumbrance attaching to any such property, (iv) no Borrower has caused or suffered to occur a release of any hazardous substances or conditions creating any potential for such a release at, to or from any real property other than in compliance with environmental laws and except when failure to do so could not reasonably be expected to have a Material Adverse Change, (v) no Borrower has engaged in operations that, and no facts, circumstances or conditions exist that, in the aggregate, would have a reasonable likelihood of resulting in material environmental liabilities, and (vi) each Borrower has made available to the Agent copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential environmental liabilities, in each case to the extent such reports, reviews, audits and documents are in its possession, custody or control;

14. each Borrower maintains insurance policies and coverage which (i) is sufficient for compliance with law and all material agreements to which a Borrower is a party and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Borrowers; and

15. all factual information provided by or on behalf of the Borrowers to the Agent for the purposes of or in connection with this Term Sheet, the other Credit Documents or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and remains true as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not

materially misleading at such time in light of the circumstances under which such information was provided.

Target Closing Date	The target date for the closing of this Credit Facility is based on a verbally indicated date of on or before February 25, 2022, following court approval. The Borrowers will seek to obtain the Second DIP Order at a hearing on February 25, 2022 on notice to the service list in the CCAA Proceedings and such other parties as the Borrowers or the Agent consider appropriate.
Exclusivity	With the execution of this Term Sheet, Borrowers grant exclusivity to the Agent to provide to the Borrowers a second ranking senior-secured term loan credit facility until the earlier of: (i) February 25, 2022; and (ii) the date that the Borrowers obtain the Second DIP Order (or the Court declines to make the Second DIP Order).
Amendments/Waivers	This Term Sheet may not be amended nor waived except by an instrument in writing signed by each of the Borrowers and the Agent.
Successors and Assigns; Enurement	This Term Sheet shall be binding upon and enure to the benefit of the Agent, the Lenders and the Borrowers and their respective successors and permitted assigns.
Assignment	No Borrower shall assign any of its rights or obligations under this Term Sheet or any of the Credit Documents to any Person, without the prior written consent of the Agent. The Agent may assign, sell or participate its rights or obligations with respect to this Term Sheet or any of the Credit Documents to any Person, without the prior written consent of the Borrowers.
Governing Law	This Term Sheet shall be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and each of the Agent, the Lenders and the Borrowers irrevocably attorns to the exclusive jurisdiction of the courts of Ontario.
Execution in Counterparts	This Term Sheet may be executed in counterparts, whether by original copy or facsimile or other electronic means, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument.
Agent's Counsel:	BCF LLP
Obligors' Counsel:	McCarthy Tétrault LLP. Each of the Agent and the Lenders acknowledges and agrees that (i) McCarthy Tétrault LLP is acting solely as counsel to the Obligors and not as counsel to the Agent or any of the Lenders; and (ii) Obligors' counsel, McCarthy Tétrault LLP, does not assume any responsibility or liability of any nature whatsoever for the accuracy or adequacy of the information upon which the Agent's and each Lender's decision to make its commitments and its portion of the Credit Facility available to the Borrowers and the transactions contemplated by this Term Sheet and the other Credit Documents.
Expiry:	If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms hereof by returning to the Agent an executed counterpart to this Term Sheet not later than 5:00 p.m. (Toronto time) on February 18, 2022. The Agent's and the Lenders' commitments and agreements herein will expire at such time in the event the Agent has not received such executed counterpart from the Borrowers in accordance with the immediately preceding sentence.

[Signature Page Follows]

Each Borrower authorizes the Agent to collect, use and disclose information for the purposes of verification, assessing our credit worthiness, and contract administration. Each Borrower agrees that this information may be collected from any third parties, including current employees, credit bureaus and other persons or organization with whom we have or had financial dealings.

MARSHALL FIELDS INTERNATIONAL B.V. , as Agent

Cornelis MELISSEN director

Name **Title**

Signed

MARSHALL FIELDS INTERNATIONAL B.V. , as a Lender

Cornelis MÉLISSEN director

Name **Title**

Signed

SIGNED, SEALED AND DELIVERED	)	
in the presence of:	)	DocuSigned by:
	)	Dan Koehn
	)	80D8AE84DB4B43F...
Witness	)	**DAN KOEHN, as a Lender**
	)	

SIGNED, SEALED AND DELIVERED in the presence of:	))))	DocuSigned by: DF02413EA13A434...
Witness	))	**ANDREW PEPPIN, as a Lender**

Accepted this 18th day of February 2022

CANNTRUST HOLDINGS INC. as Borrower and on behalf of all other Borrowers

GREG GUYATT CEO

Name **Title**

[signature]

Signed

SCHEDULE A
DEFINED TERMS

"Acceptable Appraiser"	means a Person, who at no time has had an interest, direct or indirect, in the real property being appraised and who, at the time such appraisal was conducted and signed, was designated as an appraiser by the Appraisal Institute of Canada having the designation A.A.I.C. or C.R.A. and who was otherwise acceptable and selected by the Agent and who, in the reasonable opinion of the Borrowers, was qualified to appraise real property in the province in which such real property is located. Each of the Parties acknowledges and agrees that each of Cushman & Wakefield, Inc., Colliers International Group Inc. and Altus Group Limited and their affiliates constitute an Acceptable Appraiser for purposes of the Credit Documents.
"Account Debtor"	means any party which owes any amount under invoices owing to the Borrowers or any Borrower.
"Amended and Restated Initial Order"	means the Amended and Restated Initial Order dated April 9, 2020, made in the CCAA Proceeding, as amended from time to time.
"Approved Appraised Real Estate Value"	means the net orderly liquidation value of the Real Estate Collateral in question where such value is based on best alternative use, such value to be determined by an Acceptable Appraiser, and such appraisal to be conducted once at any time in each calendar year. Until such time as a revised or substitute appraisal (acceptable to the Agent) is obtained in respect of the Real Estate Collateral, that the Approved Appraised Real Estate Value is $28,700,000 for the Pelham Property.
"Borrowing Base"	means the calculations prepared by the Borrowers and reviewed by Cortland from time to time which calculates availability under the Cortland Credit Facility, such document to determine the advanceable amount under the Cortland Credit Facility and presented in a form as required by Cortland.
"Business Day"	Any day that is not a Saturday or Sunday or a day recognized as a statutory holiday in the Province of Ontario, Canada or the country of Canada. If a required payment falls on a non -business day, then such payment shall be made on the next Business Day.
"CCAA"	means the *Companies' Creditors Arrangement Act* (Canada).
"CCAA Proceedings"	means the proceedings in Ontario Court File No. CV-20-00638930-00CL whereby the Borrowers have sought to restructure pursuant to the CCAA.
"Change of Control"	means either (i) CannTrust Equity Inc. ceases to Control the other Obligors, (ii) the assignment, sale, transfer or other disposition of (A) all or substantially all of the assets and business of the Obligors, (B) any material business of any Obligor, (C) a material portion of the Collateral (in each case whether in a single transaction or a series of transactions), or (iii) any transaction or series of

	transactions whereby any Person or group of Persons, acting jointly or otherwise in concert, acquire the right, by contract or otherwise, to direct the management and activities of any Borrower; provided that, the CT Equity Investment will not constitute a "Change of Control".
"Contaminant"	includes any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental Law.
"Control"	means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, and "***Controlling***" and "***Controlled***" have meanings correlative thereto.
"**Conversion Period**"	means the period commencing on the date on which the CT Equity Investment is consummated and ending on the earlier to occur of: (a) the Maturity Date; and (b) the date on which all of the Outstanding Principal Amount, together with all accrued and unpaid interest thereon, have been repaid in full or satisfied by the Borrowers.
"Cortland"	means Cortland Credit Lending Corporation, in its capacity as agent, and any successors or assigns, together with its affiliates and/or other lenders to be designated by Cortland Credit Lending Corporation from time to time.
"Cortland Credit Facility"	means the revolving credit facility by Cortland in favour of CannTrust Holdings Inc., CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc. under the summary of terms and conditions dated April 13, 2021, as amended, renewed, restated or otherwise modified from time to time.
"Credit Documents"	means, collectively, this Term Sheet, the Security, and all other documents granted in favour of the Agent in connection with this Term Sheet and the Security.
"Environmental Activity"	means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater.
"Environmental Laws"	means all applicable laws relating to the environment or occupational health and safety, or any Environmental Activity.
"Event of Default"	means the occurrence of any one or more of the following: (i) if any Borrower at any time shall fail to pay or perform with regard to the obligation to repay the principal and interest on any Loan Advance, to pay for any adjustment, or to make any remittance on the date required by the Credit Documents for such payment;

(ii) if any Borrower or any representative of any Borrower ceases or threatens to cease carrying on its business or if a petition shall be filed, an order shall be made or an effective resolution shall be passed for the winding up or liquidation of such Borrower;

(iii) if a Bankruptcy Event of any Borrower occurs (other than under the CCAA Proceedings);

(iv) if a Change of Control occurs;

(v) if at any time a Borrowing Base Shortfall (as defined in the Cortland Credit Facility) exists and the Borrowers do not repay outstanding advances under the Cortland Credit Facility to Cortland in an amount equal to the excess of such Borrowing Base Shortfall (as defined in the Cortland Credit Facility) on the same day of such occurrence (subject to any cure or grace periods set forth in the Cortland Credit Facility);

(vi) if any encumbrancer, lien holder or person acting on its behalf shall take possession of the Collateral or any material part thereof;

(vii) excluding amounts that are subject to the stay of proceedings under the Amended and Restated Initial Order, if any Borrower permits any sum which has been admitted as due by such Borrower or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the Security Interest to remain unpaid after proceedings have been taken to enforce such charge;

(viii) if any representation or warranty made by any Borrower or any of its officers, employees or agents to the Agent shall be false or inaccurate in any material respect and such representation and warranty is not thereafter made true and correct within 3 Business Days of any Borrower becoming aware of it being false or inaccurate. The 3-Business Day cure period will only be granted by the Agent to the Borrowers once per 12-month period;

(ix) if any Borrower or Affiliate (as defined in the *Canada Business Corporations Act*) of any Borrower engages in business activities related to Cannabis within the United States of America so long as such activity is not legal in the United States of America;

(x) if any Borrower defaults in the observance or performance of any provision relating to the indebtedness or liability of such Borrower to any person in excess of $1,500,000 (taken in aggregate), other than (A) indebtedness or liabilities that are subject to the Amended and Restated Initial Order; and (B) the Cortland Credit Facility;

(xi) if any event of default under the Cortland Credit Facility occurs that results in Cortland accelerating the indebtedness outstanding under the Cortland Credit Facility;

(xii) if there will have occurred any event of circumstance that has resulted in, or could reasonably be expected to result in, a Material Adverse Change;

(xiii) if any amount of proceeds of any Collateral is deposited to any bank account of the Borrowers that is not subject to the Security;

(xiv) if any license, permit or approval required by any law, regulation or governmental policy or any governmental authority for the operation by any Borrower of its business shall be withdrawn, materially altered in a manner materially detrimental to the business of such license holder, or cancelled; or

(xv) if a final judgment, execution, writ of seizure and sale, sequestration or decree for the payment of money in an amount, individually or in the aggregate, of at least $1,500,000 (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall have been obtained or entered against a Borrower, unless such judgment, execution, writ of seizure and sale, sequestration or decree is and remains vacated, discharged or stayed pending appeal within the applicable appeal period.

"Interest Payment Date"	means the first Business Day of each month, commencing April 1, 2022.
"Lien"	means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.
"Material Adverse Change"	means any event, circumstance or change that could be expected to result, individually or in the aggregate, in a material adverse effect, in any respect, on (a) the legality, validity or enforceability of any of the Credit Documents or any of the security interests provided for thereunder, (b) the right or ability of a Borrower to perform any of its obligations under any of the Credit Documents, in each case to which it is a party, or to consummate the transactions contemplated under any of the Credit Documents, (c) the financial condition, assets, business or prospects of the Borrowers, taken as a whole, (d) any Material Permit, (e) a Borrower's ability to retain, utilize, exploit or comply with its obligations under any Material Permit, or (f) the rights or remedies of the Agent under any of the Credit Documents; provided that, (i) any change in the financial condition of a Borrower as the date hereof caused by or related to the COVID-19 global pandemic occurring prior to the date of this Term Sheet will not constitute a Material Adverse Change; and (ii) the commencement and continuation of the CCAA Proceedings will not constitute a Material Adverse Change.
"Material Permits"	means all cannabis licences issued by Health Canada to CannTrust Inc. which are required to legally conduct its business.
"Obligors"	means the Borrowers and the Guarantors.
"Outstanding Principal Amount"	means, as at the date of determination, the outstanding principal amount of all advances drawn under the Credit Facility to the extent not previously repaid or converted into common shares of CannTrust Equity Inc.
"Parties"	means the Agent, the Lenders and the Borrowers and the term "**Party**" shall mean any one of such Parties.

“Pelham Property”	means 1396 Balfour Street Pelham, Ontario (PIN: 64030-0908 LT), having a total site area of 65.5 acres of land improved with 8.27 acres of glass and double ply greenhouses and service buildings.
“Permitted Encumbrances”	means, collectively, (i) Liens granted in favor of the Agent pursuant to the Credit Documents and the Second DIP Charge, (ii) Subordinated Liens (including Liens granted in favour of CannTrust Holdings Inc. and/or any Obligor), (iii) Liens granted in favor of a lessor of vehicles, provided that such Liens attach only to such leased vehicles and the proceeds thereof and do not attach to any other Collateral and such lien covered in clause (iii) has been expressly approved and consented to by the Agent; (iv) existing equipment leases and related arrangements; (v) liens for taxes, rates, assessments or other governmental charges or levies not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person; (vi) undetermined or inchoate liens, rights of distress and charges incidental to current operations that have not at such time been filed or exercised and of which none of the Agent has been given notice, or that relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person; (vii) reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grants of real or immovable property, or interests therein, that do not materially affect the use of the affected land for the purpose for which it is used by that Person; (viii) licences, easements, rights of way and rights in the nature of easements (including licences, easements, rights of way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) that do not materially impair the use of the affected land for the purpose for which it is used by that Person; (ix) title defects, irregularities or other matters relating to title that are of a minor nature and that in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person; (x) the right reserved to or vested in any governmental authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof; (xi) security given to a public utility or any governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business; (xii) a Lien created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by that Person and does not result in an Event of Default; (xiii) a Lien in favour of a financial institution to secure indebtedness under letters of credit, corporate credit cards and/or other cash management, (xiv) the DIP Charge (as defined in the Cortland Credit Facility) and Liens in favour of Cortland; (xv) Liens over the Balfour Cash Collateral granted in favour of Balfour Energy Corp.; (xvi) Liens in respect of purchase money security interests, capital leases and equipment financing, so long as the amount secured by such Liens does not exceed $2,500,000 in the aggregate at any time; and (xvii) the Administration Charge, the Directors’ Charge, the Transaction Fee Charge, the Intercompany Charge and the KERP Charge (all as defined in the Amended and

	Restated Initial Order) and only up to the amounts set out in paragraph 57 of the Amended and Restated Initial Order.
"Permitted Indebtedness"	shall include (i) certain intercompany indebtedness owing by any Obligor to (A) any other Obligor; and/or (B) CannTrust Holdings Inc., (ii) existing indebtedness which is exclusive to: (A) promissory note dated March 6, 2017 granted by Elmcliffe Investments Inc. in favour of 1970030 Ontario Inc.; (B) the letter of credit issued in favour of landlord of Unit 1 of 3280 Langstaff Road in Vaughan, Ontario; (C) debt under corporate credit cards and letters of credit in an aggregate amount not to exceed $250,000; (D) equipment leases; and (E) guarantees granted in favour of Balfour Energy Corp. under the Balfour Tolling Agreement; and (iii) future indebtedness owing to other third parties where such indebtedness is fully subordinated and postponed to Lender and the Agent has consented to such indebtedness (other than in the case of equipment leases), (iv) indebtedness to Cortland, and (v) debt under future capital leases and equipment leases so long as the amount of debt thereunder does not exceed $2,500,000 in the aggregate at any time.
"Person"	means an individual, a corporation, a limited partnership, a general partnership, a trust, a joint stock company, a joint venture, an association, a syndicate, a bank, a trust company, a governmental authority and any other legal or business entity.
"Real Estate Collateral"	means the unencumbered real estate owned by the Obligors. As of the date hereof, the only real estate owned by the Obligors is the Pelham Property.
"Subordinated Lien"	means any Lien for which the holder thereof has agreed, pursuant to a subordination agreement in form satisfactory to the Agent, that such Lien shall at all times be subordinated and postponed in favor of the Liens granted in favor of the Agent.
"Subordinated Supplier Lien"	means any Supplier Lien that is a Subordinated Lien.
"Tangible Net Worth"	As it relates to the Obligors on a consolidated basis and where the following definition may change in the Credit Documents; the value in dollars which remains after subtracting the following from the Obligors' total assets at any point in time: (i) The book value of all liabilities of the Obligors, other than (A) all liabilities of the Obligors which are expressly subordinated to the Agent; (B) all unsecured liabilities of the Obligors; and (C) all lease liabilities of the Obligors; (ii) The value of all funds held in trust for any party other than Cortland and the Agent. (iii) The value of prepaid expenses of the Obligors (iv) The book value of loans receivable from any related parties other than the Obligors (v) The book value of loans which the Obligors have extended which are in default (vi) The market value of all public equity securities, public warrants or other substantially similar securities listed on a publicly listed stock exchange held by the Obligors.

SCHEDULE B
Lenders and Commitments

Lender	**Commitment**
Marshall Fields International B.V. or any designated affiliate or subsidiary	Cdn. $5,000,000
Andrew Peppin	Cdn. $400,000
Dan Koehn	Cdn. $100,000
TOTAL:	Cdn. $5,500,000

SCHEDULE C
Drawdown Request

TO:	Marshall Fields International B.V. (the “**Agent**”)
FROM:	CannTrust Equity Inc. on behalf of the Borrowers (as defined below)
RE:	Summary of terms and conditions dated as of February 18, 2022 (as amended, restated, modified or supplemented from time to time, the “**DIP Term Sheet**”) between, *inter alios*, CannTrust Equity Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the “**Borrowers**”), the Agent, and the persons from time to time parties thereto as lenders (the “**Lenders**”).
DATE:	●, 2022

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1. This Drawdown Notice is delivered to the Agent, pursuant to the DIP Term Sheet. All terms used in this drawdown notice that are defined in the DIP Term Sheet have the same meanings herein.

2. The Borrower hereby requests the following advance and under the Credit Facility:

   (a) Drawdown Date: ●

   (b) Amount of Loan: ●

3. Each of the representations and warranties made by the Borrowers in the DIP Term Sheet and each Credit Document are true and correct in all material respects as of the date made or deemed made (other than to the extent any representation and warranty relate specifically to an earlier date).

4. The Second DIP Order has not been vacated, stayed, amended, or otherwise caused to become ineffective.

5. No Event of Default ha occurred and or is continuing, nor will any Event of Default occur as a result of the requested advance.

CANNTRUST EQUITY INC.

By:

____

Name:
Title:

SCHEDULE D
Conversion Notice

TO:	CannTrust Equity Inc. (the “**Corporation**”)
FROM:	[●] (the “**Specified Lender**”)
RE:	Summary of terms and conditions dated as of February 18, 2022 (as amended, restated, modified or supplemented from time to time, the “**DIP Term Sheet**”) between, *inter alios*, CannTrust Equity Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the “**Borrowers**”), the Agent, and the persons from time to time parties thereto as lenders (the “**Lenders**”).
DATE:	●, 2022

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1. This Conversion Notice is delivered to the Corporation pursuant to the DIP Term Sheet. All terms used in this drawdown notice that are defined in the DIP Term Sheet have the same meanings herein.

2. The Specified Lender hereby irrevocably elects to convert the following Outstanding Principal Amount owed to the Specified Lender into the number of common shares of the Corporation set forth below:

   (a) Outstanding Principal Amount: $_________________________

   (b) Number of Common Shares: __________________________

3. The Specified Lender irrevocably directs that the common shares of the Corporation be issued in the name of the Specified Lender and be delivered to the Specified Lender at the address set forth below:

   (a) Address:

   (b) Attention:

   (c) Phone Number:

   (d) Email:

DATED as of the date first written above.

MARSHALL FIELDS INTERNATIONAL B.V., as the Specified Lender[1]

____
Name **Title**

____
Signed

SIGNED, SEALED AND DELIVERED in the presence of:	))))	
______________________________ **Witness**	)	______________________________ **[DAN KOEHN/ ANDREW PEPPIN], as Specified Lender**
	)	

[1] **NTD: Use appropriate signature block depending on which Lender is delivering the Conversion Notice.**

APPENDIX "E"

VARIANCE ANALYSIS

CannTrust Variance Analysis (CAD $000s)	Notes	Cumulative for the period January 17, 2022 to February 13, 2022 Forecast	 Actual	 Variance
Receipts				
Receipts from Operations	[1]	2,199	1,101	(1,098)
Other Receipts	[2]	3,891	1,121	(2,770)
Total Receipts		6,090	2,222	(3,868)
Operating Disbursements				
Payroll and benefits		(1,117)	(1,181)	(64)
Property Leases		(64)	(52)	12
Utilities	[3]	(560)	(415)	145
Insurance		(293)	(298)	(5)
Other operating expenses	[4]	(1,103)	(474)	629
Capital expenditures		-	-	-
Total Operating Disbursements		(3,137)	(2,420)	717
Cash Flow From Operations		2,953	(198)	(3,151)
Restructuring Disbursements				
Restructuring Professional fees		(244)	-	244
KERP	[5]	(214)	(229)	(15)
Total Restructuring Disbursements		(458)	(229)	229
Net Cash Inflows / (Outflows)		2,495	(427)	(2,922)
Cash *				
Beginning Balance		1,382	1,382	-
Net Cash Inflows / (Outflows)		2,495	(427)	(2,922)
DIP Draws / (Repayments)	[6]	(189)	(349)	(160)
Interest payments	[7]	(270)	-	270
Ending Balance		3,418	606	(2,812)
Intercompany Advances	[8]	-	(1,250)	(1,250)

* Cash balances exclude amounts held in the D&O Trust.

Notes to the Variance Analysis:

[1] Receipts from Operations – The unfavourable timing variance of approximately $1.1 million is a result of delayed receipt of outstanding receivables from two customers which is expected to be offset in the future forecast period.

[2] Other Receipts – The unfavourable variance of $2.8 million relates to the HST Refund for CannTrust Opco. At this time, there is no indication by CRA the timing of the completion of the audit review and if the full amount will be refunded.

[3] Utilities – Favourable timing difference due to the conservation of costs as a result of the variance in receipts described in Notes 1 and 2.

[4] Other Operating expense - Favourable timing difference due to the conservation of cash payments needed for on-going operations as a result of the variance in receipts described in Notes 1 and 2.

[5] KERP – Additional funds were paid out of the discretionary portion of the KERP.

[6] DIP Draws / (Repayments) – DIP draws were lower than forecast.

[7] Interest Payment – Timing difference due to the conservation of cash payments as are result of unfavourable variance in receipts. Payment has been moved to the week ending March 6, 2022.

[8] Intercompany Advance – Intercompany Advances from CannTrust Holdings Inc. were made to CannTrust Inc. during the Reporting Period. CannTrust Inc. borrowed $1,250,000 more than anticipated as it required greater liquidity to compensate the unfavourable variance in receipts.

APPENDIX "F"

CASH FLOW FORECAST

CANNTRUST
CCAA Cash Flow Forecast [1]

In thousands $CAD

Forecast Week Ending (Sunday)		20-Feb-22	27-Feb-22	06-Mar-22	13-Mar-22	20-Mar-22	27-Mar-22	03-Apr-22	Total
Forecast Week		1	2	3	4	5	6	7	
Receipts									
Receipts from Operations	[2]	1,016	257	308	148	876	21	185	2,811
Other Receipts/ (Service Charges)	[3]	3	-	-	-	-	-	1,000	1,003
Total Receipts		1,019	257	308	148	876	21	1,185	3,814
Operating disbursements									
Payroll and Benefits	[4]	(583)	-	(617)	-	(575)	(1)	(1,430)	(3,206)
Property Leases	[5]	-	-	(57)	-	-	-	(57)	(114)
Utilities	[6]	-	-	(205)	(453)	(50)	-	(503)	(1,211)
Insurance	[7]	-	(122)	-	-	-	-	(50)	(172)
Other Operating Expenses	[8]	(221)	(9)	(1,800)	(263)	(330)	(48)	(403)	(3,074)
Capital Expenditures	[9]	-	-	-	-	-	-	-	-
Total Operating Disbursements		(804)	(131)	(2,679)	(716)	(955)	(49)	(2,443)	(7,777)
Cash from Operations		215	126	(2,371)	(568)	(79)	(28)	(1,258)	(3,963)
Restructuring Disbursements									
Restructuring Professional Fees	[10]	-	-	(436)	-	(250)	(220)	(450)	(1,356)
KERP		-	-	-	-	-	-	-	-
Total Restructuring Disbursements		-	-	(436)	-	(250)	(220)	(450)	(1,356)
Net Cash Inflows / (Outflows)		215	126	(2,807)	(568)	(329)	(248)	(1,708)	(5,319)
Cash									
Beginning Balance		606	787	858	210	750	442	253	606
Net Cash Inflows / (Outflows)		215	126	(2,807)	(568)	(329)	(248)	(1,708)	(5,319)
Interest Payments - Both Facilities	[11]	-	-	(257)	-	-	-	(215)	(472)
DIP Draws / (Repayments) - Both Facilities	[12]	(34)	(55)	2,416	1,108	21	59	1,987	5,502
Ending Balance		787	858	210	750	442	253	317	317
DIP Facility									
Beginning Balance		18,708	18,723	18,717	18,426	18,583	18,653	18,761	18,708
DIP Draws / (Repayments)		(34)	(55)	(84)	108	21	59	(13)	2
Interest accrual/ (Payments)		49	49	(207)	49	49	49	(166)	(128)
Ending Balance		18,723	18,717	18,426	18,583	18,653	18,761	18,582	18,582
									-
Investor DIP Loan									
Beginning Balance		-	-	-	2,500	3,504	3,510	3,516	-
DIP Draws / (Repayments)	[11]	-	-	2,500	1,000	-	-	2,000	5,500
Interest / (Repayments)	[12]	-	-	-	4	6	6	6	21
Ending Balance		-	-	2,500	3,504	3,510	3,516	5,521	5,521
Availability	[13]								
Net Available Collateral		18,558	18,515	18,467	18,513	18,543	18,585	18,580	
Less: Outstanding Principal Balance		18,492	18,437	18,353	18,461	18,482	18,541	18,528	
Net Availability		66	78	114	52	61	44	52	
Intercompany Advances	[14]								
Beginning Balance		72,050	72,150	72,150	72,150	72,150	72,150	72,150	
Intercompany Advances		100	-	-	-	-	-	-	
Cumulative Intercompany Advances		72,150	72,150	72,150	72,150	72,150	72,150	72,150	

Notes to Cash Flow Forecast:

[1] The purpose of this Eighteenth Report Cash Flow Forecast is to estimate the liquidity requirements of the Applicants ("CannTrust" or the "Company") during the Forecast Period.

[2] Receipts from Operations – Include collections of both medical and recreational cannabis sales and are based on management's current sales forecast and customer payment terms.

[3] Other Receipts / (Service Charges) – Forecast other receipts includes interest income net of bank fees. Includes an additional $1M advancement from CannTrust Equity.

[4] Payroll and Benefits – Based on the Company's payroll calendar and labour forecast including benefits.

[5] Property Leases – Include monthly lease-related payments in respect of the Vaughan Processing Facility.

[6] Utilities – Include hydro, gas and other utility payments as well as scheduled payments pursuant to the Company's co-generation agreement in respect of the Fenwick Facility.

[7] Insurance – Includes Directors and Officers liability insurance as well as property and machinery insurance.

[8] Other Operating Expenses – Include production costs, on-going marketing, consulting & professional fees and general and administrative costs and are based on the Company's internal budget. Week 1-7 includes the estimated payments of Outstanding Amounts.

[9] Capital Expenditures – The Applicants do not intend to have capital expenditures.

[10] Restructuring Professional Fees – Include the professional fees for legal and financial advisors associated with the CCAA proceedings. Forecast is based on guidance from various legal and professional firms engaged.

[11] DIP Draws/(Repayments) – The DIP & Exit Loan requires the draws to be in a minimal amount and in specified certain increments above such amount. These details have been sealed by the Court. The proposed Investor DIP Loan has an initial advancement of $2.5 million with subsequent advances in amounts greater than $500,000. There are no repayment requirements under the Investor DIP Loan with the exception of proceeds from the sale of real property.

[12] DIP Interest and Fees Accruals/(payments) – The DIP & Exit Loan charges interest on the outstanding amounts. It also charges a utilization fee on the Facility Limit less the advanced and outstanding amounts. The interest and fees accrue daily and are paid monthly. The rate/fee details have been sealed by the Court. The proposed Investor DIP Loan accrues interest which is added to the principal amount. No interest payments required until maturity or termination of the Investor DIP Loan.

[13] Availability – The availability is based on the calculated borrowing base pursuant to the DIP and Exit Loan Agreement, less the outstanding principal of the DIP and Exit Loan. There is no borrowing base requirement from the Investor DIP Loan.

[14] Intercompany Advances – Pursuant to the Amended and Restated Initial Order, CannTrust Holdings Inc. (the "Intercompany Lender") is authorized to provide loan funding to the other Applicants (the "Intercompany Borrowers") to meet ongoing expenditures as needed. Intercompany Advances capture the net forecast amounts advanced by CannTrust Holdings Inc. to the Intercompany Borrowers. The opening balance was adjusted to reflect actual intercompany Advances.

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO

EIGHTEENTH REPORT OF THE MONITOR
(February 23, 2022)

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