

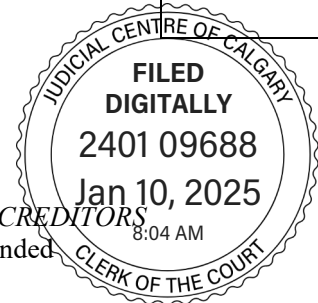
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COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, RSC 1985, c C-36, as amended



AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DELTA 9 CANNABIS INC., DELTA 9
BIO-TECH INC., DELTA 9 LIFESTYLE CANNABIS CLINIC
INC., DELTA 9 CANNABIS STORE INC., AND DELTA 9
LOGISTICS INC.

DOCUMENT **SUPPLEMENT TO THE SIXTH REPORT OF THE
MONITOR
ALVAREZ & MARSAL CANADA INC.**

January 9, 2025

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

MONITOR
ALVAREZ & MARSAL CANADA INC.
Bow Valley Square IV
Suite 1110, 250 – 6th Avenue SW
Calgary, Alberta T2P 3H7
Orest Konowalchuk / David Williams
Telephone: (403) 538-4736 / 7514
Email: okonowalchuk@alvarezandmarsal.com
david.williams@alvarezandmarsal.com

COUNSEL
Burnet, Duckworth & Palmer LLP
Barristers & Solicitors
David LeGeyt / Ryan Algar
2400, 525 – 8th Ave. SW.
Phone: (403) 260-0210 / 0126
Fax: (403) 260-0332
Email: dlegeyt@bdplaw.com
ralgar@bdplaw.com



TABLE OF CONTENTS

INTRODUCTION	3
TERMS OF REFERENCE AND DISCLAIMER	5
ARBUTHNOT CLAIMS.....	6
D&O RELEASES	10

APPENDICES

APPENDIX A	Bill Arbuthnot Proof of Claim
APPENDIX B	John Arbuthnot Proof of Claim
APPENDIX C	Bill Arbuthnot Notice of Assignment and Assignment Agreement
APPENDIX D	John Arbuthnot Notice of Assignment and Assignment Agreement

INTRODUCTION

1. On July 15, 2024 (the "**Filing Date**"), Delta 9 Cannabis Inc. ("**Delta Parent**"), Delta 9 Bio-Tech Inc. ("**Bio-Tech**"), Delta 9 Lifestyle Cannabis Clinic Inc. ("**Lifestyle**"), Delta 9 Cannabis Store Inc. ("**Store**") and Delta 9 Logistics Inc. ("**Logistics**") and collectively, the "**Delta 9 Group**", the "**Company**" or the "**Applicants**" were granted an initial Order (the "**Initial Order**") by the Court of King's Bench of Alberta (the "**Court**"), in relation to proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"). Pursuant to the Initial Order, Alvarez & Marsal Canada Inc., ("**A&M**") was appointed as monitor (the "**Monitor**") in the CCAA Proceedings.
2. The Initial Order provided for limited relief to the Applicants including, but not limited to, the imposition of a stay of proceedings in favour of the Applicants and their assets (the "**Stay Period**") initially only through to July 25, 2024 (the "**Initial Stay Period**"), an administrative charge to a maximum amount of \$350,000 (the "**Initial Administration Charge**") and a directors and officers charge to a maximum amount of \$300,000 (the "**Initial Directors' Charge**").
3. On July 24, 2024, the Applicants sought and obtained a number of orders from this Honourable Court, including an amended and restated Initial Order (the "**ARIO**"), an Order (the "**Bio-Tech SISP Order**") approving a sales and investment solicitation process with respect to Bio-Tech (the "**SISP**") and an Order (the "**Claims Procedure Order**") approving a claims procedure to determine the claims of creditors and establish a claims bar date to prove such claims (the "**Claims Procedure**").
4. Since the granting of the ARIO, the Applicants sought and obtained various orders from this Honourable Court approving a number of extensions to the Stay Period, an amended interim lender financing term sheet, the sale and vesting of certain assets of Bio-Tech to 10213358 Manitoba Ltd., and an Affected Creditors meeting

(the "**Creditors' Meeting**") order to vote on the Applicant's proposed (amended) plan of arrangement (the "**Plan**").

5. On January 3, 2025, the Monitor filed its Sixth Report to the Court (the "**Sixth Report**"), that provided, among other things:

- a) the results of the vote on the Plan at the Creditors' Meeting;
- b) the Monitor's recommendation with respect to the Applicants' application for a Sanction Order;
- c) an update on the SISP and the Monitor's recommendation with respect to the Applicants' application for a SAVO, approving the 659 APA, whereby 659 will acquire the Bio-Tech Facility;
- d) the Monitor's recommendation with respect to the Applicants' application for an ARVO; and
- e) the Monitor's recommendation with respect to the proposed releases contemplated in the Plan.

6. This is the Monitor's supplement to the Sixth Report (this "**Report**", or the "**Supplemental Sixth Report**"). Capitalized terms not defined in this Supplemental Sixth Report are as defined in the ARIQ, the Prior Monitor Reports¹, the Affidavits of John Arbuthnot and any supplements thereto sworn in these CCAA Proceedings (the "**Arbuthnot Affidavits**"), the materials filed by the Applicants, the Plan Sponsor, or any other party in connection with the CCAA Proceedings.

¹ The Pre-Filing Report of the Monitor dated July 12, 2024 (the "**Pre-Filing Report**"), the First Report of the Monitor dated July 22, 2024, (the "**First Report**"), the Second Report of the Monitor dated September 10, 2024, (the "**Second Report**"), the Third Report of the Monitor dated October 29, 2024 (the "**Third Report**"), the Fourth Report of the Monitor dated November 13, 2024 (the "**Fourth Report**"), the Fifth Report of the Monitor dated November 26, 2024 (the "**Fifth Report**") and the Sixth Report of the Monitor dated January 3, 2025 are collectively referred to as the "**Prior Monitor Reports**".

7. This Supplemental Sixth Report is being provided to the Court for the limited and express purpose of:
- a) providing additional information regarding the claims of John (Bill) Arbuthnot III (the "**Bill Arbuthnot Claim**") and John Arbuthnot IV (the "**John Arbuthnot Claim**" and collectively, the "**Arbuthnot Claims**"); and
 - b) elaborating on the Monitor's support for the releases (the "**D&O Releases**") in favour of the directors and officers (the "**Directors and Officers**") releases contemplated in the Plan and the ARVO.

TERMS OF REFERENCE AND DISCLAIMER

8. In preparing this Report, A&M, in its capacity as the Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Applicants and has held discussions with the Applicants' management ("**Management**") and their respective counsel and directors (collectively, the "**Information**"). Except as otherwise described in this Report, in respect of the Applicants' cash flow forecast:
- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
 - b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

9. Future-oriented financial information referred to in this Report was prepared based on the Applicants' 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.
10. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

ARBUTHNOT CLAIMS

11. The Monitor received the Arbuthnot Claims on August 16, 2024. Each of the Arbuthnot Claims is an unsecured claim against Delta Parent in the amount of \$5,000,000. Copies of the claims submitted by Bill Arbuthnot and John Arbuthnot are attached to this Report as Appendix "A" and Appendix "B", respectively.
12. The Arbuthnot Claims arise out of materially similar employment agreements (each, an "**Employment Agreement**") which include, among other things, the following provision under Article 8.1:

(d) (i) the Executive shall have the option to, within a period of twelve (12) months immediately following such Change of Control, terminate this Agreement and his employment with the Company on the giving of thirty (30) days' written notice to the Company in which even the Company shall, immediately following receipt of the Executive's written notice of termination pursuant to this Section 8.1(d), pay to the Executive Five Million Dollars (\$5,000,000.00);
13. The Arbuthnot Claims state, among other things, that "...pursuant to section 8.1 (d)(i) of the [Employment Agreement], I hereby give notice of my intention to terminate the Agreement. As a result, pursuant to section 8.1(d)(i), the Debtor is required to, immediately upon notice, pay to me \$5,000,000."
14. In accordance with the Claims Procedure, the Monitor, in consultation with Delta 9 Group, reviewed the Arbuthnot Claims. For the reasons set forth below, the

Monitor concluded that the Arbuthnot Claims would be accepted for the purposes of voting on the Plan and, conditionally, for distribution under the Plan.

Claims Procedure

15. As detailed further in the First Report, the Claims Procedure was developed by the Delta 9 Group with the assistance of the Monitor and was approved by the Claims Procedure Order on July 24, 2024.
16. Pursuant to the provisions of the Claims Process Order, and in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Monitor was empowered to assist the Delta 9 Group in connection with the administration of the Claims Procedure.
17. The Claims Procedure includes, among others, the following terms:
 - a) a "**Claim**" includes: "(i) Pre-Filing Claims; (ii) D&O Claims; and (iii) Restructuring Claims";
 - b) a "**Person**" is defined as "any individual, corporation, firm, limited or unlimited liability company, general or limited partnership, association (incorporated or unincorporated), trust, unincorporated organization, joint venture, trade union, government authority or any agency, regulatory body, or officer thereof, or any other entity, wherever situate or domiciled, and whether or not having legal status, and whether acting on their own or in a representative capacity;
 - c) the definition of "**Pre-Filing Claim**" is broad and includes, among other things, the following: "(i) any indebtedness, liability, or obligation of any kind that would be a claim provable within the meaning of section 2 of the BIA; and/or (iii) all Claims against the Applicants or current or former Directors or Officers of the Applicants (or any one of them), but excluding Excluded Claims. For greater certainty, a "Claim" shall include any right or claim of any Person arising prior to the Filing Date

that may be asserted or made in whole or in part against the Applicants or their current or former Directors or Officers ... *whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown*, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future." (emphasis added).

18. A "**provable claim**" is defined in Section 2 of the BIA as " includes any claim or liability provable in proceedings under this Act by a creditor" and a "**creditor**" is defined as a "person having a claim provable as a claim under [the BIA]". Further, the CCAA defines a claim as "any indebtedness, liability or obligation of any kind that would be a claim provable within the meaning of section 2 of the [BIA]".
19. In summary, the Monitor accepted the Arbuthnot Claims as:
 - a) they are contingent liabilities of Delta 9 Parent and as such qualify as Pre-Filing Claims;
 - b) they are not Excluded Claims; and
 - c) they were delivered in accordance with the timelines set forth in the Claims Procedure.

Assignment of Arbuthnot Claims to Uncle Sam's

20. On December 18, 2024, the Monitor received Notices of Assignment from Uncle Sam's Cannabis Ltd. ("**Uncle Sam's**") advising that the Arbuthnot Claims had been assigned in their entirety to Uncle Sam's. Copies of the Notices of Assignment, along with the Assignment Agreements (the "**Assignment Agreements**") for the

John Arbuthnot Claim and the Bill Arbuthnot Claim, are attached to this Report as Appendix "C" and Appendix "D," respectively. These documents have been included in this Report at the request of Delta 9 Group, the Directors and Officers, the Plan Sponsor, and the Canada Revenue Agency ("CRA").

21. The Monitor accepted the assignment of the Arbuthnot Claims to Uncle Sam's on the basis that the Arbuthnot Claims were valid and had been assigned in their entirety to Uncle Sam's, as permitted by the Claims Procedure Order and the Meeting Order.
22. As discussed in the Sixth Report, the Plan was approved by the required Majority, which is comprised of a majority in number of Affected Creditors representing at least two thirds in value of the Allowed Affected Claims of Affected Creditors who were entitled to vote at the Creditors' Meeting in accordance with the Meeting Order.
23. Uncle Sam's voted in favor of the Plan, and the Monitor included the assigned Arbuthnot Claims in the total tabulation of value when determining whether the Required Majority was met.
24. For illustrative purposes, the Monitor has prepared the table below, which compares the outcome of the vote if the Arbuthnot Claims were excluded. The table demonstrates that the Plan would still be approved by the Required Majority.

Delta 9 - Plan Entities				
Summary of Creditors' Meeting Vote				
SCAD				
Results of the Creditor's Meeting Vote Including Arbuthnot Claims				
Number of Voting Claims	For	Against	Total	
Convenience Class Creditors	51	-	51	
Eligible Voting Creditors	8	2	10	
Total	59	2	61	
Percentage of Voting Claims in Number	97%	3%	100%	
Number of Voting Claims	For	Against	Total	
Convenience Class Creditors	\$ 92,670	\$ -	\$ 92,670	
Eligible Voting Creditors	23,052,804	663,329	23,716,133	
Total	\$ 23,145,474	\$ 663,329	\$ 23,808,803	
Percentage of Voting Claims in Value	97%	3%	100%	
Results of the Creditor's Meeting Vote Excluding Arbuthnot Claims				
Number of Voting Claims	For	Against	Total	
Convenience Class Creditors	51	-	51	
Eligible Voting Creditors	8	2	10	
Total	59	2	61	
Percentage of Voting Claims in Number	97%	3%	100%	
Number of Voting Claims	For	Against	Total	
Convenience Class Creditors	\$ 92,670	\$ -	\$ 92,670	
Eligible Voting Creditors	13,052,804	663,329	13,716,133	
Total	\$ 13,145,474	\$ 663,329	\$ 13,808,803	
Percentage of Voting Claims in Value	95%	5%	100%	

D&O RELEASES

25. The proposed ARVO provides for releases of the current Directors and Officers of Bio-Tech and ResidualCo from any and all claims, including, but not limited to, claims for unpaid excise taxes, unpaid source deductions, and unpaid goods and services tax, that any person may have or be entitled to assert against the Directors and Officers arising from events occurring prior to the commencement of these CCAA Proceedings in respect of Bio-Tech.
26. The Plan provides for releases of the current Directors and Officers of Delta Parent, Store, and Lifestyle (the "**Plan Entities**") from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens, and other recoveries arising from any indebtedness, liability, obligation, demand, or cause of action of any nature, including all claims related to statutory liabilities, except for any claim referred to in Section 5.1(2) of the CCAA.

27. As discussed in the Sixth Report, the Monitor supports the D&O Releases contemplated in the proposed ARVO and the Plan.
28. In considering whether to recommend that this Honourable Court approve the D&O Releases in the ARVO, the Monitor considered several factors, including:
- a) whether the Directors and Officers to be released from claims were necessary and essential to the restructuring of the Plan Applicants;
 - b) whether the Plan could succeed without the D&O Releases;
 - c) whether the Directors and Officers being released were contributing to the Plan;
 - d) whether the D&O Releases were rationally connected to the purpose of the Plan and necessary for it; and
 - e) whether the D&O Releases benefitted the Applicants as well as the creditors generally.
29. In consideration of the foregoing factors, and in addition to those already set forth in the Sixth Report, the Monitor offers the following additional comments and observations:
- a) the Directors and Officers played a critical role in maintaining and operating Bio-Tech throughout the CCAA Proceedings, enabling the business to be sold as a going concern. Specifically, Mr. John Arbuthnot was integral to Bio-Tech's continued operations, as he is listed as the "responsible person" under Bio-Tech's cannabis license, a requirement for Bio-Tech to continue operating and selling cannabis;
 - b) the Directors and Officers have made substantial contributions to the CCAA Proceedings by working diligently and in good faith to facilitate the sale of Bio-Tech's business. Their efforts were instrumental in successfully entering into the 659 APA and Simply SPA, which, if

approved by this Honourable Court, will maximize the value of Bio-Tech's business for the benefit of its stakeholders and allow it to continue as a going-concern, which will benefit retained employees, vendors, suppliers and customers;

- c) the Directors and Officers were integrally connected to the Simply Transaction had engaged with individuals at Simply prior to the CCAA Proceedings, which was the primary reason for the offer to purchase and resulting Simply SPA;
- d) the Simply SPA is conditional upon the granting of the ARVO, which includes the D&O Releases. The granting of the ARVO is a condition precedent to the closing of the Simply SPA, which, in turn, is a condition precedent to the implementation of the Plan in favor of the Plan Sponsor. These steps are essential for the successful restructuring of the Plan Entities; and
- e) the D&O Releases will benefit Delta 9 Group's creditors and other stakeholders by protecting Bio-Tech and ResidualCo from potential contribution and indemnity claims. This protection will, in turn, minimize potential liabilities and maximize the proceeds from the Simply Transaction.

Recent Cannabis Insolvency Filings

30. To the best of the Monitor's knowledge, from January 1, 2022, to the present, approximately 66 companies in the cannabis industry have entered insolvency proceedings in Canada. Of those, only 5 have successfully restructured their operations, while the rest resulted in liquidation. The Monitor provides this context to underscore the challenges of restructuring cannabis companies at an operational level and to highlight that, in the case of Bio-Tech and the Delta 9 Group, the Directors and Officers played an integral role in the challenging process of achieving a successful restructuring outcome.

31. It is important to note that, while the D&O Releases will absolve the Directors and Officers of personal liability for the Unpaid Tax Arrears attributed to their tenure, a key limitation applies. Any person, including the CRA, retains the right to pursue an action regarding an Insured Claim under any insurance policy maintained by Bio-Tech. If liability is established, recovery is limited solely to the proceeds of that insurance, if available. This ensures a potential avenue for recovery in relation to certain claims against the current Directors and Officers through any applicable insurance coverage.
32. Releases for directors and officers are common in restructuring proceedings. Canadian courts have granted releases of claims related to cannabis excise tax for the period prior to the commencement of CCAA proceedings in several recent cases, including:
- a) in *Atlas Global Brands Inc., et al* (“*Atlas*”);
 - b) in *Indiva Limited, et al*;
 - c) in *Heritage Cannabis Holdings Corp., et al*; and
 - d) in *Aleafia Health Inc.*
33. In particular, with respect to the Atlas proceedings, the Ontario Superior Court of Justice granted releases in favour of the directors and officers of Atlas, who had outstanding obligations to CRA for source deductions, cannabis excise tax and GST. The Monitor further understands that: (i) a reverse vesting order was granted for a transaction that resulted in no recoveries or distributions to unsecured creditors; and (ii) the secured creditors were not paid out in full.
34. Additionally, the D&O Releases concerning the Unpaid Tax Arrears follow the language used in the orders relating to these cases. Taking all of the aforementioned factors and additional contextual information into account, the Monitor submits that the Court should approve the D&O Releases in the ARVO.

35. With respect to the D&O Releases contemplated in the Plan, the Monitor maintains that these releases should be approved by the Court, for the reasons outlined in the Sixth Report. This is further supported by the fact that the Plan was approved by the Required Majority, the release provisions were fully disclosed to the Affected Creditors in the Plan, and no party, except for the CRA, has raised any concerns regarding the proposed D&O Releases.

All of which is respectfully submitted this 9th day of January, 2025.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of Delta 9 Cannabis Inc.,
Delta 9 Bio-Tech Inc., Delta 9 Lifestyle Cannabis Clinic Inc.,
Delta 9 Cannabis Store Inc., and Delta 9 Logistics Inc., and
not in its personal or corporate capacity**



Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice-President



David Williams, CPA, CIRP, LIT
Manager

APPENDIX "A"

BILL ARBUTHNOT PROOF OF CLAIM

SCHEDULE "C"

PROOF OF CLAIM FORM

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, RSC 1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF DELTA 9
CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.**

Regarding the claim of John William Arbuthnot III (referred to
in this form as "**the Claimant**"). (Name of Claimant)

All notices or correspondence regarding this claim to be forwarded to the Claimant at the following
address:

John William Arbuthnot III
c/o NORTON ROSE FULLBRIGHT CANADA LLP
400 3 Ave. SW,
Calgary, AB T2P 4H2

Telephone Number: _____
Facsimile Number: _____
Attention (Contact
Person): _____
Email Address: John William Arbuthnot III

*(Note – All future correspondence will be delivered to the designated email address unless the
Claimant specifically requests that hardcopies be provided)*

With a copy, that shall not constitute notice, to:

NORTON ROSE FULLBRIGHT CANADA LLP
400 3 Ave. SW,
Calgary, AB T2P 4H2
Attention: Howard A. Gorman
Email: howard.gorman@nortonrosefulbright.com

☐ Please provide hardcopies of materials to the address above.

I, John William Arbuthnot III (name of the Claimant or representative of the Claimant), of
Winnipeg, Manitoba (City, Province or State) do hereby certify that:

(a) I am (select one):

☒ the Claimant; or

☐ I am _____ (*state position/title*) of the Claimant.

- (b) I have knowledge of all the circumstances connected with the Claim referred to below;
- (c) I confirm that complete documentation in support of the Claim referred to below is attached;
and
- (d) The Applicants and/or one or more of the Directors or Officers of the Applicants were and still are Indebted to the Claimant as follows:

I. Pre-Filing Proof of Claim

Debtor	Pre-Filing Claim Amount	Nature of Claim (Secured, Priority, Unsecured or Secured)	Value of Security Held (if any)
Delta 9 Cannabis Inc.	CAD\$5,000,000	Unsecured	
Directors and Officers of Delta 9 Cannabis Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Logistics Inc.	CAD\$		
Directors and Officers of Delta 9 Logistics Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Bio-Tech Inc.	CAD\$		
Directors and Officers of Delta 9 Bio-Tech Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Lifestyle Cannabis Clinic Inc.	CAD\$		
Directors and Officers of Delta 9 Lifestyle Cannabis Clinic Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Cannabis Store Inc.	CAD		
Directors and Officers of Delta 9 Cannabis Store Inc. <i>(insert names of same)</i>	CAD\$		

II. Restructuring Proof of Claim

Debtor	Pre-Filing Claim Amount	Nature of Claim (Secured, Priority, Unsecured or Secured)	Value of Security Held (if any)
Delta 9 Cannabis Inc.	CAD\$		
Directors and Officers of Delta 9 Cannabis Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Logistics Inc.	CAD\$		
Directors and Officers of Delta 9 Logistics Inc. <i>(insert names of same)</i>	CAD\$		

Delta 9 Bio-Tech Inc.	CAD\$		
Directors and Officers of Delta 9 Bio-Tech Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Lifestyle Cannabis Clinic Inc.	CAD\$		
Directors and Officers of Delta 9 Lifestyle Cannabis Clinic Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Cannabis Store Inc.	CAD\$		
Directors and Officers of Delta 9 Cannabis Store Inc. <i>(insert names of same)</i>	CAD\$		

The particulars of the undersigned's total Claim, in the sum of \$CAD 5,000,000*(insert \$CAD value of total Claim)* are attached. Please see Schedule A for particulars.

(Please provide full particulars of the Claim and supporting documentation including amount, description of transaction(s) or agreement(s) or legal breach(es) giving rise to the Claim, name of any guarantor(s) which have guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. If a Claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against each of them. Any claim for interest must be supported by contractual documentation evidencing the entitlement to interest. Claims should not include the value of goods and/or services supplied or interest accrued after July 15, 2024).

FILING DEADLINES FOR CLAIM:

For Pre-Filing Claims, this Proof of Claim must be received by the Applicants and the Monitor before 5:00 p.m. MST on August 17, 2024 (the "**Claims Bar Date**").

For Restructuring Claims, this Proof of Claim must be received by the Applicants and the Monitor on or before the later of: (i) the Claims Bar Date, or 15 Business Days after the Monitor sends the Claims Package with respect to such Claim in accordance with paragraph 17 of the Claims Procedure Order.

Proofs of Claim MUST be submitted by prepaid registered mail, courier, personal delivery, or electronic or digital transmission addressed to the following address:

To the Applicants:

MLT AIKINS LLP
2100, 222 – 3rd Ave SW
Calgary, AB T2P 0B4
Attention: Ryan Zahara/Molly McIntosh
Email: rzahara@mtlaikins.com

mmcintosh@mltaikins.com

To the Monitor:

ALVAREZ & MARSAL CANADA INC.
Bow Valley Square 4
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7
Email: delta9@alvarezandmarsal.com

With a copy to:

BURNET, DUCKWORTH & PALMER LLP

Attention: David LeGeyt (dlegeyt@bdplaw.com)
Ryan Algar (ralgar@bdplaw.com)
Jenny Deyholos (jdeyholos@bdplaw.com)

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof before 5:00 p.m. MST on a Business Day or if delivered outside of normal business hours, the next Business Day.

CLAIMS WHICH ARE NOT RECEIVED BY THE MONITOR BY THE APPLICABLE CLAIMS BAR DATE WILL BE FOREVER BARRED FROM MAKING OR ENFORCING ANY CLAIM AGAINST ANY OF THE APPLICANTS, THEIR DIRECTORS, OR THEIR OFFICERS.

DATED this 16 day of August, 2024

Witness

Per: _____

Signed by:

9BA8E88FEFA3411...

Print name of Claimant:

John William Arbuthnot III

If Claimant is other than an individual, print name and title of authorized signatory

Name: _____

Title: _____

SCHEDULE “A”

SUMMARY OF CLAIM

SCHEDULE “A”

1. I am currently employed by Delta 9 Cannabis Inc. (the “**Debtor**”) in the capacity of “Executive” pursuant to an employment agreement (the “**Agreement**”) between myself and the Debtor dated as of May 1, 2022.¹ A copy of the Agreement is attached hereto as **Schedule “B”**. I have been employed in this role since prior to May 1, 2022.
2. The Agreement currently remains in force. I have not resigned or been terminated from my position as Executive.
3. On July 12, 2024 the Debtor executed a binding Plan Sponsor Term Sheet pursuant to which, among other things, 2759054 Ontario Inc. (“**Fika**”) will acquire the Debtor and certain of its subsidiaries and all of its assets by way of a plan of arrangement to be brought within a *Companies’ Creditors Arrangement Act* proceeding (the “**Acquisition Transaction**”).
4. The Acquisition Transaction is a Change of Control, as defined in Section 1.1 (e) of the Agreement.
5. As a result, pursuant to section 8.1 (d)(i) of the Agreement, I hereby give notice of my intention to terminate the Agreement. As a result, pursuant to section 8.1(d)(i), the Debtor is required to, immediately upon notice, pay to me \$5,000,000.
6. As a result of the foregoing, the Debtor is indebted to me in the amount of \$5,000,000. Such amount remains unpaid and outstanding as of the date of this proof of claim.
7. I reserve all rights to supplement and provide further support for this claim if necessary.

¹ The agreement incorrectly identifies the Debtor as “Delta Cannabis Inc.”.

SCHEDULE “B”

EMPLOYMENT AGREEMENT

This Employment Agreement (this “*Agreement*”), dated as of May 1, 2022 (the “*Effective Date*”), is between **John William Arbuthnot III** (the “*Executive*”) and Delta Cannabis Inc., a corporation incorporated under the laws of Manitoba (the “*Company*”).

RECITALS

A. The Company believes that the future growth, profitability, and success of the Business (as defined below) will be significantly enhanced by the continued employment of the Executive.

B. The Executive wishes to continue employment with the Company on the terms and conditions set forth below.

Now, therefore, in consideration of the premises hereof and of the mutual covenants and agreements hereinafter contained, the Company and the Executive hereby covenant and agree as follows:

I. DEFINITIONS

1.1 **Definitions.** In addition to terms defined elsewhere in this Agreement, for purposes of this Agreement, the following terms will have the following meanings when used in this Agreement with initial capital letters:

(a) “**Affiliate**”: with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, “**control**,” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms “**controlling**” and “**controlled**” have the meanings correlative to the foregoing. With respect to any natural Person, “**Affiliate**” will include such Person’s grandparents, such Person’s spouse, any descendants of such Person’s grandparents, the grandparents of such Person’s spouse and any descendants of the grandparents of such Person’s spouse (in each case, whether by blood, adoption or marriage).

(b) “**Agreement**”: as defined in the introductory paragraph.

(c) “**Board**”: the Board of Directors of the Company.

(d) “**Business**”: the business of the Company, including the production, marketing, distribution and sale of marijuana and cannabis products, marijuana production products and accessories related to the administration of cannabinoids.

(e) “**Change of Control**”: the occurrence of any one of the following events: (i) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as the term “offeror” is defined in Section 1.1 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*) has acquired beneficial ownership of, or the

power to exercise control or direction over, or securities convertible into, any shares of capital stock of any class of the Company carrying voting rights under all circumstances (the “**Voting Shares**”), that, together with the offeror’s securities would constitute Voting Shares of the Company representing more than 50% of the total voting power attached to all Voting Shares of the Company then outstanding; (ii) there is consummated any amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company: (1) in which the Company is not the continuing or surviving corporation, or (2) pursuant to which any Voting Shares of the Company would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case)

an amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company in which the holders of the Voting Shares of the Company immediately prior to such amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction have, directly or indirectly, more than 50% of the Voting Shares of the continuing or surviving corporation immediately after such transaction, (iii) any person or group of persons shall succeed in having a sufficient number of its nominees elected as directors of the Company such that such nominees, when added to any existing directors of the Company, will constitute a majority of the directors of the Company, or

(iv) there is consummated a sale, transfer or disposition by the Company of all or substantially all of the assets of the Company, provided that an event shall not constitute a Change of Control if its sole purpose is to change the jurisdiction of the Company’s organization or to create a holding company, partnership or trust that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such event.

(f) “**Company**”: as defined in the introductory paragraph and its predecessors, successors and assigns.

(g) “**Confidential Information**”: as defined in Section 4.1.

(h) “**Effective Date**”: as defined in the introductory paragraph.

(i) “**Executive**”: as defined in the introductory paragraph.

(j) “**Person**”: an individual, a corporation, a partnership, a limited liability company, an association, a trust, a joint stock company, a joint venture, an unincorporated organization, a business entity or any other entity or any federal, provincial, state, county, city, municipal or other local or foreign government or any subdivision, authority, commission, board, bureau, court, administrative panel or other instrumentality thereof.

(k) “**Salary**”: as defined in Section 3.1.

(l) “**Subsidiary**”: with respect to any Person (i) any corporation, of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote generally in the election of directors thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) any limited liability company, partnership, association, or other business entity, of which a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries

of that Person or a combination thereof. For purposes of this definition, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses, or is or controls the managing member or general partner of such limited liability company, partnership, association, or other business entity.

1.2 Certain Interpretive Matters. Unless the context requires otherwise, (i) all references to Sections or Articles are to be Sections or Articles of this Agreement, (ii) each term defined in this Agreement has the meaning assigned to it, (iii) words in the singular include the plural and vice versa, (iv) all references to \$ or dollar amounts will be to the currency of Canada, (v) the words “*herein*,” “*hereby*,” “*hereof*,” “*hereunder*” and other words of similar import refer to this Agreement as a whole and not to any particular Section, Article or other subdivision, and (vi) the term “*including*” means “*including without limitation*.” This Agreement has been negotiated and drafted by both parties. No provision of this Agreement will be interpreted in favour of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting of this Agreement or by reason of the extent to which any such provision is inconsistent with any prior draft of this Agreement or any provision of this Agreement.

II. DUTIES OF EXECUTIVE

2.1 Duties During Employment. The Executive will continue to be employed by the Company as a member of the Company’s executive committee and will report directly to the CEO. In such capacity, the Executive will perform such duties and exercise such powers as are assigned to the Executive by the Board, which will include those set out in Schedule “A” attached hereto which forms a part hereof. The Executive agrees that to the best of his ability and experience he shall at all times faithfully, diligently and conscientiously perform all of the duties and obligations assigned to him by the Company and promote the Business and interests of the Company.

2.2 Activities During Employment. The Executive will devote his full business time, energy, ability, attention and skill to his employment hereunder and to the business of the Company as conducted from time to time and, absent the prior written approval of the Board, the Executive will not engage in any other business activity, whether as an advisor, principal, owner, director, officer, member, manager, agent, employee, partner, contractor, investor, lender, stockholder, associate, consultant, independent contractor or otherwise, that would interfere with his duties and responsibilities with the Company or create the perception of such interference. The Executive agrees to comply with all policies of the Company, as in effect and as may be amended from time to time by the Company in its sole discretion, throughout the Executive’s employment with the Company. The Executive agrees to promptly and fully disclose any interest, direct or indirect and whether as an advisor, principal, owner, director, officer, member, manager, agent, employee, partner, contractor, investor, lender, stockholder, associate, consultant, independent contractor or otherwise, in any business or activity that purchases or otherwise obtains services, property or products of the Company or sells or otherwise provides services, property or products to the Company.

III. COMPENSATION AND BENEFITS

3.1 Compensation. For the Executive's services under this Agreement, the Company will pay to the Executive an annual base salary of **\$180,810** during the Executive's employment with the Company, less all applicable taxes and withholding as required by law as well as any previously authorized or required deductions and withholding (the "**Salary**"). Such Salary will be payable in equal bi-weekly installments. Such Salary represents payment in full for all hours worked by the Executive for the Company, including all hours worked in excess of eight (8) hours in a day and forty (40) hours in a week.

3.2 Bonus. In addition to the Salary, the Executive will be eligible for a bonus, in an amount and subject to such criteria as may be determined by the Board, in its sole discretion, from time to time.

3.3 Health and Dental Benefits. The Executive will be entitled to participate in any group health and dental plans and programs generally available to the Company's other executive level employees, provided that the Executive meets all eligibility requirements under those plans and programs. The Executive's participation in such plans and programs shall be subject to and in accordance with the terms and conditions of the plans and programs, including the Company's right to unilaterally amend or terminate the plans and programs from time to time in its sole discretion.

3.4 Stock Options. The Executive will be eligible to participate in the Company's Stock Option Plan (the "**Stock Option Plan**") subject to and in accordance with the terms and conditions of the Stock Option Plan, which Stock Option Plan may be amended from time to time in accordance with the terms of the Stock Option Plan. The amount of stock options, if any, which the Executive will be granted in respect of any fiscal year will be determined by the Company in its sole discretion.

3.5 Vacation. The Executive will be entitled to 3 weeks' annual paid vacation, to be taken subject to and in accordance with the Company's vacation policy which policy may be unilaterally amended by the Company from time to time in its sole discretion.

3.6 Expenses. The Company will reimburse the Executive for all reasonable expenses properly incurred by the Executive in connection with the performance of the Executive's duties hereunder provided that the Executive submits to the Company an itemized written account and receipts evidencing such expenses and that same are in accordance with the Company's reimbursement policies.

3.7 Deductions and Withholdings. All amounts payable or that become payable under this Agreement will be subject to any deductions and withholdings required by law.

IV. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

4.1 Confidentiality.

(a) The Executive understands and agrees that in the course of performing his duties and responsibilities as an employee of the Company, he will have access to and be entrusted with

confidential information and trade secrets (printed or otherwise) regarding the businesses, operations, equipment, products, customers, suppliers and employees of the Company ("**Confidential Information**"), the disclosure of any of which to competitors of the Company or to the general public or the use of same by the Executive or any competitor of the Company would be highly detrimental to the interests of the Company. For the purposes of this Agreement, Confidential Information includes, but is not limited to, the following:

- (i) any data or information related directly or indirectly to the Company or any of its Subsidiaries or any of their respective Affiliates, including past, present, future and contemplated products (including, but not limited to, strains of cannabis and products derived from cannabis), equipment, machinery, designs, services, operations, processes, procedures, techniques, formulae, developments, improvements, programming, specifications, research, technology, methods (including business methods), systems, ideas, secrets, practices, strategies, trade secrets, know-how, business plans, proposals, economic policies or otherwise;
- (ii) any technical or scientific know-how or knowledge of the Company or any of its Subsidiaries or any of their respective Affiliates or any agent, joint venturer or contractor of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (iii) any work, invention, discovery, process, development, design, improvement, change, addition or deletion (whether or not patentable or properly the subject matter of copyright) that relates to, affects or, in the opinion of the Company, is capable of being used or adapted for use in or in connection with the Business or any product, process or intellectual property right of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (iv) financial and sales information, forecasts, pricing information, profit information, cost information, product procurement information, proprietary information, customer information, supplier information and marketing and advertising information relating to the Company or any of its Subsidiaries or any of their respective Affiliates and any information relating to, including the identities, particular preferences, likes, dislikes and needs of, existing and potential customers and suppliers of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (v) patent applications, trade-mark applications, drawings, blueprints, manuals, letters, notebooks or reports (written or otherwise) related to the Company or any of its Subsidiaries or any of their respective Affiliates or any agent, joint venturer or contractor of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (vi) any information provided to or received by the Company or any of its Subsidiaries or any of their respective Affiliates; and

(vii) all other information the Company tries to keep confidential (whether or not expressly marked as “confidential”) and that has commercial or competitive value or is of such a nature that its unauthorized disclosure would be detrimental to the interests of the Company, whether produced by or provided to the Company or any of its Subsidiaries or any of their respective Affiliates.

(b) During the Executive’s employment with the Company and thereafter, the Executive (i) will not use Confidential Information for any purpose detrimental to the Company, (ii) except as directed by the Company, will not use for himself or others, directly or indirectly, any such Confidential Information, and (iii) except as directed by the Company, will not disclose Confidential Information, directly or indirectly, to any other Person. The Executive acknowledges that this covenant is necessary to protect the trade secrets of the Company and its Subsidiaries and their respective Affiliates.

(c) In the event that the Executive shall be legally compelled or required by any governmental authority to disclose any of the Confidential Information, the Executive shall promptly provide written notice to the Company to permit the Company to seek a protective order, in camera process or other appropriate remedy to avoid public or third-party disclosure of such Confidential Information. In the event that such protective order or other remedy is not obtained, the Executive shall furnish only so much of such Confidential Information that he is legally compelled to disclose and shall exercise his commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such Confidential Information. The Executive shall reasonably cooperate with and assist the Company in seeking any protective order or other relief requested pursuant to this Section 4.1(c), at the Company’s expense.

(d) All physical property and all notes, memoranda, files, records, writings, documents and other materials of any and every nature, written or electronic, that the Executive has or will possess, control, prepare, develop or receive in the course of his employment by the Company or that relate to or are useful in any manner to the Business or any other business now or hereafter conducted by the Company, are and will remain the sole and exclusive property of the Company. Except in the course of performing his duties hereunder, the Executive will not remove from such Person’s premises any such physical property, the original, “soft copy” or any reproduction of any such materials nor the information contained therein, and all such physical property, materials and information in his possession or under his custody or control will, on the date of termination of his employment with the Company, be immediately returned to the Company. In the event that such items are not returned, the Company, as applicable, will have the right to charge the Executive for all reasonable damages, costs, lawyer’s fees and other expenses incurred in searching for, taking, removing and/or recovering such property.

V. INVENTIONS

5.1 Inventions. Any and all works, inventions, developments, improvements, changes, additions, deletions and discoveries (whether or not patentable or properly the subject matter of copyright) conceived, developed, created, generated, produced or reduced to practice during the Executive’s employment with the Company or any predecessor of the Company, whether alone or jointly with others and whether during or after regular working hours and whether within or outside of the Company’s premises, that relate to or in any way pertain to or connect with the Company

or any predecessor of the Company ("**Inventions**") shall be the sole and exclusive property of the Company immediately upon conception, development, creation, generation, production or reduction to practice. The Executive shall promptly disclose to the Company or its nominee all Inventions and shall promptly sign such documents and take such action, including execution and delivery of assignments and waivers of the Executive's right, title and interest in and to all Inventions, as the Company or its nominees may at any time request of the Executive in relation to any Invention. The Executive hereby waives any and all moral rights that he may have in any Invention.

5.2 Without restricting the generality of the foregoing, the Executive also agrees:

- (a) to assist the Company or its nominees in preparing copyright and patent applications, including Canadian and foreign applications, covering the Inventions;
- (b) to sign and deliver all such applications and their assignment to the Company or its nominees; and
- (c) to give all information and testimony, to co-operate with the Company and its solicitors, to sign all lawful papers, and to do all lawful things that may be needed or requested by the Company to the end that the Company may obtain, extend, re-issue, maintain and enforce Canadian and foreign copyrights or patents covering the Inventions.

5.3 The Company agrees to bear all expenses that it may cause to be incurred in obtaining, extending, re-issuing, maintaining and enforcing copyrights or patents in respect of Inventions assigned to it by the Executive, and in the vesting and perfecting of title thereto in the Company and to pay the Executive reasonable compensation for any time that the Company may require the Executive to expend in order to accomplish the above subsequent to the termination of this Agreement.

VI. NON-COMPETITION AND NON-SOLICITATION

6.1 Non-Competition. The Executive covenants and agrees with the Company that the Executive shall not, without the prior written consent of the Company, which consent may be withheld in its sole discretion, either for his own benefit or the benefit of any other Person, individually or with any other Person as principal, agent, employee, owner, director or officer of a corporation, operate, carry on, participate in, be employed in, contracted or engaged by or permit his name to be used or employed by any Person engaged in, or who plans to engage in, any business or venture that engages in the production, marketing, distribution or sale of marijuana or cannabis products, marijuana production products or accessories related to the administration of cannabinoids (a) during the Executive's employment with the Company, anywhere in the world and (b) during the twelve (12) month period following the termination of this Agreement and the Executive's employment with the Company, however caused, anywhere within Canada.

6.2 Non-Solicitation of Customers and Suppliers of the Business.

- (a) The Executive covenants and agrees with the Company that during the Executive's employment with the Company, the Executive shall not, individually or through or with any other Person, induce or attempt to induce any client or supplier, past client or supplier

or potential client or supplier of the Company, any of its Subsidiaries or their respective Affiliates to terminate or curtail its commercial relationship with the Company, any of its Subsidiaries or their respective Affiliates or divert from, or attempt to take business from, the Company, any of its Subsidiaries or their respective Affiliates.

(b) The Executive covenants and agrees with the Company that for a period of twelve (12) months following the termination of this Agreement and the Executive's employment with the Company, however caused, the Executive shall not, individually or through or with any other Person:

(i) solicit, call or otherwise contact or communicate with any client or supplier of the Business who was a client or supplier as at the Termination Date, or any past client or supplier of the Business who was a client or supplier of the Business during the twelve (12) month period immediately preceding the Termination Date; or,

(ii) solicit, call or otherwise contact or communicate with any potential client or supplier of the Business that the Company is as at the Termination Date, or was within the twelve (12) month period immediately preceding the Termination Date, in negotiations with; or

(iii) solicit, call or otherwise contact or communicate with any potential client or supplier of the Business that the Executive, on behalf of the Company, was within the twelve (12) month period immediately preceding the Termination Date in negotiations with;

for the purpose of (i) inducing or attempting to induce such client or supplier, past client or supplier or potential client or supplier, to terminate or curtail its commercial relationship with the Company, any of its Subsidiaries or their respective Affiliates or (ii) diverting from, or attempting to take business from, the Company, any of its Subsidiaries or their respective Affiliates.

6.3 Non-Solicitation of Employees. The Executive covenants and agrees with the Company that during the Executive's employment with the Company and for a period of twelve (12) months following the Termination Date, the Executive shall not, individually or through or with any other Person, solicit, call, or otherwise contact any employee of the Business, or any potential employee of the Business that the Company is then in negotiations with, for the purpose of inducing or attempting to induce such employee, or potential employee, to leave his or her employment with the Company or not to accept employment, if offered, with the Company.

VII. REMEDIES

7.1 Reasonableness of Restrictions. The Executive understands and agrees that each and all of the restrictions and covenants contained in this Agreement and in particular Articles IV, V, VI and VII hereof are of the essence to this Agreement and constitute a material inducement to the Company to enter into this Agreement. The Executive further agrees that each and all of the restrictions and covenants contained in this Agreement and in particular Articles IV, V, VI and VII hereof are reasonable, valid and necessary to protect the legitimate interests of the Company, that he will not do or perform any act or attempt to do or perform any act whatsoever which will or

would either directly or indirectly circumvent any or all of the said restrictions or covenants and that all defences to the strict enforcement thereof by the Company are hereby waived by the Executive.

7.2 Breach of Restrictions. The Executive acknowledges that a breach by him of any of the provisions contained in this Agreement and in particular Articles VI and VII hereof may cause the Company great and irreparable injury and damage, which cannot be reasonably or adequately compensated only in damages in an action at law, and hereby agrees that the Company shall be entitled to the remedies of injunction, specific performance and other equitable relief to prevent a breach or recurrence of a breach of this Agreement and that the Company shall be entitled to its reasonable legal costs and expenses, on a solicitor and client basis, incurred in properly enforcing a provision of this Agreement and shall be entitled to discontinue making any payments to the Executive under the terms of this Agreement until such time as the breach of this Agreement has been remedied to the satisfaction of the Company. Nothing contained herein shall be construed as a waiver of any of the rights that the Company may have for damages or otherwise.

7.3 Restricted Period Elongated by Breach. Should the Executive breach the restrictions and covenants contained in Article VI, the running of the period of proscription contained in Article VII shall be stayed and shall only recommence upon the date that the Executive ceases to be in breach thereof, whether voluntarily or by injunction.

7.4 Communication of Restrictions. The Executive shall advise any future employer, associate or affiliate of the restrictions and covenants contained in Articles IV, V and VI hereof to which he is bound.

VIII. TERMINATION

8.1 Termination of Employment. The parties understand and agree that this Agreement and the Executive's employment with the Company may be terminated in the following manner under the specified circumstances:

- (a) subject to Section 8.1(d) below, by the Executive, at any time and for any reason, on the giving of ninety (90) days' written notice to the Company. The Company may at its option waive notice, in whole or in part;
- (b) by the Company, in its sole discretion acting reasonably, in the event of just cause for termination in which case the Company shall not provide to the Executive any period of notice with respect to such termination or compensation in lieu thereof or otherwise compensate the Executive;
- (c) subject to Section 8.1(d) below, by the Company in the absence of just cause for termination and at any time and for any reason in its sole discretion providing to the Executive twenty-four (24) months' written notice of termination, which period of notice may be abridged by the Company in whole or in part at its option by the payment to the Executive of the Salary, less required deductions, to which the Executive would otherwise have been entitled during the abridged period; or

(d) notwithstanding anything to the contrary otherwise provided herein and provided this Agreement has not otherwise been terminated as provided for herein, in the event of a Change of Control:

(i) the Executive shall have the option to, within a period of twelve (12) months immediately following such Change of Control, terminate this Agreement and his employment with the Company on the giving of thirty (30) days' written notice to the Company in which event the Company shall, immediately following receipt of the Executive's written notice of termination pursuant to this Section 8.1(d), pay to the Executive Five Million Dollars (\$5,000,000.00); or

(ii) if the Company in the absence of just cause for termination terminates this Agreement and the Executive's employment with the Company within a period of twelve (12) months immediately following such Change of Control, the Company shall provide to the Executive thirty (30) days' written notice of such termination and immediately pay to the Executive Five Million Dollars (\$5,000,000.00).

(iii) the Executive shall reserve the right to waive the above rights relating an event of Change of Control.

8.2 Release. Upon termination of this Agreement and the Executive's employment with the Company, the Executive shall not be entitled to any termination or severance payment, allowance or benefit of any kind whatsoever (other than such, if any, as may exist pursuant to Sections 8.1(c) or (d) above) and the Executive shall and does hereby remise, release, acquit and discharge the Company and its Subsidiaries and all of their respective Affiliates of and from any and all claims in respect of termination or severance pay, bonus, allowance, benefit or any other form of compensation other than such, if any, as may exist pursuant to Sections 8.1(c) or (d) and does hereby acknowledge that the compensation provided for in Sections 8.1(c) or (d) shall be and is conclusively deemed to be reasonable.

IX. MISCELLANEOUS

9.1 Director's & Officer's Liability Insurance. The Company shall maintain, and pay for, director's and officer's liability insurance pursuant to which coverage will be provided to the Executive for all liability for acts, errors, omissions and deeds on terms typical in such policies of insurance. Such insurance shall provide coverage for the Executive to a limit of not less than 5 Million Dollars (\$5,000,000.00) per occurrence.

9.2 Indemnification. The Company agrees to indemnify the Executive against all costs, charges and expenses reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been an employee, director or officer of the Company if:

- (a) he acted honestly and in good faith with a view to the best interests of the Company; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

9.3 Notices. Any notices and other communications required or permitted hereunder shall be sufficiently given if in writing and delivered personally or mailed by registered or certified mail, postage pre-paid, to the parties hereto or to their representatives.

9.4 Amendments and Waivers. Any provision of this Agreement may be amended or waived only if such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power, or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies herein provided will be cumulative and not exclusive of any rights or remedies provided by law.

9.5 Successors and Assigns. The provisions of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs, administrators and executors, provided that the Executive may not assign, delegate or otherwise transfer any of his rights or obligations under this Agreement without the prior written consent of the Chief Executive Officer or his designate. The Company may assign this Agreement and in the event of such assignment, this Agreement shall be read and construed so that any reference to the "Company" shall refer to such assignee.

9.6 Survivability. It is expressly agreed by the parties hereto that the provisions of Article IV, V, VI, VII, VIII and IX of this Agreement shall survive the termination of this Agreement and the termination of the Executive's employment with the Company howsoever caused.

9.7 Governing Law. This Agreement shall for all purposes be governed by and construed in accordance with the laws in force in the Province of Manitoba. Any proceedings in respect of this Agreement shall take place in the courts of Manitoba and the parties hereby irrevocably attorn to the jurisdiction of such courts, notwithstanding any subsequent change in the residence of a party.

9.8 Headings. The headings in this Agreement are for convenience of reference only and will not control or affect the meaning or construction of any provisions hereof.

9.9 Severability. If any provision of this Agreement is found to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision shall be conclusively deemed to be severable and to have been severed from this Agreement and the balance of this Agreement shall remain in full force and effect, notwithstanding such severance. To the extent permitted by law, each of the parties hereto hereby waives any law, rule or regulation that might otherwise render any provision of this Agreement invalid, illegal or unenforceable.

9.10 Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement, including the employment agreement between the Executive and Delta 9 Bio-Tech Inc. dated **February 1, 2021** (the "Prior Agreement") which Prior Agreement the Executive hereby acknowledges and agrees has been terminated without the Executive being entitled to any further notice or payments with respect to such termination and with the Executive hereby releasing the Company and Delta 9 Bio-Tech Inc. with respect to any obligations owed pursuant to the Prior Agreement.

9.11 Independent Legal Advice. The Executive acknowledges that he has read, understands and agrees with all of the terms of this Agreement, and acknowledges that he has had ample opportunity to obtain independent legal advice with respect to it.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

Delta Cannabis Inc.

By: _____

Name: John Arbuthnot

Title: CEO

Witness

John W. Arbuthnot III

John W. Arbuthnot III

SCHEDULE "A"

The duties and responsibilities of the Executive under this Agreement shall include the following:

- Collaborate with the Executive Team on Company vision, mission, and high-level strategy
- Collaborate with the Executive Team on Capital and Operating budgets
- Act as Board member of the Board of Directors
- Act as the Company's Senior Person in Charge, as required by Health Canada
- Manage and oversee the Company's research, development, and innovation activities
- Manage and oversee the Company's expansion activities within the existing facilities
- Manage and oversee the Company's expansion activities including additional facilities
- ; and

all other duties and responsibilities that may be assigned to the Executive by the CEO.

APPENDIX "B"

JOHN ARBUTHNOT PROOF OF CLAIM

SCHEDULE "C"

PROOF OF CLAIM FORM

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, RSC 1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF DELTA 9
CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.**

Regarding the claim of John William Arbuthnot IV (referred to
in this form as "**the Claimant**"). (Name of Claimant)

All notices or correspondence regarding this claim to be forwarded to the Claimant at the following
address:

John William Arbuthnot IV
c/o NORTON ROSE FULLBRIGHT CANADA LLP
400 3 Ave. SW,
Calgary, AB T2P 4H2

Telephone Number: _____
Facsimile Number: _____
Attention (Contact _____
Person): John William Arbuthnot IV
Email Address: _____

*(Note – All future correspondence will be delivered to the designated email address unless the
Claimant specifically requests that hardcopies be provided)*

With a copy, that shall not constitute notice, to:

NORTON ROSE FULLBRIGHT CANADA LLP
400 3 Ave. SW,
Calgary, AB T2P 4H2
Attention: Howard A. Gorman
Email: howard.gorman@nortonrosefulbright.com

☐ Please provide hardcopies of materials to the address above.

I, John William Arbuthnot IV (name of the Claimant or representative of the Claimant), of
Winnipeg, Manitoba (City, Province or State) do hereby certify that:

(a) I am (select one):

☒ the Claimant; or

- ☐ I am _____ (*state position/title*) of the Claimant.
- (b) I have knowledge of all the circumstances connected with the Claim referred to below;
- (c) I confirm that complete documentation in support of the Claim referred to below is attached;
and
- (d) The Applicants and/or one or more of the Directors or Officers of the Applicants were and still are Indebted to the Claimant as follows:

I. Pre-Filing Proof of Claim

Debtor	Pre-Filing Claim Amount	Nature of Claim (Secured, Priority, Unsecured or Secured)	Value of Security Held (if any)
Delta 9 Cannabis Inc.	CAD\$5,000,000	Unsecured	
Directors and Officers of Delta 9 Cannabis Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Logistics Inc.	CAD\$		
Directors and Officers of Delta 9 Logistics Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Bio-Tech Inc.	CAD\$		
Directors and Officers of Delta 9 Bio-Tech Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Lifestyle Cannabis Clinic Inc.	CAD\$		
Directors and Officers of Delta 9 Lifestyle Cannabis Clinic Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Cannabis Store Inc.	CAD		
Directors and Officers of Delta 9 Cannabis Store Inc. <i>(insert names of same)</i>	CAD\$		

II. Restructuring Proof of Claim

Debtor	Pre-Filing Claim Amount	Nature of Claim (Secured, Priority, Unsecured or Secured)	Value of Security Held (if any)
Delta 9 Cannabis Inc.	CAD\$		
Directors and Officers of Delta 9 Cannabis Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Logistics Inc.	CAD\$		
Directors and Officers of Delta 9 Logistics Inc. <i>(insert names of same)</i>	CAD\$		

Delta 9 Bio-Tech Inc.	CAD\$		
Directors and Officers of Delta 9 Bio-Tech Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Lifestyle Cannabis Clinic Inc.	CAD\$		
Directors and Officers of Delta 9 Lifestyle Cannabis Clinic Inc. <i>(insert names of same)</i>	CAD\$		
Delta 9 Cannabis Store Inc.	CAD\$		
Directors and Officers of Delta 9 Cannabis Store Inc. <i>(insert names of same)</i>	CAD\$		

The particulars of the undersigned's total Claim, in the sum of \$CAD 5,000,000*(insert \$CAD value of total Claim)* are attached. Please see Schedule A for particulars.

(Please provide full particulars of the Claim and supporting documentation including amount, description of transaction(s) or agreement(s) or legal breach(es) giving rise to the Claim, name of any guarantor(s) which have guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. If a Claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against each of them. Any claim for interest must be supported by contractual documentation evidencing the entitlement to interest. Claims should not include the value of goods and/or services supplied or interest accrued after July 15, 2024).

FILING DEADLINES FOR CLAIM:

For Pre-Filing Claims, this Proof of Claim must be received by the Applicants and the Monitor before 5:00 p.m. MST on August 17, 2024 (the "**Claims Bar Date**").

For Restructuring Claims, this Proof of Claim must be received by the Applicants and the Monitor on or before the later of: (i) the Claims Bar Date, or 15 Business Days after the Monitor sends the Claims Package with respect to such Claim in accordance with paragraph 17 of the Claims Procedure Order.

Proofs of Claim MUST be submitted by prepaid registered mail, courier, personal delivery, or electronic or digital transmission addressed to the following address:

To the Applicants:

MLT AIKINS LLP
2100, 222 – 3rd Ave SW
Calgary, AB T2P 0B4
Attention: Ryan Zahara/Molly McIntosh
Email: rzahara@mtlaikins.com

mmcintosh@mltaikins.com

To the Monitor:

ALVAREZ & MARSAL CANADA INC.
Bow Valley Square 4
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7
Email: delta9@alvarezandmarsal.com

With a copy to:

BURNET, DUCKWORTH & PALMER LLP

Attention: David LeGeyt (dlegeyt@bdplaw.com)
Ryan Algar (ralgar@bdplaw.com)
Jenny Deyholos (jdeyholos@bdplaw.com)

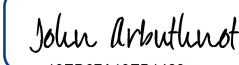
Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof before 5:00 p.m. MST on a Business Day or if delivered outside of normal business hours, the next Business Day.

CLAIMS WHICH ARE NOT RECEIVED BY THE MONITOR BY THE APPLICABLE CLAIMS BAR DATE WILL BE FOREVER BARRED FROM MAKING OR ENFORCING ANY CLAIM AGAINST ANY OF THE APPLICANTS, THEIR DIRECTORS, OR THEIR OFFICERS.

DATED this 16 day of August, 2024

Witness

Per: _____

Signed by:

19ED67A19EB1423...

Print name of Claimant:

John William Arbuthnot IV

If Claimant is other than an individual, print name and title of authorized signatory

Name: _____

Title: _____

SCHEDULE “A”

SUMMARY OF CLAIM

SCHEDULE “A”

1. I am currently employed by Delta 9 Cannabis Inc. (the “**Debtor**”) in the capacity of “Chief Executive Officer” pursuant to an employment agreement (the “**Agreement**”) between myself and the Debtor dated as of May 1, 2021.¹ A copy of the Agreement is attached hereto as **Schedule “B”**. I have been employed in this role since prior to May 1, 2021.
2. The Agreement currently remains in force. I have not resigned or been terminated from my position as Chief Executive Officer.
3. On July 12, 2024 the Debtor executed a binding Plan Sponsor Term Sheet pursuant to which, among other things, 2759054 Ontario Inc. (“**Fika**”) will acquire the Debtor and certain of its subsidiaries and all of its assets by way of a plan of arrangement to be brought within a *Companies’ Creditors Arrangement Act* proceeding (the “**Acquisition Transaction**”).
4. The Acquisition Transaction is a Change of Control, as defined in Section 1.1 (e) of the Agreement.
5. As a result, pursuant to section 8.1 (d)(i) of the Agreement, I hereby give notice of my intention to terminate the Agreement. As a result, pursuant to section 8.1(d)(i), the Debtor is required to, immediately upon notice, pay to me \$5,000,000.
6. As a result of the foregoing, the Debtor is indebted to me in the amount of \$5,000,000. Such amount remains unpaid and outstanding as of the date of this proof of claim.
7. I reserve all rights to supplement and provide further support for this claim if necessary.

¹ The agreement incorrectly identifies the Debtor as “Delta Cannabis Inc.”.

SCHEDULE “B”

EMPLOYMENT AGREEMENT

This Employment Agreement (this “*Agreement*”), dated as of May 1, 2021 (the “*Effective Date*”), is between **John William Arbuthnot IV** (the “*Executive*”) and Delta Cannabis Inc., a corporation incorporated under the laws of Manitoba (the “*Company*”).

RECITALS

A. The Company believes that the future growth, profitability, and success of the Business (as defined below) will be significantly enhanced by the continued employment of the Executive.

B. The Executive wishes to continue employment with the Company on the terms and conditions set forth below.

Now, therefore, in consideration of the premises hereof and of the mutual covenants and agreements hereinafter contained, the Company and the Executive hereby covenant and agree as follows:

I. DEFINITIONS

1.1 **Definitions.** In addition to terms defined elsewhere in this Agreement, for purposes of this Agreement, the following terms will have the following meanings when used in this Agreement with initial capital letters:

(a) “*Affiliate*”: with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, “*control*,” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms “*controlling*” and “*controlled*” have the meanings correlative to the foregoing. With respect to any natural Person, “*Affiliate*” will include such Person’s grandparents, such Person’s spouse, any descendants of such Person’s grandparents, the grandparents of such Person’s spouse and any descendants of the grandparents of such Person’s spouse (in each case, whether by blood, adoption or marriage).

(b) “*Agreement*”: as defined in the introductory paragraph.

(c) “*Board*”: the Board of Directors of the Company.

(d) “*Business*”: the business of the Company, including the production, marketing, distribution and sale of marijuana and cannabis products, marijuana production products and accessories related to the administration of cannabinoids.

(e) “*Change of Control*”: the occurrence of any one of the following events: (i) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as the term “offeror” is defined in Section 1.1 of Multilateral Instrument 62-104 *Take- Over Bids and Issuer Bids*) has acquired beneficial ownership of, or the

power to exercise control or direction over, or securities convertible into, any shares of capital stock of any class of the Company carrying voting rights under all circumstances (the “**Voting Shares**”), that, together with the offeror’s securities would constitute Voting Shares of the Company representing more than 50% of the total voting power attached to all Voting Shares of the Company then outstanding; (ii) there is consummated any amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company: (1) in which the Company is not the continuing or surviving corporation, or (2) pursuant to which any Voting Shares of the Company would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case)

an amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company in which the holders of the Voting Shares of the Company immediately prior to such amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction have, directly or indirectly, more than 50% of the Voting Shares of the continuing or surviving corporation immediately after such transaction, (iii) any person or group of persons shall succeed in having a sufficient number of its nominees elected as directors of the Company such that such nominees, when added to any existing directors of the Company, will constitute a majority of the directors of the Company, or

(iv) there is consummated a sale, transfer or disposition by the Company of all or substantially all of the assets of the Company, provided that an event shall not constitute a Change of Control if its sole purpose is to change the jurisdiction of the Company’s organization or to create a holding company, partnership or trust that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such event.

(f) “**Company**”: as defined in the introductory paragraph and its predecessors, successors and assigns.

(g) “**Confidential Information**”: as defined in Section 4.1.

(h) “**Effective Date**”: as defined in the introductory paragraph.

(i) “**Executive**”: as defined in the introductory paragraph.

(j) “**Person**”: an individual, a corporation, a partnership, a limited liability company, an association, a trust, a joint stock company, a joint venture, an unincorporated organization, a business entity or any other entity or any federal, provincial, state, county, city, municipal or other local or foreign government or any subdivision, authority, commission, board, bureau, court, administrative panel or other instrumentality thereof.

(k) “**Salary**”: as defined in Section 3.1.

(l) “**Subsidiary**”: with respect to any Person (i) any corporation, of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote generally in the election of directors thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) any limited liability company, partnership, association, or other business entity, of which a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries

of that Person or a combination thereof. For purposes of this definition, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses, or is or controls the managing member or general partner of such limited liability company, partnership, association, or other business entity.

1.2 Certain Interpretive Matters. Unless the context requires otherwise, (i) all references to Sections or Articles are to be Sections or Articles of this Agreement, (ii) each term defined in this Agreement has the meaning assigned to it, (iii) words in the singular include the plural and vice versa, (iv) all references to \$ or dollar amounts will be to the currency of Canada, (v) the words “*herein*,” “*hereby*,” “*hereof*,” “*hereunder*” and other words of similar import refer to this Agreement as a whole and not to any particular Section, Article or other subdivision, and (vi) the term “*including*” means “*including without limitation*.” This Agreement has been negotiated and drafted by both parties. No provision of this Agreement will be interpreted in favour of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting of this Agreement or by reason of the extent to which any such provision is inconsistent with any prior draft of this Agreement or any provision of this Agreement.

II. DUTIES OF EXECUTIVE

2.1 Duties During Employment. The Executive will continue to be employed by the Company as its **Chief Executive Officer (CEO)** and will report directly to the Board. In such capacity, the Executive will perform such duties and exercise such powers as are assigned to the Executive by the Board, which will include those set out in Schedule “A” attached hereto which forms a part hereof. The Executive agrees that to the best of his ability and experience he shall at all times faithfully, diligently and conscientiously perform all of the duties and obligations assigned to him by the Company and promote the Business and interests of the Company.

2.2 Activities During Employment. The Executive will devote his full business time, energy, ability, attention and skill to his employment hereunder and to the business of the Company as conducted from time to time and, absent the prior written approval of the Board, the Executive will not engage in any other business activity, whether as an advisor, principal, owner, director, officer, member, manager, agent, employee, partner, contractor, investor, lender, stockholder, associate, consultant, independent contractor or otherwise, that would interfere with his duties and responsibilities with the Company or create the perception of such interference. The Executive agrees to comply with all policies of the Company, as in effect and as may be amended from time to time by the Company in its sole discretion, throughout the Executive’s employment with the Company. The Executive agrees to promptly and fully disclose any interest, direct or indirect and whether as an advisor, principal, owner, director, officer, member, manager, agent, employee, partner, contractor, investor, lender, stockholder, associate, consultant, independent contractor or otherwise, in any business or activity that purchases or otherwise obtains services, property or products of the Company or sells or otherwise provides services, property or products to the Company.

III. COMPENSATION AND BENEFITS

3.1 Compensation. For the Executive's services under this Agreement, the Company will pay to the Executive an annual base salary of **\$225,000** during the Executive's employment with the Company, less all applicable taxes and withholding as required by law as well as any previously authorized or required deductions and withholding (the "**Salary**"). Such Salary will be payable in equal bi-weekly installments. Such Salary represents payment in full for all hours worked by the Executive for the Company, including all hours worked in excess of eight (8) hours in a day and forty (40) hours in a week.

3.2 Bonus. In addition to the Salary, the Executive will be eligible for a bonus, in an amount and subject to such criteria as may be determined by the Board, in its sole discretion, from time to time.

3.3 Health and Dental Benefits. The Executive will be entitled to participate in any group health and dental plans and programs generally available to the Company's other executive level employees, provided that the Executive meets all eligibility requirements under those plans and programs. The Executive's participation in such plans and programs shall be subject to and in accordance with the terms and conditions of the plans and programs, including the Company's right to unilaterally amend or terminate the plans and programs from time to time in its sole discretion.

3.4 Stock Options. The Executive will be eligible to participate in the Company's Stock Option Plan (the "**Stock Option Plan**") subject to and in accordance with the terms and conditions of the Stock Option Plan, which Stock Option Plan may be amended from time to time in accordance with the terms of the Stock Option Plan. The amount of stock options, if any, which the Executive will be granted in respect of any fiscal year will be determined by the Company in its sole discretion.

3.5 Vacation. The Executive will be entitled to 3 weeks' annual paid vacation, to be taken subject to and in accordance with the Company's vacation policy which policy may be unilaterally amended by the Company from time to time in its sole discretion.

3.6 Expenses. The Company will reimburse the Executive for all reasonable expenses properly incurred by the Executive in connection with the performance of the Executive's duties hereunder provided that the Executive submits to the Company an itemized written account and receipts evidencing such expenses and that same are in accordance with the Company's reimbursement policies.

3.7 Deductions and Withholdings. All amounts payable or that become payable under this Agreement will be subject to any deductions and withholdings required by law.

IV. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

4.1 Confidentiality.

(a) The Executive understands and agrees that in the course of performing his duties and responsibilities as an employee of the Company, he will have access to and be entrusted with

confidential information and trade secrets (printed or otherwise) regarding the businesses, operations, equipment, products, customers, suppliers and employees of the Company ("**Confidential Information**"), the disclosure of any of which to competitors of the Company or to the general public or the use of same by the Executive or any competitor of the Company would be highly detrimental to the interests of the Company. For the purposes of this Agreement, Confidential Information includes, but is not limited to, the following:

- (i) any data or information related directly or indirectly to the Company or any of its Subsidiaries or any of their respective Affiliates, including past, present, future and contemplated products (including, but not limited to, strains of cannabis and products derived from cannabis), equipment, machinery, designs, services, operations, processes, procedures, techniques, formulae, developments, improvements, programming, specifications, research, technology, methods (including business methods), systems, ideas, secrets, practices, strategies, trade secrets, know-how, business plans, proposals, economic policies or otherwise;
- (ii) any technical or scientific know-how or knowledge of the Company or any of its Subsidiaries or any of their respective Affiliates or any agent, joint venturer or contractor of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (iii) any work, invention, discovery, process, development, design, improvement, change, addition or deletion (whether or not patentable or properly the subject matter of copyright) that relates to, affects or, in the opinion of the Company, is capable of being used or adapted for use in or in connection with the Business or any product, process or intellectual property right of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (iv) financial and sales information, forecasts, pricing information, profit information, cost information, product procurement information, proprietary information, customer information, supplier information and marketing and advertising information relating to the Company or any of its Subsidiaries or any of their respective Affiliates and any information relating to, including the identities, particular preferences, likes, dislikes and needs of, existing and potential customers and suppliers of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (v) patent applications, trade-mark applications, drawings, blueprints, manuals, letters, notebooks or reports (written or otherwise) related to the Company or any of its Subsidiaries or any of their respective Affiliates or any agent, joint venturer or contractor of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (vi) any information provided to or received by the Company or any of its Subsidiaries or any of their respective Affiliates; and

(vii) all other information the Company tries to keep confidential (whether or not expressly marked as “confidential”) and that has commercial or competitive value or is of such a nature that its unauthorized disclosure would be detrimental to the interests of the Company, whether produced by or provided to the Company or any of its Subsidiaries or any of their respective Affiliates.

(b) During the Executive’s employment with the Company and thereafter, the Executive (i) will not use Confidential Information for any purpose detrimental to the Company, (ii) except as directed by the Company, will not use for himself or others, directly or indirectly, any such Confidential Information, and (iii) except as directed by the Company, will not disclose Confidential Information, directly or indirectly, to any other Person. The Executive acknowledges that this covenant is necessary to protect the trade secrets of the Company and its Subsidiaries and their respective Affiliates.

(c) In the event that the Executive shall be legally compelled or required by any governmental authority to disclose any of the Confidential Information, the Executive shall promptly provide written notice to the Company to permit the Company to seek a protective order, in camera process or other appropriate remedy to avoid public or third-party disclosure of such Confidential Information. In the event that such protective order or other remedy is not obtained, the Executive shall furnish only so much of such Confidential Information that he is legally compelled to disclose and shall exercise his commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such Confidential Information. The Executive shall reasonably cooperate with and assist the Company in seeking any protective order or other relief requested pursuant to this Section 4.1(c), at the Company’s expense.

(d) All physical property and all notes, memoranda, files, records, writings, documents and other materials of any and every nature, written or electronic, that the Executive has or will possess, control, prepare, develop or receive in the course of his employment by the Company or that relate to or are useful in any manner to the Business or any other business now or hereafter conducted by the Company, are and will remain the sole and exclusive property of the Company. Except in the course of performing his duties hereunder, the Executive will not remove from such Person’s premises any such physical property, the original, “soft copy” or any reproduction of any such materials nor the information contained therein, and all such physical property, materials and information in his possession or under his custody or control will, on the date of termination of his employment with the Company, be immediately returned to the Company. In the event that such items are not returned, the Company, as applicable, will have the right to charge the Executive for all reasonable damages, costs, lawyer’s fees and other expenses incurred in searching for, taking, removing and/or recovering such property.

V. INVENTIONS

5.1 Inventions. Any and all works, inventions, developments, improvements, changes, additions, deletions and discoveries (whether or not patentable or properly the subject matter of copyright) conceived, developed, created, generated, produced or reduced to practice during the Executive’s employment with the Company or any predecessor of the Company, whether alone or jointly with others and whether during or after regular working hours and whether within or outside of the Company’s premises, that relate to or in any way pertain to or connect with the Company

or any predecessor of the Company (“**Inventions**”) shall be the sole and exclusive property of the Company immediately upon conception, development, creation, generation, production or reduction to practice. The Executive shall promptly disclose to the Company or its nominee all Inventions and shall promptly sign such documents and take such action, including execution and delivery of assignments and waivers of the Executive’s right, title and interest in and to all Inventions, as the Company or its nominees may at any time request of the Executive in relation to any Invention. The Executive hereby waives any and all moral rights that he may have in any Invention.

5.2 Without restricting the generality of the foregoing, the Executive also agrees:

- (a) to assist the Company or its nominees in preparing copyright and patent applications, including Canadian and foreign applications, covering the Inventions;
- (b) to sign and deliver all such applications and their assignment to the Company or its nominees; and
- (c) to give all information and testimony, to co-operate with the Company and its solicitors, to sign all lawful papers, and to do all lawful things that may be needed or requested by the Company to the end that the Company may obtain, extend, re-issue, maintain and enforce Canadian and foreign copyrights or patents covering the Inventions.

5.3 The Company agrees to bear all expenses that it may cause to be incurred in obtaining, extending, re-issuing, maintaining and enforcing copyrights or patents in respect of Inventions assigned to it by the Executive, and in the vesting and perfecting of title thereto in the Company and to pay the Executive reasonable compensation for any time that the Company may require the Executive to expend in order to accomplish the above subsequent to the termination of this Agreement.

VI. NON-COMPETITION AND NON-SOLICITATION

6.1 Non-Competition. The Executive covenants and agrees with the Company that the Executive shall not, without the prior written consent of the Company, which consent may be withheld in its sole discretion, either for his own benefit or the benefit of any other Person, individually or with any other Person as principal, agent, employee, owner, director or officer of a corporation, operate, carry on, participate in, be employed in, contracted or engaged by or permit his name to be used or employed by any Person engaged in, or who plans to engage in, any business or venture that engages in the production, marketing, distribution or sale of marijuana or cannabis products, marijuana production products or accessories related to the administration of cannabinoids (a) during the Executive’s employment with the Company, anywhere in the world and (b) during the twelve (12) month period following the termination of this Agreement and the Executive’s employment with the Company, however caused, anywhere within Canada.

6.2 Non-Solicitation of Customers and Suppliers of the Business.

- (a) The Executive covenants and agrees with the Company that during the Executive’s employment with the Company, the Executive shall not, individually or through or with any other Person, induce or attempt to induce any client or supplier, past client or supplier

or potential client or supplier of the Company, any of its Subsidiaries or their respective Affiliates to terminate or curtail its commercial relationship with the Company, any of its Subsidiaries or their respective Affiliates or divert from, or attempt to take business from, the Company, any of its Subsidiaries or their respective Affiliates.

(b) The Executive covenants and agrees with the Company that for a period of twelve (12) months following the termination of this Agreement and the Executive's employment with the Company, however caused, the Executive shall not, individually or through or with any other Person:

(i) solicit, call or otherwise contact or communicate with any client or supplier of the Business who was a client or supplier as at the Termination Date, or any past client or supplier of the Business who was a client or supplier of the Business during the twelve (12) month period immediately preceding the Termination Date; or,

(ii) solicit, call or otherwise contact or communicate with any potential client or supplier of the Business that the Company is as at the Termination Date, or was within the twelve (12) month period immediately preceding the Termination Date, in negotiations with; or

(iii) solicit, call or otherwise contact or communicate with any potential client or supplier of the Business that the Executive, on behalf of the Company, was within the twelve (12) month period immediately preceding the Termination Date in negotiations with;

for the purpose of (i) inducing or attempting to induce such client or supplier, past client or supplier or potential client or supplier, to terminate or curtail its commercial relationship with the Company, any of its Subsidiaries or their respective Affiliates or (ii) diverting from, or attempting to take business from, the Company, any of its Subsidiaries or their respective Affiliates.

6.3 Non-Solicitation of Employees. The Executive covenants and agrees with the Company that during the Executive's employment with the Company and for a period of twelve (12) months following the Termination Date, the Executive shall not, individually or through or with any other Person, solicit, call, or otherwise contact any employee of the Business, or any potential employee of the Business that the Company is then in negotiations with, for the purpose of inducing or attempting to induce such employee, or potential employee, to leave his or her employment with the Company or not to accept employment, if offered, with the Company.

VII. REMEDIES

7.1 Reasonableness of Restrictions. The Executive understands and agrees that each and all of the restrictions and covenants contained in this Agreement and in particular Articles IV, V, VI and VII hereof are of the essence to this Agreement and constitute a material inducement to the Company to enter into this Agreement. The Executive further agrees that each and all of the restrictions and covenants contained in this Agreement and in particular Articles IV, V, VI and VII hereof are reasonable, valid and necessary to protect the legitimate interests of the Company, that he will not do or perform any act or attempt to do or perform any act whatsoever which will or

would either directly or indirectly circumvent any or all of the said restrictions or covenants and that all defences to the strict enforcement thereof by the Company are hereby waived by the Executive.

7.2 Breach of Restrictions. The Executive acknowledges that a breach by him of any of the provisions contained in this Agreement and in particular Articles VI and VII hereof may cause the Company great and irreparable injury and damage, which cannot be reasonably or adequately compensated only in damages in an action at law, and hereby agrees that the Company shall be entitled to the remedies of injunction, specific performance and other equitable relief to prevent a breach or recurrence of a breach of this Agreement and that the Company shall be entitled to its reasonable legal costs and expenses, on a solicitor and client basis, incurred in properly enforcing a provision of this Agreement and shall be entitled to discontinue making any payments to the Executive under the terms of this Agreement until such time as the breach of this Agreement has been remedied to the satisfaction of the Company. Nothing contained herein shall be construed as a waiver of any of the rights that the Company may have for damages or otherwise.

7.3 Restricted Period Elongated by Breach. Should the Executive breach the restrictions and covenants contained in Article VI, the running of the period of proscription contained in Article VII shall be stayed and shall only recommence upon the date that the Executive ceases to be in breach thereof, whether voluntarily or by injunction.

7.4 Communication of Restrictions. The Executive shall advise any future employer, associate or affiliate of the restrictions and covenants contained in Articles IV, V and VI hereof to which he is bound.

VIII. TERMINATION

8.1 Termination of Employment. The parties understand and agree that this Agreement and the Executive's employment with the Company may be terminated in the following manner under the specified circumstances:

- (a) subject to Section 8.1(d) below, by the Executive, at any time and for any reason, on the giving of ninety (90) days' written notice to the Company. The Company may at its option waive notice, in whole or in part;
- (b) by the Company, in its sole discretion acting reasonably, in the event of just cause for termination in which case the Company shall not provide to the Executive any period of notice with respect to such termination or compensation in lieu thereof or otherwise compensate the Executive;
- (c) subject to Section 8.1(d) below, by the Company in the absence of just cause for termination and at any time and for any reason in its sole discretion providing to the Executive twenty-four (24) months' written notice of termination, which period of notice may be abridged by the Company in whole or in part at its option by the payment to the Executive of the Salary, less required deductions, to which the Executive would otherwise have been entitled during the abridged period; or

(d) notwithstanding anything to the contrary otherwise provided herein and provided this Agreement has not otherwise been terminated as provided for herein, in the event of a Change of Control:

(i) (i) the Executive shall have the option to, within a period of twelve (12) months immediately following such Change of Control, terminate this Agreement and his employment with the Company on the giving of thirty (30) days' written notice to the Company in which event the Company shall, immediately following receipt of the Executive's written notice of termination pursuant to this Section 8.1(d), pay to the Executive Five Million Dollars (\$5,000,000.00); or

(ii) if the Company in the absence of just cause for termination terminates this Agreement and the Executive's employment with the Company within a period of twelve (12) months immediately following such Change of Control, the Company shall provide to the Executive thirty (30) days' written notice of such termination and immediately pay to the Executive Five Million Dollars (\$5,000,000.00).

(iii) the Executive shall reserve the right to waive the above rights relating an event of Change of Control.

8.2 Release. Upon termination of this Agreement and the Executive's employment with the Company, the Executive shall not be entitled to any termination or severance payment, allowance or benefit of any kind whatsoever (other than such, if any, as may exist pursuant to Sections 8.1(c) or (d) above) and the Executive shall and does hereby remise, release, acquit and discharge the Company and its Subsidiaries and all of their respective Affiliates of and from any and all claims in respect of termination or severance pay, bonus, allowance, benefit or any other form of compensation other than such, if any, as may exist pursuant to Sections 8.1(c) or (d) and does hereby acknowledge that the compensation provided for in Sections 8.1(c) or (d) shall be and is conclusively deemed to be reasonable.

IX. MISCELLANEOUS

9.1 Director's & Officer's Liability Insurance. The Company shall maintain, and pay for, director's and officer's liability insurance pursuant to which coverage will be provided to the Executive for all liability for acts, errors, omissions and deeds on terms typical in such policies of insurance. Such insurance shall provide coverage for the Executive to a limit of not less than 5 Million Dollars (\$5,000,000.00) per occurrence.

9.2 Indemnification. The Company agrees to indemnify the Executive against all costs, charges and expenses reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been an employee, director or officer of the Company if:

- (a) he acted honestly and in good faith with a view to the best interests of the Company; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

9.3 Notices. Any notices and other communications required or permitted hereunder shall be sufficiently given if in writing and delivered personally or mailed by registered or certified mail, postage pre-paid, to the parties hereto or to their representatives.

9.4 Amendments and Waivers. Any provision of this Agreement may be amended or waived only if such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power, or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies herein provided will be cumulative and not exclusive of any rights or remedies provided by law.

9.5 Successors and Assigns. The provisions of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs, administrators and executors, provided that the Executive may not assign, delegate or otherwise transfer any of his rights or obligations under this Agreement without the prior written consent of the Chief Executive Officer or his designate. The Company may assign this Agreement and in the event of such assignment, this Agreement shall be read and construed so that any reference to the "Company" shall refer to such assignee.

9.6 Survivability. It is expressly agreed by the parties hereto that the provisions of Article IV, V, VI, VII, VIII and IX of this Agreement shall survive the termination of this Agreement and the termination of the Executive's employment with the Company howsoever caused.

9.7 Governing Law. This Agreement shall for all purposes be governed by and construed in accordance with the laws in force in the Province of Manitoba. Any proceedings in respect of this Agreement shall take place in the courts of Manitoba and the parties hereby irrevocably attorn to the jurisdiction of such courts, notwithstanding any subsequent change in the residence of a party.

9.8 Headings. The headings in this Agreement are for convenience of reference only and will not control or affect the meaning or construction of any provisions hereof.

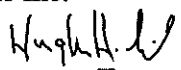
9.9 Severability. If any provision of this Agreement is found to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision shall be conclusively deemed to be severable and to have been severed from this Agreement and the balance of this Agreement shall remain in full force and effect, notwithstanding such severance. To the extent permitted by

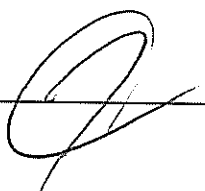
Inc. dated **February 1, 2019** (the "Prior Agreement") which Prior Agreement the Executive hereby acknowledges and agrees has been terminated without the Executive being entitled to any further notice or payments with respect to such termination and with the Executive hereby releasing the Company and Delta 9 Bio-Tech Inc. with respect to any obligations owed pursuant to the Prior Agreement.

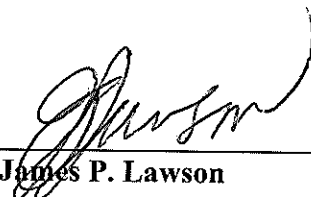
9.11 Independent Legal Advice. The Executive acknowledges that he has read, understands and agrees with all of the terms of this Agreement, and acknowledges that he has had ample opportunity to obtain independent legal advice with respect to it.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

Delta Cannabis Inc.

By: 
 Name: _____
 Title: Director

Witness 


 James P. Lawson

SCHEDULE "A"

The duties and responsibilities of the Executive under this Agreement shall include the following:

- Work with CEO on creation, approval, and implementation of annual Capital and Operating Budgets
- Work with Company managers on creation and implementation of departmental Capital and Operating Budgets
- Manage the accounting and finance department of the company
- Maintain the accounting records of the company
- Manage the creation of monthly internally prepared Financials Statements
- Manage the creation of quarterly review engaged Financial Statements and Management Discussion and Analysis
- Manage the creation of annual audited Financial Statements and Management Discussion and Analysis
- Manage the Company's banking relationships
- Assist in maintaining all required corporate filings up to date for the TSXV, OTCQX, and or other public exchange
- Assist in developing and implementing the Company's investor relations strategy
- ; and

all other duties and responsibilities that may be assigned to the Executive by the Board.

APPENDIX "C"

**BILL ARBUTHNOT NOTICE OF ASSIGNMENT AND ASSIGNMENT
AGREEMENT**

EXHIBIT "C"
NOTICE OF TRANSFER OF CLAIM

To: DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC.,
DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE
INC.

And to: ALVAREZ & MARSAL CANADA INC.

Re: **IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985,
c C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC.,
DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.
(Court File No. 2401-09688)**

John William Arbuthnot III ("**Seller**"), for good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged and pursuant to the terms of an Assignment of Claim Agreement dated August 15, 2024, does hereby certify that Seller has unconditionally and irrevocably sold, transferred and assigned to 2759054 Ontario Inc., its successors and assigns ("**Buyer**"), all rights, title and interest in and to the claim of Seller ("**Claim**") against the Debtor in the above noted proceeding under the *Companies' Creditors Arrangement Act* (Canada) in the Court of King's Bench of Alberta.

Seller hereby waives any notice or hearing requirements and stipulates that an order may be entered recognizing this Notice of Transfer of Claim as evidence of an unconditional assignment and Buyer herein as the valid owner of the Claim. Effective immediately, all further notices and all payments, remittances or distributions of money, proceeds or property in respect of the Claims, shall be delivered or made to the following address:

UNCLE SAM'S CANNABIS LTD.
Attention: Wissam El Annan
Email: abouannann@hotmail.com

With a copy, that shall not constitute notice, to:

FORUM LAW LLP
11835 – 149 Street NW
Edmonton, AB T5L 2J1
Attention: Sharif Issawi
Email: issawi@forumlaw.ca

Please acknowledge receipt of this Notice, and the transfer set forth hereunder, by countersigning at the bottom and returning by fax or email to the Buyer at the addresses above.


IN WITNESS WHEREOF, the undersigned have duly executed this Notice of Transfer of Claim by their duly authorized representative dated the ____ day of August, 2024.

JOHN WILLIAM ARBUTHNOT III

Signed by:

By: _____
9BA8E88FEFA3411...

UNCLE SAM'S CANNABIS LTD.

DocuSigned by:

By: _____
3C2F708D9A1G4C4...
Name: Wissam El Annan
Title: Owner

ASSIGNMENT OF CLAIM AGREEMENT

<u>SELLER:</u> JOHN WILLIAM ARBUTHNOT III	<u>BUYER:</u> UNCLE SAM'S CANNABIS LTD. Attention: Wissam El Annan Email: abouannann@hotmail.com
--	---

Agreement Date: August 15, 2024

Debtor: DELTA 9 CANNABIS INC. (the “**Debtor**”)

Proceeding: IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC. (Court File No. 2401-09688), currently pending in the Court of King's Bench of Alberta (the “**Court**”) (the “**CCAA Proceedings**”)

Application Date: July 16, 2024, being the date of the Initial Order in the CCAA Proceedings (the “**Application Date**”)

Monitor: Alvarez & Marsal Canada Inc. (hereinafter, the “**Monitor**”)

Claim: Seller's valid and enforceable, unsubordinated general unsecured claim against the Debtor (“**Claim**”) in the amount of \$5,000,000 (the “**Claim Amount**”), in connection with an employment agreement between the Seller and Debtor (incorrectly identified therein as “Delta Cannabis Inc.”) dated May 1, 2021, attached hereto as Exhibit “A”.

1. Seller, for good and valuable consideration, does hereby irrevocably sell, convey, transfer and assign unto Buyer all of Seller's rights, title and interest in, to and under, the Claim against the Debtor, including, without limitation, to the extent related thereto: (a) the right to file a proof of claim in respect of the Claim; (b) all agreements, instruments, receivables, account statements and other documents evidencing or relating to the Claim (collectively, “**Claim Documentation**”); (c) all claims (including without limitation “claims” as defined in Section 2 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and causes of action together with voting and other rights and benefits arising from, under or relating to the Claim, all lawsuits and other rights of any nature arising out of or in connection with the Claim; (d) all rights and obligations of setoff in respect of the Claim; and (e) all of Sellers' right to receive principal, interest, fees, expenses, damages, penalties and any other amounts, whether accruing prior to, on or after the date of this assignment of claim agreement (the “**Agreement**”), and all cash, securities, instruments, proceeds and/or other property distributed, issued or received in respect of, or exchanged in return for, any of the foregoing together with all proceeds of the foregoing (collectively, “**Distributions**”), whether against the Debtor, any

affiliate of the Debtor, or third party liable in respect thereof (collectively, the “**Assigned Rights**”). Buyer is not assuming any obligations or liabilities of any kind owing to the Debtor or any other party with respect to, under or in connection with the Assigned Rights, Claim Documentation or the Proceedings.

2. The Seller explicitly acknowledges that the Debtor and its affiliates may submit a plan of arrangement or compromise in the CCAA Proceedings (the “**Plan**”), and that the Claim may be utilized by the Buyer in connection with voting on the approval of any such Plan.

3. In consideration for the Seller’s assignment of the Claim to the Buyer, the Seller’s covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the Buyer hereby acknowledges, the Buyer, on behalf of itself and its present and former, direct and indirect, parents, subsidiaries, affiliates, related corporations or entities, officers, directors, shareholders, employees, members, limited partners, successors and permitted assigns (collectively, “**Releasors**”) hereby releases, waives and forever discharges the Seller of and from any and all actions, manner of actions, causes of action, proceedings, suits, losses, liabilities, rights, debts, dues, duties, sums of money, accounts, obligations, costs, expenses, liens, bonds, bills, covenants, contracts, controversies, complaints, indemnities, entitlements, agreements, promises, variances, trespasses, damages, judgments, executions, claims, and demands, of every kind and nature whatsoever or howsoever arising, whether now known or unknown, foreseen or unforeseen, matured or unmatured, suspected or unsuspected, in law or in equity, in contract or in tort, which any of such Releasors ever had, now have, or hereafter can, shall, or may have against the Seller for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of time through the date of this Agreement arising out of, in connection with or relating to a side letter between the Seller and the Buyer dated April 22, 2022 (the “**Side Letter**”) and attached hereto as Exhibit “**B**”, in connection with certain financing arrangements between Delta 9 Cannabis Store Inc. and the Buyer under the promissory note dated April 22, 2022 made by Delta 9 Cannabis Store Inc. in favour of the Buyer (collectively, the “**Released Obligations**”). The Buyer agrees, covenants and undertakes to not make any claim or take any proceedings against any person, partnership, corporation, or other such entity which might be entitled to claim contribution, indemnity, or other relief over against any other party under the provisions of any statute or otherwise with respect to any of the Released Obligations. In the event that the Buyer should hereafter commence any proceedings involving any Released Obligations against the Seller, or any third party, relating to the Released Obligations, this Agreement may be raised as an estoppel to any such Released Obligations in the proceedings by the Buyer. The Buyer represents and warrants that it has not assigned or transferred, or purported to assign or transfer, to any person, partnership, corporation, or other such entity, any of the Released Obligations released above, nor any of the matters about which it agrees herein not to make any claim or take any proceedings.

4. The Buyer and the Seller irrevocably acknowledge, covenant and agree that the Buyer shall be the owner of the Claim, the Claim Documentation and the Assigned Rights as of the date of this Agreement, and may notify the Monitor and the Court of same.

5. The Seller represents, warrants and covenants to Buyer and Buyer’s successors and assigns, that: (a) this Agreement constitutes the valid, legal and binding agreement of Seller, enforceable against Seller in accordance with its terms; (b) neither the execution, delivery or performance of this Agreement or the Notice of Transfer of Claim (in the form provided at Exhibit “**C**”) nor consummation of the transactions contemplated hereby and thereby, will violate or contravene any law, rule, regulation, or order affecting the Seller or the Assigned Rights; (c) Seller is the sole legal and beneficial owner, and has good title to, the Claim and Assigned Rights, free and clear of any lien, claim, security interest, participation, or encumbrance or any similar claim of any kind, other than (i) any liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested; and (ii) deemed liens and trusts arising by operation of law in connection with workers’ compensation, employment insurance and other social security legislation, in each case, which secure

obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested (collectively, “**Liens**”) and this Agreement will transfer to Buyer such good title free and clear of any Liens; (d) Seller has not previously sold, assigned or otherwise encumbered the Assigned Rights, in whole or in part, nor has Seller agreed to do any of the foregoing; (e) the Claim is a valid, enforceable, unsubordinated, general unsecured claim against the Debtor; (f) no payment or Distributions have been received by or on behalf of Seller in full or partial satisfaction of the Assigned Rights; (g) Seller (i) does not, and did not on the Application Date, hold any funds or property of Debtor or any of its affiliates; and (ii) has not effected or received, and shall not effect or receive, the benefit of any setoff against Debtor or any of its affiliates; (h) Seller has not engaged (and shall not engage) in any act, conduct or omission, or had (and shall not have) any relationship with the Debtor or any of its affiliates that will materially reduce or impair or otherwise materially and adversely affect the Assigned Rights or result in Buyer receiving proportionately materially less in payments or Distributions under, or materially less favorable treatment (including the manner and timing of payments or Distributions) for the Assigned Rights than is received by creditors holding claims of the same class or type as the Claim; (i) Seller has not made a transaction that would be considered a preference or transfer at undervalue pursuant to section 95 and 96 of the BIA, respectively; (j) no broker or agent acting on Seller’s behalf is entitled to any commission or fee for which the Buyer would be responsible; (k) no proof of claim has been or shall be submitted by Seller with respect to the Assigned Rights; and (l) Seller is not a “Debtor” within the meaning of Section 2 of the BIA, and has not committed an act of bankruptcy under Section 42(1) of the BIA.

6. Each of Buyer and the Seller represents that it is a sophisticated entity with respect to the purchase/sale of the Assigned Rights and has adequate information concerning the financial condition of the Debtor and the Proceedings to make an informed decision regarding the purchase/sale of the Assigned Rights and that it has independently, and without reliance on the other, and based on such information as it has deemed appropriate, made its own decision to enter into this Agreement. Each of the Buyer and the Seller represents that it has had the opportunity to obtain independent legal advice on this Agreement. Each of Buyer and the Seller acknowledges that the other may possess material non-public information concerning the Assigned Rights or the Debtor. Each further acknowledges that it has not requested to receive such information and has nevertheless determined to proceed with the transaction contemplated herein, and neither shall have any liability to the other party, and each waives and releases any claims that it might have against the other, arising out of the non-disclosure of such information; provided, however, that nothing in this Section shall limit, contradict or render untrue any representation or warranty made by a Seller or Buyer herein.

7. The Seller agrees that in the event the Seller shall receive any Distributions or notices with respect to the Assigned Rights, the Seller shall hold the same in trust for the sole benefit of Buyer (to which Buyer shall have an absolute right), and the Seller shall promptly deliver the same to Buyer in the same form received (free of any withholding, set-off, claims or deduction of any kind) within two (2) business days of the Seller’s receipt. In the event that all or any portion of the Distributions on account of the Assigned Rights are not assignable by the Seller to Buyer, then the Seller grants to Buyer a 100% participation interest in the Assigned Rights or such Distributions, in accordance with the provisions of this Agreement and applicable law.

8. The Seller hereby irrevocably appoints Buyer as its true and lawful attorney-in-fact with respect to the Assigned Rights and authorizes Buyer to act in such Seller’s name, place and stead, to demand, sue for, compromise and recover all such sums of money which are, or may hereafter become due and payable for, or on account of the Assigned Rights herein assigned and to vote the Assigned Rights. The Seller agrees that the powers granted in this Section are discretionary in nature and exercisable at the sole option of Buyer. Buyer shall have no obligation to prove, defend, or take any affirmative action with respect to proving the validity or amount of the Assigned Rights.

9. The Buyer may at any time transfer or assign all or any portion of the Assigned Rights, together with all rights, title and interests of Buyer in and to this Agreement, without the consent of, or notice to, the Seller. All representations, warranties, covenants and agreements contained herein shall survive the execution and delivery of this Agreement and shall inure to the benefit of the successors and assigns of any party hereto. This Agreement and all matters arising out of or relating to it shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein without reference to any conflicts of law provisions. The Buyer and the Seller irrevocably attorn to the jurisdiction of the Court of King's Bench of Alberta with respect to all matters arising out of or relating to this Agreement.

10. The Seller and Buyer explicitly acknowledge and agree that the existence and terms of this Agreement are confidential in nature and shall not be disclosed either orally or in writing directly or indirectly by either the Seller or Buyer to any third-party unless such disclosure is compelled by a court of competent jurisdiction. Notwithstanding the foregoing, the Seller acknowledges and agrees that the existence and terms of this Agreements may disclosed by Buyer as necessary in connection with the submission of the Buyer's Bid.

11. The Seller agrees to execute and deliver, or to cause to be executed and delivered, all such instruments and documents, and to take all such action as Buyer may reasonably request, in order to effectuate the intent and purpose of, and to carry out the terms of, this Agreement. The Buyer agrees to execute and deliver, or to cause to be executed and delivered, all such instruments and documents, and to take all such action as the Seller may reasonably request, in order to effectuate the intent and purpose of, and to carry out the terms of, the release in Section 3 of this Agreement.

12. This Agreement, together with any schedules and exhibits hereto, constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof. This Agreement may be signed in counterparts, each of which shall be an original and all of which taken together shall constitute one agreement. No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by the parties hereto and no waiver of any provision of this Agreement, nor consent to any departure by either party from it, shall be effective unless it is in writing and signed by the affected party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The Seller hereby consents to the substitution of Buyer for the Seller for all purposes in the Proceedings with respect to the Assigned Rights, including, without limitation, for voting and distribution purposes.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement by their duly authorized representatives as of the Agreement Date written above.

JOHN WILLIAM ARBUTHNOT III

Signed by:

 By: _____
 9BA8E88FFFA3411

UNCLE SAM'S CANNABIS LTD.


DocuSigned by:

 By: _____
 3C2F708D9A1C4C4
 Name: Wissam El Annan
 Title: Owner

EXHIBIT "A"
EMPLOYMENT AGREEMENT

Employment Agreement attached.

EMPLOYMENT AGREEMENT

This Employment Agreement (this “*Agreement*”), dated as of May 1, 2022 (the “*Effective Date*”), is between **John William Arbuthnot III** (the “*Executive*”) and Delta Cannabis Inc., a corporation incorporated under the laws of Manitoba (the “*Company*”).

RECITALS

A. The Company believes that the future growth, profitability, and success of the Business (as defined below) will be significantly enhanced by the continued employment of the Executive.

B. The Executive wishes to continue employment with the Company on the terms and conditions set forth below.

Now, therefore, in consideration of the premises hereof and of the mutual covenants and agreements hereinafter contained, the Company and the Executive hereby covenant and agree as follows:

I. DEFINITIONS

1.1 **Definitions.** In addition to terms defined elsewhere in this Agreement, for purposes of this Agreement, the following terms will have the following meanings when used in this Agreement with initial capital letters:

(a) “**Affiliate**”: with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, “**control**,” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms “**controlling**” and “**controlled**” have the meanings correlative to the foregoing. With respect to any natural Person, “**Affiliate**” will include such Person’s grandparents, such Person’s spouse, any descendants of such Person’s grandparents, the grandparents of such Person’s spouse and any descendants of the grandparents of such Person’s spouse (in each case, whether by blood, adoption or marriage).

(b) “**Agreement**”: as defined in the introductory paragraph.

(c) “**Board**”: the Board of Directors of the Company.

(d) “**Business**”: the business of the Company, including the production, marketing, distribution and sale of marijuana and cannabis products, marijuana production products and accessories related to the administration of cannabinoids.

(e) “**Change of Control**”: the occurrence of any one of the following events: (i) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as the term “offeror” is defined in Section 1.1 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*) has acquired beneficial ownership of, or the

power to exercise control or direction over, or securities convertible into, any shares of capital stock of any class of the Company carrying voting rights under all circumstances (the “**Voting Shares**”), that, together with the offeror’s securities would constitute Voting Shares of the Company representing more than 50% of the total voting power attached to all Voting Shares of the Company then outstanding; (ii) there is consummated any amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company: (1) in which the Company is not the continuing or surviving corporation, or (2) pursuant to which any Voting Shares of the Company would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case)

an amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company in which the holders of the Voting Shares of the Company immediately prior to such amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction have, directly or indirectly, more than 50% of the Voting Shares of the continuing or surviving corporation immediately after such transaction, (iii) any person or group of persons shall succeed in having a sufficient number of its nominees elected as directors of the Company such that such nominees, when added to any existing directors of the Company, will constitute a majority of the directors of the Company, or

(iv) there is consummated a sale, transfer or disposition by the Company of all or substantially all of the assets of the Company, provided that an event shall not constitute a Change of Control if its sole purpose is to change the jurisdiction of the Company’s organization or to create a holding company, partnership or trust that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such event.

(f) “**Company**”: as defined in the introductory paragraph and its predecessors, successors and assigns.

(g) “**Confidential Information**”: as defined in Section 4.1.

(h) “**Effective Date**”: as defined in the introductory paragraph.

(i) “**Executive**”: as defined in the introductory paragraph.

(j) “**Person**”: an individual, a corporation, a partnership, a limited liability company, an association, a trust, a joint stock company, a joint venture, an unincorporated organization, a business entity or any other entity or any federal, provincial, state, county, city, municipal or other local or foreign government or any subdivision, authority, commission, board, bureau, court, administrative panel or other instrumentality thereof.

(k) “**Salary**”: as defined in Section 3.1.

(l) “**Subsidiary**”: with respect to any Person (i) any corporation, of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote generally in the election of directors thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) any limited liability company, partnership, association, or other business entity, of which a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries

of that Person or a combination thereof. For purposes of this definition, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses, or is or controls the managing member or general partner of such limited liability company, partnership, association, or other business entity.

1.2 Certain Interpretive Matters. Unless the context requires otherwise, (i) all references to Sections or Articles are to be Sections or Articles of this Agreement, (ii) each term defined in this Agreement has the meaning assigned to it, (iii) words in the singular include the plural and vice versa, (iv) all references to \$ or dollar amounts will be to the currency of Canada, (v) the words “*herein*,” “*hereby*,” “*hereof*,” “*hereunder*” and other words of similar import refer to this Agreement as a whole and not to any particular Section, Article or other subdivision, and (vi) the term “*including*” means “*including without limitation*.” This Agreement has been negotiated and drafted by both parties. No provision of this Agreement will be interpreted in favour of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting of this Agreement or by reason of the extent to which any such provision is inconsistent with any prior draft of this Agreement or any provision of this Agreement.

II. DUTIES OF EXECUTIVE

2.1 Duties During Employment. The Executive will continue to be employed by the Company as a member of the Company’s executive committee and will report directly to the CEO. In such capacity, the Executive will perform such duties and exercise such powers as are assigned to the Executive by the Board, which will include those set out in Schedule “A” attached hereto which forms a part hereof. The Executive agrees that to the best of his ability and experience he shall at all times faithfully, diligently and conscientiously perform all of the duties and obligations assigned to him by the Company and promote the Business and interests of the Company.

2.2 Activities During Employment. The Executive will devote his full business time, energy, ability, attention and skill to his employment hereunder and to the business of the Company as conducted from time to time and, absent the prior written approval of the Board, the Executive will not engage in any other business activity, whether as an advisor, principal, owner, director, officer, member, manager, agent, employee, partner, contractor, investor, lender, stockholder, associate, consultant, independent contractor or otherwise, that would interfere with his duties and responsibilities with the Company or create the perception of such interference. The Executive agrees to comply with all policies of the Company, as in effect and as may be amended from time to time by the Company in its sole discretion, throughout the Executive’s employment with the Company. The Executive agrees to promptly and fully disclose any interest, direct or indirect and whether as an advisor, principal, owner, director, officer, member, manager, agent, employee, partner, contractor, investor, lender, stockholder, associate, consultant, independent contractor or otherwise, in any business or activity that purchases or otherwise obtains services, property or products of the Company or sells or otherwise provides services, property or products to the Company.

III. COMPENSATION AND BENEFITS

3.1 Compensation. For the Executive's services under this Agreement, the Company will pay to the Executive an annual base salary of **\$180,810** during the Executive's employment with the Company, less all applicable taxes and withholding as required by law as well as any previously authorized or required deductions and withholding (the "**Salary**"). Such Salary will be payable in equal bi-weekly installments. Such Salary represents payment in full for all hours worked by the Executive for the Company, including all hours worked in excess of eight (8) hours in a day and forty (40) hours in a week.

3.2 Bonus. In addition to the Salary, the Executive will be eligible for a bonus, in an amount and subject to such criteria as may be determined by the Board, in its sole discretion, from time to time.

3.3 Health and Dental Benefits. The Executive will be entitled to participate in any group health and dental plans and programs generally available to the Company's other executive level employees, provided that the Executive meets all eligibility requirements under those plans and programs. The Executive's participation in such plans and programs shall be subject to and in accordance with the terms and conditions of the plans and programs, including the Company's right to unilaterally amend or terminate the plans and programs from time to time in its sole discretion.

3.4 Stock Options. The Executive will be eligible to participate in the Company's Stock Option Plan (the "**Stock Option Plan**") subject to and in accordance with the terms and conditions of the Stock Option Plan, which Stock Option Plan may be amended from time to time in accordance with the terms of the Stock Option Plan. The amount of stock options, if any, which the Executive will be granted in respect of any fiscal year will be determined by the Company in its sole discretion.

3.5 Vacation. The Executive will be entitled to 3 weeks' annual paid vacation, to be taken subject to and in accordance with the Company's vacation policy which policy may be unilaterally amended by the Company from time to time in its sole discretion.

3.6 Expenses. The Company will reimburse the Executive for all reasonable expenses properly incurred by the Executive in connection with the performance of the Executive's duties hereunder provided that the Executive submits to the Company an itemized written account and receipts evidencing such expenses and that same are in accordance with the Company's reimbursement policies.

3.7 Deductions and Withholdings. All amounts payable or that become payable under this Agreement will be subject to any deductions and withholdings required by law.

IV. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

4.1 Confidentiality.

(a) The Executive understands and agrees that in the course of performing his duties and responsibilities as an employee of the Company, he will have access to and be entrusted with

confidential information and trade secrets (printed or otherwise) regarding the businesses, operations, equipment, products, customers, suppliers and employees of the Company ("**Confidential Information**"), the disclosure of any of which to competitors of the Company or to the general public or the use of same by the Executive or any competitor of the Company would be highly detrimental to the interests of the Company. For the purposes of this Agreement, Confidential Information includes, but is not limited to, the following:

- (i) any data or information related directly or indirectly to the Company or any of its Subsidiaries or any of their respective Affiliates, including past, present, future and contemplated products (including, but not limited to, strains of cannabis and products derived from cannabis), equipment, machinery, designs, services, operations, processes, procedures, techniques, formulae, developments, improvements, programming, specifications, research, technology, methods (including business methods), systems, ideas, secrets, practices, strategies, trade secrets, know-how, business plans, proposals, economic policies or otherwise;
- (ii) any technical or scientific know-how or knowledge of the Company or any of its Subsidiaries or any of their respective Affiliates or any agent, joint venturer or contractor of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (iii) any work, invention, discovery, process, development, design, improvement, change, addition or deletion (whether or not patentable or properly the subject matter of copyright) that relates to, affects or, in the opinion of the Company, is capable of being used or adapted for use in or in connection with the Business or any product, process or intellectual property right of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (iv) financial and sales information, forecasts, pricing information, profit information, cost information, product procurement information, proprietary information, customer information, supplier information and marketing and advertising information relating to the Company or any of its Subsidiaries or any of their respective Affiliates and any information relating to, including the identities, particular preferences, likes, dislikes and needs of, existing and potential customers and suppliers of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (v) patent applications, trade-mark applications, drawings, blueprints, manuals, letters, notebooks or reports (written or otherwise) related to the Company or any of its Subsidiaries or any of their respective Affiliates or any agent, joint venturer or contractor of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (vi) any information provided to or received by the Company or any of its Subsidiaries or any of their respective Affiliates; and

(vii) all other information the Company tries to keep confidential (whether or not expressly marked as “confidential”) and that has commercial or competitive value or is of such a nature that its unauthorized disclosure would be detrimental to the interests of the Company, whether produced by or provided to the Company or any of its Subsidiaries or any of their respective Affiliates.

(b) During the Executive’s employment with the Company and thereafter, the Executive (i) will not use Confidential Information for any purpose detrimental to the Company, (ii) except as directed by the Company, will not use for himself or others, directly or indirectly, any such Confidential Information, and (iii) except as directed by the Company, will not disclose Confidential Information, directly or indirectly, to any other Person. The Executive acknowledges that this covenant is necessary to protect the trade secrets of the Company and its Subsidiaries and their respective Affiliates.

(c) In the event that the Executive shall be legally compelled or required by any governmental authority to disclose any of the Confidential Information, the Executive shall promptly provide written notice to the Company to permit the Company to seek a protective order, in camera process or other appropriate remedy to avoid public or third-party disclosure of such Confidential Information. In the event that such protective order or other remedy is not obtained, the Executive shall furnish only so much of such Confidential Information that he is legally compelled to disclose and shall exercise his commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such Confidential Information. The Executive shall reasonably cooperate with and assist the Company in seeking any protective order or other relief requested pursuant to this Section 4.1(c), at the Company’s expense.

(d) All physical property and all notes, memoranda, files, records, writings, documents and other materials of any and every nature, written or electronic, that the Executive has or will possess, control, prepare, develop or receive in the course of his employment by the Company or that relate to or are useful in any manner to the Business or any other business now or hereafter conducted by the Company, are and will remain the sole and exclusive property of the Company. Except in the course of performing his duties hereunder, the Executive will not remove from such Person’s premises any such physical property, the original, “soft copy” or any reproduction of any such materials nor the information contained therein, and all such physical property, materials and information in his possession or under his custody or control will, on the date of termination of his employment with the Company, be immediately returned to the Company. In the event that such items are not returned, the Company, as applicable, will have the right to charge the Executive for all reasonable damages, costs, lawyer’s fees and other expenses incurred in searching for, taking, removing and/or recovering such property.

V. INVENTIONS

5.1 Inventions. Any and all works, inventions, developments, improvements, changes, additions, deletions and discoveries (whether or not patentable or properly the subject matter of copyright) conceived, developed, created, generated, produced or reduced to practice during the Executive’s employment with the Company or any predecessor of the Company, whether alone or jointly with others and whether during or after regular working hours and whether within or outside of the Company’s premises, that relate to or in any way pertain to or connect with the Company

or any predecessor of the Company ("**Inventions**") shall be the sole and exclusive property of the Company immediately upon conception, development, creation, generation, production or reduction to practice. The Executive shall promptly disclose to the Company or its nominee all Inventions and shall promptly sign such documents and take such action, including execution and delivery of assignments and waivers of the Executive's right, title and interest in and to all Inventions, as the Company or its nominees may at any time request of the Executive in relation to any Invention. The Executive hereby waives any and all moral rights that he may have in any Invention.

5.2 Without restricting the generality of the foregoing, the Executive also agrees:

- (a) to assist the Company or its nominees in preparing copyright and patent applications, including Canadian and foreign applications, covering the Inventions;
- (b) to sign and deliver all such applications and their assignment to the Company or its nominees; and
- (c) to give all information and testimony, to co-operate with the Company and its solicitors, to sign all lawful papers, and to do all lawful things that may be needed or requested by the Company to the end that the Company may obtain, extend, re-issue, maintain and enforce Canadian and foreign copyrights or patents covering the Inventions.

5.3 The Company agrees to bear all expenses that it may cause to be incurred in obtaining, extending, re-issuing, maintaining and enforcing copyrights or patents in respect of Inventions assigned to it by the Executive, and in the vesting and perfecting of title thereto in the Company and to pay the Executive reasonable compensation for any time that the Company may require the Executive to expend in order to accomplish the above subsequent to the termination of this Agreement.

VI. NON-COMPETITION AND NON-SOLICITATION

6.1 Non-Competition. The Executive covenants and agrees with the Company that the Executive shall not, without the prior written consent of the Company, which consent may be withheld in its sole discretion, either for his own benefit or the benefit of any other Person, individually or with any other Person as principal, agent, employee, owner, director or officer of a corporation, operate, carry on, participate in, be employed in, contracted or engaged by or permit his name to be used or employed by any Person engaged in, or who plans to engage in, any business or venture that engages in the production, marketing, distribution or sale of marijuana or cannabis products, marijuana production products or accessories related to the administration of cannabinoids (a) during the Executive's employment with the Company, anywhere in the world and (b) during the twelve (12) month period following the termination of this Agreement and the Executive's employment with the Company, however caused, anywhere within Canada.

6.2 Non-Solicitation of Customers and Suppliers of the Business.

- (a) The Executive covenants and agrees with the Company that during the Executive's employment with the Company, the Executive shall not, individually or through or with any other Person, induce or attempt to induce any client or supplier, past client or supplier

or potential client or supplier of the Company, any of its Subsidiaries or their respective Affiliates to terminate or curtail its commercial relationship with the Company, any of its Subsidiaries or their respective Affiliates or divert from, or attempt to take business from, the Company, any of its Subsidiaries or their respective Affiliates.

(b) The Executive covenants and agrees with the Company that for a period of twelve (12) months following the termination of this Agreement and the Executive's employment with the Company, however caused, the Executive shall not, individually or through or with any other Person:

(i) solicit, call or otherwise contact or communicate with any client or supplier of the Business who was a client or supplier as at the Termination Date, or any past client or supplier of the Business who was a client or supplier of the Business during the twelve (12) month period immediately preceding the Termination Date; or,

(ii) solicit, call or otherwise contact or communicate with any potential client or supplier of the Business that the Company is as at the Termination Date, or was within the twelve (12) month period immediately preceding the Termination Date, in negotiations with; or

(iii) solicit, call or otherwise contact or communicate with any potential client or supplier of the Business that the Executive, on behalf of the Company, was within the twelve (12) month period immediately preceding the Termination Date in negotiations with;

for the purpose of (i) inducing or attempting to induce such client or supplier, past client or supplier or potential client or supplier, to terminate or curtail its commercial relationship with the Company, any of its Subsidiaries or their respective Affiliates or (ii) diverting from, or attempting to take business from, the Company, any of its Subsidiaries or their respective Affiliates.

6.3 Non-Solicitation of Employees. The Executive covenants and agrees with the Company that during the Executive's employment with the Company and for a period of twelve (12) months following the Termination Date, the Executive shall not, individually or through or with any other Person, solicit, call, or otherwise contact any employee of the Business, or any potential employee of the Business that the Company is then in negotiations with, for the purpose of inducing or attempting to induce such employee, or potential employee, to leave his or her employment with the Company or not to accept employment, if offered, with the Company.

VII. REMEDIES

7.1 Reasonableness of Restrictions. The Executive understands and agrees that each and all of the restrictions and covenants contained in this Agreement and in particular Articles IV, V, VI and VII hereof are of the essence to this Agreement and constitute a material inducement to the Company to enter into this Agreement. The Executive further agrees that each and all of the restrictions and covenants contained in this Agreement and in particular Articles IV, V, VI and VII hereof are reasonable, valid and necessary to protect the legitimate interests of the Company, that he will not do or perform any act or attempt to do or perform any act whatsoever which will or

would either directly or indirectly circumvent any or all of the said restrictions or covenants and that all defences to the strict enforcement thereof by the Company are hereby waived by the Executive.

7.2 Breach of Restrictions. The Executive acknowledges that a breach by him of any of the provisions contained in this Agreement and in particular Articles VI and VII hereof may cause the Company great and irreparable injury and damage, which cannot be reasonably or adequately compensated only in damages in an action at law, and hereby agrees that the Company shall be entitled to the remedies of injunction, specific performance and other equitable relief to prevent a breach or recurrence of a breach of this Agreement and that the Company shall be entitled to its reasonable legal costs and expenses, on a solicitor and client basis, incurred in properly enforcing a provision of this Agreement and shall be entitled to discontinue making any payments to the Executive under the terms of this Agreement until such time as the breach of this Agreement has been remedied to the satisfaction of the Company. Nothing contained herein shall be construed as a waiver of any of the rights that the Company may have for damages or otherwise.

7.3 Restricted Period Elongated by Breach. Should the Executive breach the restrictions and covenants contained in Article VI, the running of the period of proscription contained in Article VII shall be stayed and shall only recommence upon the date that the Executive ceases to be in breach thereof, whether voluntarily or by injunction.

7.4 Communication of Restrictions. The Executive shall advise any future employer, associate or affiliate of the restrictions and covenants contained in Articles IV, V and VI hereof to which he is bound.

VIII. TERMINATION

8.1 Termination of Employment. The parties understand and agree that this Agreement and the Executive's employment with the Company may be terminated in the following manner under the specified circumstances:

- (a) subject to Section 8.1(d) below, by the Executive, at any time and for any reason, on the giving of ninety (90) days' written notice to the Company. The Company may at its option waive notice, in whole or in part;
- (b) by the Company, in its sole discretion acting reasonably, in the event of just cause for termination in which case the Company shall not provide to the Executive any period of notice with respect to such termination or compensation in lieu thereof or otherwise compensate the Executive;
- (c) subject to Section 8.1(d) below, by the Company in the absence of just cause for termination and at any time and for any reason in its sole discretion providing to the Executive twenty-four (24) months' written notice of termination, which period of notice may be abridged by the Company in whole or in part at its option by the payment to the Executive of the Salary, less required deductions, to which the Executive would otherwise have been entitled during the abridged period; or

(d) notwithstanding anything to the contrary otherwise provided herein and provided this Agreement has not otherwise been terminated as provided for herein, in the event of a Change of Control:

(i) the Executive shall have the option to, within a period of twelve (12) months immediately following such Change of Control, terminate this Agreement and his employment with the Company on the giving of thirty (30) days' written notice to the Company in which event the Company shall, immediately following receipt of the Executive's written notice of termination pursuant to this Section 8.1(d), pay to the Executive Five Million Dollars (\$5,000,000.00); or

(ii) if the Company in the absence of just cause for termination terminates this Agreement and the Executive's employment with the Company within a period of twelve (12) months immediately following such Change of Control, the Company shall provide to the Executive thirty (30) days' written notice of such termination and immediately pay to the Executive Five Million Dollars (\$5,000,000.00).

(iii) the Executive shall reserve the right to waive the above rights relating an event of Change of Control.

8.2 Release. Upon termination of this Agreement and the Executive's employment with the Company, the Executive shall not be entitled to any termination or severance payment, allowance or benefit of any kind whatsoever (other than such, if any, as may exist pursuant to Sections 8.1(c) or (d) above) and the Executive shall and does hereby remise, release, acquit and discharge the Company and its Subsidiaries and all of their respective Affiliates of and from any and all claims in respect of termination or severance pay, bonus, allowance, benefit or any other form of compensation other than such, if any, as may exist pursuant to Sections 8.1(c) or (d) and does hereby acknowledge that the compensation provided for in Sections 8.1(c) or (d) shall be and is conclusively deemed to be reasonable.

IX. MISCELLANEOUS

9.1 Director's & Officer's Liability Insurance. The Company shall maintain, and pay for, director's and officer's liability insurance pursuant to which coverage will be provided to the Executive for all liability for acts, errors, omissions and deeds on terms typical in such policies of insurance. Such insurance shall provide coverage for the Executive to a limit of not less than 5 Million Dollars (\$5,000,000.00) per occurrence.

9.2 Indemnification. The Company agrees to indemnify the Executive against all costs, charges and expenses reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been an employee, director or officer of the Company if:

- (a) he acted honestly and in good faith with a view to the best interests of the Company; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

9.3 Notices. Any notices and other communications required or permitted hereunder shall be sufficiently given if in writing and delivered personally or mailed by registered or certified mail, postage pre-paid, to the parties hereto or to their representatives.

9.4 Amendments and Waivers. Any provision of this Agreement may be amended or waived only if such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power, or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies herein provided will be cumulative and not exclusive of any rights or remedies provided by law.

9.5 Successors and Assigns. The provisions of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs, administrators and executors, provided that the Executive may not assign, delegate or otherwise transfer any of his rights or obligations under this Agreement without the prior written consent of the Chief Executive Officer or his designate. The Company may assign this Agreement and in the event of such assignment, this Agreement shall be read and construed so that any reference to the "Company" shall refer to such assignee.

9.6 Survivability. It is expressly agreed by the parties hereto that the provisions of Article IV, V, VI, VII, VIII and IX of this Agreement shall survive the termination of this Agreement and the termination of the Executive's employment with the Company howsoever caused.

9.7 Governing Law. This Agreement shall for all purposes be governed by and construed in accordance with the laws in force in the Province of Manitoba. Any proceedings in respect of this Agreement shall take place in the courts of Manitoba and the parties hereby irrevocably attorn to the jurisdiction of such courts, notwithstanding any subsequent change in the residence of a party.

9.8 Headings. The headings in this Agreement are for convenience of reference only and will not control or affect the meaning or construction of any provisions hereof.

9.9 Severability. If any provision of this Agreement is found to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision shall be conclusively deemed to be severable and to have been severed from this Agreement and the balance of this Agreement shall remain in full force and effect, notwithstanding such severance. To the extent permitted by law, each of the parties hereto hereby waives any law, rule or regulation that might otherwise render any provision of this Agreement invalid, illegal or unenforceable.

9.10 Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement, including the employment agreement between the Executive and Delta 9 Bio-Tech Inc. dated **February 1, 2021** (the "Prior Agreement") which Prior Agreement the Executive hereby acknowledges and agrees has been terminated without the Executive being entitled to any further notice or payments with respect to such termination and with the Executive hereby releasing the Company and Delta 9 Bio-Tech Inc. with respect to any obligations owed pursuant to the Prior Agreement.

9.11 Independent Legal Advice. The Executive acknowledges that he has read, understands and agrees with all of the terms of this Agreement, and acknowledges that he has had ample opportunity to obtain independent legal advice with respect to it.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

Delta Cannabis Inc.

By: _____

Name: John Arbuthnot

Title: CEO

Witness

John W. Arbuthnot III

John W. Arbuthnot III

SCHEDULE "A"

The duties and responsibilities of the Executive under this Agreement shall include the following:

- Collaborate with the Executive Team on Company vision, mission, and high-level strategy
- Collaborate with the Executive Team on Capital and Operating budgets
- Act as Board member of the Board of Directors
- Act as the Company's Senior Person in Charge, as required by Health Canada
- Manage and oversee the Company's research, development, and innovation activities
- Manage and oversee the Company's expansion activities within the existing facilities
- Manage and oversee the Company's expansion activities including additional facilities
- ; and

all other duties and responsibilities that may be assigned to the Executive by the CEO.

EXHIBIT “B”
SIDE LETTER

Side Letter attached.

April 22, 2022

Uncle Sam's Cannabis Ltd.
101 Granada Boulevard #301
Sherwood Park, AB T8A 4W2
Attention: Wissam El Annan

Dear Sir:

Re: Promissory Notes by Delta 9 Cannabis Store Inc. in favour of Uncle Sam's Cannabis Ltd.

Reference is made to: (i) that certain promissory note by Delta 9 Cannabis Store Inc. ("**Store**") in favour of Uncle Sam's Cannabis Ltd. ("**Uncle Sam's**") in the principal amount of \$4,990,264.37 dated April 22, 2022; and (ii) that certain promissory note to be delivered by Store in favour of Uncle Sam's respecting the value of the Final Inventory Count following the final determination thereof as determined pursuant to, and as such term is defined in, that certain asset purchase agreement made as of November 1, 2021 among Store, Uncle Sam's and Wissam El Annan dated November 1, 2021, as amended by that certain amending agreement dated December 20, 2021, and as further amended by that certain second amending agreement dated February 16, 2022, and as further amended by that certain third amending agreement dated March 22, 2022 (such promissory notes, as may be amended or replaced from time to time, collectively, the "**Promissory Notes**").

The Promissory Notes provide that the rights of Uncle Sam's under the Promissory Notes may, where arising by way of a contingent assignment in a written agreement dated prior to or concurrent with the date of such Promissory Note to which Store has consented, Uncle Sam's may assign its rights under such Promissory Note. As at the date of this letter agreement, Store has consented to the contingent assignment of the debt represented by both Promissory Notes on the terms set out in this letter agreement.

1. Commitment to Purchase Debt:

Pursuant to the terms of the Promissory Notes, the debts represented by the Promissory Notes have a maturity date of July 20, 2025 and Store has the ability to prepay any amount of the principal and interest represented by the Promissory Notes, without bonus or penalty, at any time prior to such maturity date.

In the event that Store does not repay the entirety of the principal and accrued and unpaid interest owing by Store to Uncle Sam's pursuant to both Promissory Notes on or before March 30, 2023 (the "**Determination Date**"), each of the undersigned John Arbuthnot III ("**Bill**") and John Arbuthnot IV ("**John**") jointly and severally covenant and agree that, on March 31, 2023, Bill, John, or a combination of Bill and John (in any case, collectively, the "**Purchaser**"), shall purchase from Uncle Sam's, at a price equal to the aggregate of: (i) the unpaid principal balance of the Promissory Notes as at the Determination Date; and (ii) the accrued and unpaid interest owing under the Promissory Notes as at the Determination Date (collectively, the "**Note Purchase**").

Price”). The Note Purchase Price shall be payable by the Purchaser in immediately available funds to the solicitors for Uncle Sam’s on or before March 31, 2023.

Upon the delivery of the Note Purchase Price by the Purchaser to the solicitors for Uncle Sam’s, Uncle Sam’s shall forthwith cause all rights and benefits of Uncle Sam’s arising under the Promissory Notes to be irrevocably assigned by Uncle Sam’s to the Purchaser, and Uncle Sam’s shall take all actions and shall deliver all such conveyances and other documentation as may be reasonably required to give effect to the assignment by Uncle Sam’s to the Purchaser of all rights and benefits of Uncle Sam’s arising pursuant to the Promissory Notes, including without limitation: (i) the delivery to the Purchaser of the Promissory Notes; (ii) the entering into of an assignment agreement, in form and content satisfactory to the Purchaser and their solicitors, acting reasonably, providing for the assignment of the rights of Uncle Sam’s under the Promissory Notes; and (iii) the delivery of such notices or releases to Store as may be reasonably necessary to evidence the irrevocable assignment of the rights of Uncle Sam’s under the Promissory Notes to the Purchaser with effect as of the date of payment of the Note Purchase Price.

2. Interpretation:

Notwithstanding the construction of the purchase and sale of the debt represented by the Promissory Notes as contemplated hereby and the explicit intent of each of Bill, John and Uncle Sam’s that the obligations of Bill and John to purchase the debt represented by the Promissory Notes not be construed as a guarantee by Bill and John of the obligations of Store pursuant to the Promissory Notes, in the event that this Agreement or any portion thereof shall be construed or interpreted as a guarantee by the Purchaser of the obligations of Store to Uncle Sam’s pursuant to the Promissory Notes, the following provisions shall apply:

- (a) **Waiver of Defences.** Each of the Purchaser agrees that their obligations under this Agreement are irrevocable, continuing, absolute and unconditional and shall not be discharged or impaired or otherwise affected by, and each of the Purchaser hereby irrevocably waives any defences to enforcement it may have (now or in the future), by reason of one or more of the following:
 - (i) any illegality, invalidity or unenforceability of any obligation of Store to Uncle Sam’s (for certainty, prior to any purchase and sale of the debt represented by the Promissory Notes as contemplated by this Agreement) arising under the Promissory Notes (collectively, the “**Obligations**”), the Promissory Notes themselves, or any other document delivered in connection with the Promissory Notes;
 - (ii) any change in the amount, time, place or manner of payment or performance of, or in any other term of the Obligations, or any waiver, release, assignment, amendment or other modification of the Promissory Notes or any other document delivered in connection with the Promissory Notes;
 - (iii) any taking, substitution, release, impairment, loss in value, amendment, waiver, or non-perfection of any collateral or any other guarantee for the Obligations;

- (iv) any manner of sale, disposition or application of proceeds of any collateral or other assets to all or part of the Obligations;
- (v) any default, failure or delay, wilful or otherwise, in the performance of the Obligations;
- (vi) any change in the name, object, capital, ownership or control, or constitution of Store or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Store or either of the Purchaser or their respective assets or any resulting restructuring, compromise, release or discharge of any Obligations;
- (vii) any merger, amalgamation, consolidation or other fundamental change of Store;
- (viii) any failure of Uncle Sam's to disclose to either of the Purchaser any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of Store now or hereafter known to Uncle Sam's, and each of the Purchaser hereby waives any duty of Uncle Sam's to disclose such information;
- (ix) the failure of Store to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of the Promissory Notes, any other documents delivered in connection with the Promissory Notes, or otherwise;
- (x) any defence, set-off or counterclaim (other than a defence of payment or performance) that may at any time be available to, or be asserted by, Store against Uncle Sam's; or
- (xi) any other circumstance, act, or omission that might vary the risk of either of the Purchaser or otherwise operate as a defence available to, or a legal or equitable discharge of, either of the Purchaser.

(b) **Acknowledgments.**

- (i) Each of the Purchaser hereby unconditionally and irrevocably waives any right to revoke this Agreement or its obligations hereunder and acknowledges that this Agreement and the obligations hereunder are continuing in nature, shall, by way of the obligations of purchase of the debt represented by the Promissory Notes, guarantee any ultimate balance owing to Uncle Sam's pursuant to the Promissory Notes, and applies to all presently existing and future Obligations, until the complete, irrevocable and infeasible payment and satisfaction in full of the Obligations.
- (ii) In the event of an interpretation of the obligations of the Purchaser hereunder as an obligation of guarantee, such obligations shall be a guarantee of payment and performance and not of collection, and Uncle Sam's shall not be obligated to

enforce or exhaust its remedies against Store before proceeding to enforce the obligations of the Purchaser under this Agreement.

- (iii) The obligations of each of the Purchaser hereunder are independent of the obligations of Store to Uncle Sam's. Uncle Sam's may resort to the Purchaser for payment and performance of the Obligations whether or not Uncle Sam's shall have resorted to any of its collateral or shall have proceeded against Store or any other guarantors with respect to the Obligations. Uncle Sam's may, at Uncle Sam's option, proceed against either of the Purchaser and Store, jointly and severally, or against the Purchaser only, or either of them only, without having obtained a judgment against Store.
- (iv) Except as may be required pursuant to the terms of the Promissory Notes, each of the Purchaser hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of non-performance, default, acceleration, protest or dishonour and any other notice with respect to any of the Obligations and this Agreement and any requirement that Uncle Sam's protect, secure, perfect or insure any encumbrance or any property subject thereto.
- (v) Each of the Purchaser agrees that its obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time all or part of any payment of any Obligation is voided, rescinded or recovered or must otherwise be returned by Uncle Sam's upon the insolvency, bankruptcy, reorganization, dissolution or winding-up of Store.
- (vi) The provisions of this Agreement shall continue to apply to all Obligations owing to Uncle Sam's by any amalgamated corporation resulting from Store amalgamating with one or more other corporations.
- (c) **Subrogation; Contribution; Reimbursement; Indemnification.** Each of the Purchaser waives and shall not exercise any rights that he may acquire by way of subrogation, contribution, reimbursement or indemnification for payments made under this Agreement until all Obligations shall have been paid and discharged in full. Subject to the foregoing, upon full and final payment and performance of all Obligations, each of the Purchaser shall be subrogated to the rights of Uncle Sam's against Store, and Uncle Sam's agrees to take such steps as the Purchaser may reasonably request, at the Purchaser's expense, to implement such subrogation.
- (d) **Indemnity.** Each of the Purchaser hereby agrees to indemnify and hold harmless Uncle Sam's from any direct losses, damages, liabilities, claims and related expenses incurred by Uncle Sam's or asserted against Uncle Sam's by any person arising out of, in connection with or resulting from this Agreement or any failure of any Obligations to be legal, valid and binding obligations of Store enforceable against Store in accordance with its terms.

3. Other Matters:

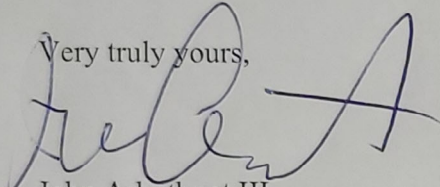
solely for the benefit of the parties hereto (including any permitted assigns), and no other person shall have any right, benefit or interest under, or because of, the existence of this letter agreement. This letter agreement shall be binding upon and shall enure to the benefit of each of the parties hereto and their respective heirs, executors, personal representatives, successors and permitted assigns, as applicable.

This letter agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein and the parties irrevocably attorn to the jurisdiction of the courts of Alberta.

This letter agreement may be executed in one or more counterparts, including, without limitation, via facsimile or other means of electronic transmission (including, without limitation, PDF file), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If you are in agreement with the terms outlined in this letter agreement, please sign below and return a copy to the writer, by way of physical delivery or electronic transmission by email attachment.

Very truly yours,



John Arbuthnot III

John Arbuthnot IV

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, this letter agreement is ACCEPTED AND AGREED, this ____ day of April, 2022.

UNCLE SAM'S CANNABIS LTD.

Per: _____
Wissam El Annan, President

This letter agreement is solely for the benefit of the parties hereto (including any permitted assigns), and no other person shall have any right, benefit or interest under, or because of, the existence of this letter agreement. This letter agreement shall be binding upon and shall enure to the benefit of each of the parties hereto and their respective heirs, executors, personal representatives, successors and permitted assigns, as applicable.

This letter agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein and the parties irrevocably attorn to the jurisdiction of the courts of Alberta.

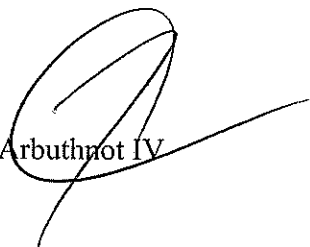
This letter agreement may be executed in one or more counterparts, including, without limitation, via facsimile or other means of electronic transmission (including, without limitation, PDF file), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If you are in agreement with the terms outlined in this letter agreement, please sign below and return a copy to the writer, by way of physical delivery or electronic transmission by email attachment.

Very truly yours,

John Arbuthnot III

John Arbuthnot IV



FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, this letter agreement is ACCEPTED AND AGREED, this ____ day of April, 2022.

UNCLE SAM'S CANNABIS LTD.

Per: _____
Wissam El Annan, President

**THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF LAWYER**

I HEREBY CERTIFY THAT:

1. John Arbuthnot III, the Guarantor named in the Letter agreement dated ___ April, 2022, made between John Arbuthnot III, John Arbuthnot IV and UNCLE SAM'S CANNABIS LTD., which this certificate is attached to or noted upon, appeared before me by two-way video conference and acknowledged that the guarantor had executed the Letter agreement.

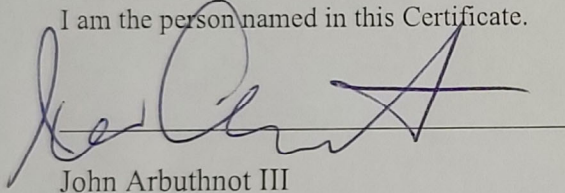
2. I satisfied myself by examination of the guarantor that the guarantor is aware of the contents of the Letter agreement and understands it.

CERTIFIED BY _____, Lawyer at the City of Winnipeg, in the Province of Manitoba,
this _____ day of April, 2022.

Signature

STATEMENT OF GUARANTOR

I am the person named in this Certificate.


John Arbuthnot III

**THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF LAWYER**

I HEREBY CERTIFY THAT:

1. John Arbuthnot IV, the Guarantor named in the Letter agreement dated ____ April, 2022, made between John Arbuthnot III, John Arbuthnot IV and UNCLE SAM'S CANNABIS LTD., which this certificate is attached to or noted upon, appeared before me by two-way video conference and acknowledged that the guarantor had executed the Letter agreement.

2. I satisfied myself by examination of the guarantor that the guarantor is aware of the contents of the Letter agreement and understands it.

CERTIFIED BY _____, Lawyer at the City of Winnipeg, in the Province of Manitoba, this ____ day of April, 2022.

Signature

STATEMENT OF GUARANTOR

I am the person named in this Certificate.

John Arbuthnot IV

EXHIBIT “C”
NOTICE OF TRANSFER OF CLAIM

To: DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC.,
DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE
INC.

And to: ALVAREZ & MARSAL CANADA INC.

Re: **IN THE MATTER OF THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*, RSC 1985,
c C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC.,
DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.
(Court File No. 2401-09688)**

John William Arbuthnot III (“**Seller**”), for good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged and pursuant to the terms of an Assignment of Claim Agreement dated August 15, 2024, does hereby certify that Seller has unconditionally and irrevocably sold, transferred and assigned to 2759054 Ontario Inc., its successors and assigns (“**Buyer**”), all rights, title and interest in and to the claim of Seller (“**Claim**”) against the Debtor in the above noted proceeding under the *Companies’ Creditors Arrangement Act* (Canada) in the Court of King’s Bench of Alberta.

Seller hereby waives any notice or hearing requirements and stipulates that an order may be entered recognizing this Notice of Transfer of Claim as evidence of an unconditional assignment and Buyer herein as the valid owner of the Claim. Effective immediately, all further notices and all payments, remittances or distributions of money, proceeds or property in respect of the Claims, shall be delivered or made to the following address:

UNCLE SAM’S CANNABIS LTD.
Attention: Wissam El Annan
Email: abouannann@hotmail.com

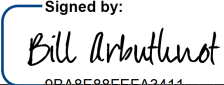
With a copy, that shall not constitute notice, to:

FORUM LAW LLP
11835 – 149 Street NW
Edmonton, AB T5L 2J1
Attention: Sharif Issawi
Email: issawi@forumlaw.ca

Please acknowledge receipt of this Notice, and the transfer set forth hereunder, by countersigning at the bottom and returning by fax or email to the Buyer at the addresses above.

IN WITNESS WHEREOF, the undersigned have duly executed this Notice of Transfer of Claim by their duly authorized representative dated the ____ day of August, 2024.

JOHN WILLIAM ARBUTHNOT III

Signed by:

By: _____
9BA8E88FEFA3411...

UNCLE SAM’S CANNABIS LTD.

DocuSigned by:

By: _____
3C2F708D9A1C4C4...
Name: Wissam El Annan
Title: Owner

APPENDIX "D"

**JOHN ARBUTHNOT NOTICE OF ASSIGNMENT AND ASSIGNMENT
AGREEMENT**

EXHIBIT "C"
NOTICE OF TRANSFER OF CLAIM

To: DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC.,
DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE
INC.

And to: ALVAREZ & MARSAL CANADA INC.

Re: **IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985,
c C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC.,
DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.
(Court File No. 2401-09688)**

John William Arbuthnot IV ("**Seller**"), for good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged and pursuant to the terms of an Assignment of Claim Agreement dated August 15, 2024, does hereby certify that Seller has unconditionally and irrevocably sold, transferred and assigned to 2759054 Ontario Inc., its successors and assigns ("**Buyer**"), all rights, title and interest in and to the claim of Seller ("**Claim**") against the Debtor in the above noted proceeding under the *Companies' Creditors Arrangement Act* (Canada) in the Court of King's Bench of Alberta.

Seller hereby waives any notice or hearing requirements and stipulates that an order may be entered recognizing this Notice of Transfer of Claim as evidence of an unconditional assignment and Buyer herein as the valid owner of the Claim. Effective immediately, all further notices and all payments, remittances or distributions of money, proceeds or property in respect of the Claims, shall be delivered or made to the following address:

UNCLE SAM'S CANNABIS LTD.
Attention: Wissam El Annan
Email: abouannann@hotmail.com

With a copy, that shall not constitute notice, to:

FORUM LAW LLP
11835 – 149 Street NW
Edmonton, AB T5L 2J1
Attention: Sharif Issawi
Email: issawi@forumlaw.ca

Please acknowledge receipt of this Notice, and the transfer set forth hereunder, by countersigning at the bottom and returning by fax or email to the Buyer at the addresses above.


IN WITNESS WHEREOF, the undersigned have duly executed this Notice of Transfer of Claim by their duly authorized representative dated the ____ day of August, 2024.

JOHN WILLIAM ARBUTHNOT IV

Signed by:

By: _____
19ED67A19EB1423...

UNCLE SAM’S CANNABIS LTD.

DocuSigned by:

By: _____
3C2F708D9A1C4C4...
Name: Wissam El Annan
Title: Owner

ASSIGNMENT OF CLAIM AGREEMENT

<p><u>SELLER:</u></p> <p>JOHN WILLIAM ARBUTHNOT IV</p>	<p><u>BUYER:</u></p> <p>UNCLE SAM'S CANNABIS LTD.</p> <p>Attention: Wissam El Annan Email: abouannann@hotmail.com</p>
--	---

Agreement Date: August 15, 2024

Debtor: DELTA 9 CANNABIS INC. (the “**Debtor**”)

Proceeding: IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC. (Court File No. 2401-09688), currently pending in the Court of King's Bench of Alberta (the “**Court**”) (the “**CCAA Proceedings**”)

Application Date: July 16, 2024, being the date of the Initial Order in the CCAA Proceedings (the “**Application Date**”)

Monitor: Alvarez & Marsal Canada Inc. (hereinafter, the “**Monitor**”)

Claim: Seller's valid and enforceable, unsubordinated general unsecured claim against the Debtor (“**Claim**”) in the amount of \$5,000,000 (the “**Claim Amount**”), in connection with an employment agreement between the Seller and Debtor (incorrectly identified therein as “Delta Cannabis Inc.”) dated May 1, 2021, attached hereto as Exhibit “A”.

1. Seller, for good and valuable consideration, does hereby irrevocably sell, convey, transfer and assign unto Buyer all of Seller's rights, title and interest in, to and under, the Claim against the Debtor, including, without limitation, to the extent related thereto: (a) the right to file a proof of claim in respect of the Claim; (b) all agreements, instruments, receivables, account statements and other documents evidencing or relating to the Claim (collectively, “**Claim Documentation**”); (c) all claims (including without limitation “claims” as defined in Section 2 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and causes of action together with voting and other rights and benefits arising from, under or relating to the Claim, all lawsuits and other rights of any nature arising out of or in connection with the Claim; (d) all rights and obligations of setoff in respect of the Claim; and (e) all of Sellers' right to receive principal, interest, fees, expenses, damages, penalties and any other amounts, whether accruing prior to, on or after the date of this assignment of claim agreement (the “**Agreement**”), and all cash, securities, instruments, proceeds and/or other property distributed, issued or received in respect of, or exchanged in return for, any of the foregoing together with all proceeds of the foregoing (collectively, “**Distributions**”), whether against the Debtor, any

affiliate of the Debtor, or third party liable in respect thereof (collectively, the “**Assigned Rights**”). Buyer is not assuming any obligations or liabilities of any kind owing to the Debtor or any other party with respect to, under or in connection with the Assigned Rights, Claim Documentation or the Proceedings.

2. The Seller explicitly acknowledges that the Debtor and its affiliates may submit a plan of arrangement or compromise in the CCAA Proceedings (the “**Plan**”), and that the Claim may be utilized by the Buyer in connection with voting on the approval of any such Plan.

3. In consideration for the Seller’s assignment of the Claim to the Buyer, the Seller’s covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the Buyer hereby acknowledges, the Buyer, on behalf of itself and its present and former, direct and indirect, parents, subsidiaries, affiliates, related corporations or entities, officers, directors, shareholders, employees, members, limited partners, successors and permitted assigns (collectively, “**Releasors**”) hereby releases, waives and forever discharges the Seller of and from any and all actions, manner of actions, causes of action, proceedings, suits, losses, liabilities, rights, debts, dues, duties, sums of money, accounts, obligations, costs, expenses, liens, bonds, bills, covenants, contracts, controversies, complaints, indemnities, entitlements, agreements, promises, variances, trespasses, damages, judgments, executions, claims, and demands, of every kind and nature whatsoever or howsoever arising, whether now known or unknown, foreseen or unforeseen, matured or unmatured, suspected or unsuspected, in law or in equity, in contract or in tort, which any of such Releasors ever had, now have, or hereafter can, shall, or may have against the Seller for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of time through the date of this Agreement arising out of, in connection with or relating to a side letter between the Seller and the Buyer dated April 22, 2022 (the “**Side Letter**”) and attached hereto as Exhibit “**B**”, in connection with certain financing arrangements between Delta 9 Cannabis Store Inc. and the Buyer under the promissory note dated April 22, 2022 made by Delta 9 Cannabis Store Inc. in favour of the Buyer (collectively, the “**Released Obligations**”). The Buyer agrees, covenants and undertakes to not make any claim or take any proceedings against any person, partnership, corporation, or other such entity which might be entitled to claim contribution, indemnity, or other relief over against any other party under the provisions of any statute or otherwise with respect to any of the Released Obligations. In the event that the Buyer should hereafter commence any proceedings involving any Released Obligations against the Seller, or any third party, relating to the Released Obligations, this Agreement may be raised as an estoppel to any such Released Obligations in the proceedings by the Buyer. The Buyer represents and warrants that it has not assigned or transferred, or purported to assign or transfer, to any person, partnership, corporation, or other such entity, any of the Released Obligations released above, nor any of the matters about which it agrees herein not to make any claim or take any proceedings.

4. The Buyer and the Seller irrevocably acknowledge, covenant and agree that the Buyer shall be the owner of the Claim, the Claim Documentation and the Assigned Rights as of the date of this Agreement, and may notify the Monitor and the Court of same.

5. The Seller represents, warrants and covenants to Buyer and Buyer’s successors and assigns, that: (a) this Agreement constitutes the valid, legal and binding agreement of Seller, enforceable against Seller in accordance with its terms; (b) neither the execution, delivery or performance of this Agreement or the Notice of Transfer of Claim (in the form provided at Exhibit “**C**”) nor consummation of the transactions contemplated hereby and thereby, will violate or contravene any law, rule, regulation, or order affecting the Seller or the Assigned Rights; (c) Seller is the sole legal and beneficial owner, and has good title to, the Claim and Assigned Rights, free and clear of any lien, claim, security interest, participation, or encumbrance or any similar claim of any kind, other than (i) any liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested; and (ii) deemed liens and trusts arising by operation of law in connection with workers’ compensation, employment insurance and other social security legislation, in each case, which secure

obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested (collectively, “**Liens**”) and this Agreement will transfer to Buyer such good title free and clear of any Liens; (d) Seller has not previously sold, assigned or otherwise encumbered the Assigned Rights, in whole or in part, nor has Seller agreed to do any of the foregoing; (e) the Claim is a valid, enforceable, unsubordinated, general unsecured claim against the Debtor; (f) no payment or Distributions have been received by or on behalf of Seller in full or partial satisfaction of the Assigned Rights; (g) Seller (i) does not, and did not on the Application Date, hold any funds or property of Debtor or any of its affiliates; and (ii) has not effected or received, and shall not effect or receive, the benefit of any setoff against Debtor or any of its affiliates; (h) Seller has not engaged (and shall not engage) in any act, conduct or omission, or had (and shall not have) any relationship with the Debtor or any of its affiliates that will materially reduce or impair or otherwise materially and adversely affect the Assigned Rights or result in Buyer receiving proportionately materially less in payments or Distributions under, or materially less favorable treatment (including the manner and timing of payments or Distributions) for the Assigned Rights than is received by creditors holding claims of the same class or type as the Claim; (i) Seller has not made a transaction that would be considered a preference or transfer at undervalue pursuant to section 95 and 96 of the BIA, respectively; (j) no broker or agent acting on Seller’s behalf is entitled to any commission or fee for which the Buyer would be responsible; (k) no proof of claim has been or shall be submitted by Seller with respect to the Assigned Rights; and (l) Seller is not a “Debtor” within the meaning of Section 2 of the BIA, and has not committed an act of bankruptcy under Section 42(1) of the BIA.

6. Each of Buyer and the Seller represents that it is a sophisticated entity with respect to the purchase/sale of the Assigned Rights and has adequate information concerning the financial condition of the Debtor and the Proceedings to make an informed decision regarding the purchase/sale of the Assigned Rights and that it has independently, and without reliance on the other, and based on such information as it has deemed appropriate, made its own decision to enter into this Agreement. Each of the Buyer and the Seller represents that it has had the opportunity to obtain independent legal advice on this Agreement. Each of Buyer and the Seller acknowledges that the other may possess material non-public information concerning the Assigned Rights or the Debtor. Each further acknowledges that it has not requested to receive such information and has nevertheless determined to proceed with the transaction contemplated herein, and neither shall have any liability to the other party, and each waives and releases any claims that it might have against the other, arising out of the non-disclosure of such information; provided, however, that nothing in this Section shall limit, contradict or render untrue any representation or warranty made by the Seller or Buyer herein.

7. The Seller agrees that in the event the Seller shall receive any Distributions or notices with respect to the Assigned Rights, the Seller shall hold the same in trust for the sole benefit of Buyer (to which Buyer shall have an absolute right), and the Seller shall promptly deliver the same to Buyer in the same form received (free of any withholding, set-off, claims or deduction of any kind) within two (2) business days of the Seller’s receipt. In the event that all or any portion of the Distributions on account of the Assigned Rights are not assignable by the Seller to Buyer, then the Seller grants to Buyer a 100% participation interest in the Assigned Rights or such Distributions, in accordance with the provisions of this Agreement and applicable law.

8. The Seller hereby irrevocably appoints Buyer as its true and lawful attorney-in-fact with respect to the Assigned Rights and authorizes Buyer to act in such Seller’s name, place and stead, to demand, sue for, compromise and recover all such sums of money which are, or may hereafter become due and payable for, or on account of the Assigned Rights herein assigned and to vote the Assigned Rights. The Seller agrees that the powers granted in this Section are discretionary in nature and exercisable at the sole option of Buyer. Buyer shall have no obligation to prove, defend, or take any affirmative action with respect to proving the validity or amount of the Assigned Rights.

9. The Buyer may at any time transfer or assign all or any portion of the Assigned Rights, together with all rights, title and interests of Buyer in and to this Agreement, without the consent of, or notice to, the Seller. All representations, warranties, covenants and agreements contained herein shall survive the execution and delivery of this Agreement and shall inure to the benefit of the successors and assigns of any party hereto. This Agreement and all matters arising out of or relating to it shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein without reference to any conflicts of law provisions. The Buyer and the Seller irrevocably attorn to the jurisdiction of the Court of King's Bench of Alberta with respect to all matters arising out of or relating to this Agreement.

10. The Seller and Buyer explicitly acknowledge and agree that the existence and terms of this Agreement are confidential in nature and shall not be disclosed either orally or in writing directly or indirectly by either the Seller or Buyer to any third-party unless such disclosure is compelled by a court of competent jurisdiction. Notwithstanding the foregoing, the Seller acknowledges and agrees that the existence and terms of this Agreements may disclosed by Buyer as necessary in connection with the submission of the Buyer's Bid.

11. The Seller agrees to execute and deliver, or to cause to be executed and delivered, all such instruments and documents, and to take all such action as Buyer may reasonably request, in order to effectuate the intent and purpose of, and to carry out the terms of, this Agreement. The Buyer agrees to execute and deliver, or to cause to be executed and delivered, all such instruments and documents, and to take all such action as the Seller may reasonably request, in order to effectuate the intent and purpose of, and to carry out the terms of, the release in Section 3 of this Agreement.

12. This Agreement, together with any schedules and exhibits hereto, constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof. This Agreement may be signed in counterparts, each of which shall be an original and all of which taken together shall constitute one agreement. No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by the parties hereto and no waiver of any provision of this Agreement, nor consent to any departure by either party from it, shall be effective unless it is in writing and signed by the affected party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The Seller hereby consents to the substitution of Buyer for the Seller for all purposes in the Proceedings with respect to the Assigned Rights, including, without limitation, for voting and distribution purposes.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement by their duly authorized representatives as of the Agreement Date written above.

JOHN WILLIAM ARBUTHNOT IV

Signed by:

 By: _____
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UNCLE SAM'S CANNABIS LTD.


DocuSigned by:

 By: _____
 362F708D9A1G4C4...
 Name: Wissam El Annan
 Title: Owner

EXHIBIT "A"

EMPLOYMENT AGREEMENT

Employment Agreement attached.

EMPLOYMENT AGREEMENT

This Employment Agreement (this “*Agreement*”), dated as of May 1, 2021 (the “*Effective Date*”), is between **John William Arbuthnot IV** (the “*Executive*”) and Delta Cannabis Inc., a corporation incorporated under the laws of Manitoba (the “*Company*”).

RECITALS

- A. The Company believes that the future growth, profitability, and success of the Business (as defined below) will be significantly enhanced by the continued employment of the Executive.
- B. The Executive wishes to continue employment with the Company on the terms and conditions set forth below.

Now, therefore, in consideration of the premises hereof and of the mutual covenants and agreements hereinafter contained, the Company and the Executive hereby covenant and agree as follows:

I. DEFINITIONS

1.1 **Definitions.** In addition to terms defined elsewhere in this Agreement, for purposes of this Agreement, the following terms will have the following meanings when used in this Agreement with initial capital letters:

(a) “***Affiliate***”: with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, “***control***,” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms “***controlling***” and “***controlled***” have the meanings correlative to the foregoing. With respect to any natural Person, “***Affiliate***” will include such Person’s grandparents, such Person’s spouse, any descendants of such Person’s grandparents, the grandparents of such Person’s spouse and any descendants of the grandparents of such Person’s spouse (in each case, whether by blood, adoption or marriage).

(b) “***Agreement***”: as defined in the introductory paragraph.

(c) “***Board***”: the Board of Directors of the Company.

(d) “***Business***”: the business of the Company, including the production, marketing, distribution and sale of marijuana and cannabis products, marijuana production products and accessories related to the administration of cannabinoids.

(e) “***Change of Control***”: the occurrence of any one of the following events: (i) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as the term “offeror” is defined in Section 1.1 of Multilateral Instrument 62-104 *Take- Over Bids and Issuer Bids*) has acquired beneficial ownership of, or the

power to exercise control or direction over, or securities convertible into, any shares of capital stock of any class of the Company carrying voting rights under all circumstances (the “**Voting Shares**”), that, together with the offeror’s securities would constitute Voting Shares of the Company representing more than 50% of the total voting power attached to all Voting Shares of the Company then outstanding; (ii) there is consummated any amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company: (1) in which the Company is not the continuing or surviving corporation, or (2) pursuant to which any Voting Shares of the Company would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case)

an amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company in which the holders of the Voting Shares of the Company immediately prior to such amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction have, directly or indirectly, more than 50% of the Voting Shares of the continuing or surviving corporation immediately after such transaction, (iii) any person or group of persons shall succeed in having a sufficient number of its nominees elected as directors of the Company such that such nominees, when added to any existing directors of the Company, will constitute a majority of the directors of the Company, or

(iv) there is consummated a sale, transfer or disposition by the Company of all or substantially all of the assets of the Company, provided that an event shall not constitute a Change of Control if its sole purpose is to change the jurisdiction of the Company’s organization or to create a holding company, partnership or trust that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such event.

(f) “**Company**”: as defined in the introductory paragraph and its predecessors, successors and assigns.

(g) “**Confidential Information**”: as defined in Section 4.1.

(h) “**Effective Date**”: as defined in the introductory paragraph.

(i) “**Executive**”: as defined in the introductory paragraph.

(j) “**Person**”: an individual, a corporation, a partnership, a limited liability company, an association, a trust, a joint stock company, a joint venture, an unincorporated organization, a business entity or any other entity or any federal, provincial, state, county, city, municipal or other local or foreign government or any subdivision, authority, commission, board, bureau, court, administrative panel or other instrumentality thereof.

(k) “**Salary**”: as defined in Section 3.1.

(l) “**Subsidiary**”: with respect to any Person (i) any corporation, of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote generally in the election of directors thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) any limited liability company, partnership, association, or other business entity, of which a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries

of that Person or a combination thereof. For purposes of this definition, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses, or is or controls the managing member or general partner of such limited liability company, partnership, association, or other business entity.

1.2 Certain Interpretive Matters. Unless the context requires otherwise, (i) all references to Sections or Articles are to be Sections or Articles of this Agreement, (ii) each term defined in this Agreement has the meaning assigned to it, (iii) words in the singular include the plural and vice versa, (iv) all references to \$ or dollar amounts will be to the currency of Canada, (v) the words “*herein*,” “*hereby*,” “*hereof*,” “*hereunder*” and other words of similar import refer to this Agreement as a whole and not to any particular Section, Article or other subdivision, and (vi) the term “*including*” means “*including without limitation*.” This Agreement has been negotiated and drafted by both parties. No provision of this Agreement will be interpreted in favour of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting of this Agreement or by reason of the extent to which any such provision is inconsistent with any prior draft of this Agreement or any provision of this Agreement.

II. DUTIES OF EXECUTIVE

2.1 Duties During Employment. The Executive will continue to be employed by the Company as its **Chief Executive Officer (CEO)** and will report directly to the Board. In such capacity, the Executive will perform such duties and exercise such powers as are assigned to the Executive by the Board, which will include those set out in Schedule “A” attached hereto which forms a part hereof. The Executive agrees that to the best of his ability and experience he shall at all times faithfully, diligently and conscientiously perform all of the duties and obligations assigned to him by the Company and promote the Business and interests of the Company.

2.2 Activities During Employment. The Executive will devote his full business time, energy, ability, attention and skill to his employment hereunder and to the business of the Company as conducted from time to time and, absent the prior written approval of the Board, the Executive will not engage in any other business activity, whether as an advisor, principal, owner, director, officer, member, manager, agent, employee, partner, contractor, investor, lender, stockholder, associate, consultant, independent contractor or otherwise, that would interfere with his duties and responsibilities with the Company or create the perception of such interference. The Executive agrees to comply with all policies of the Company, as in effect and as may be amended from time to time by the Company in its sole discretion, throughout the Executive’s employment with the Company. The Executive agrees to promptly and fully disclose any interest, direct or indirect and whether as an advisor, principal, owner, director, officer, member, manager, agent, employee, partner, contractor, investor, lender, stockholder, associate, consultant, independent contractor or otherwise, in any business or activity that purchases or otherwise obtains services, property or products of the Company or sells or otherwise provides services, property or products to the Company.

III. COMPENSATION AND BENEFITS

3.1 Compensation. For the Executive's services under this Agreement, the Company will pay to the Executive an annual base salary of **\$225,000** during the Executive's employment with the Company, less all applicable taxes and withholding as required by law as well as any previously authorized or required deductions and withholding (the "**Salary**"). Such Salary will be payable in equal bi-weekly installments. Such Salary represents payment in full for all hours worked by the Executive for the Company, including all hours worked in excess of eight (8) hours in a day and forty (40) hours in a week.

3.2 Bonus. In addition to the Salary, the Executive will be eligible for a bonus, in an amount and subject to such criteria as may be determined by the Board, in its sole discretion, from time to time.

3.3 Health and Dental Benefits. The Executive will be entitled to participate in any group health and dental plans and programs generally available to the Company's other executive level employees, provided that the Executive meets all eligibility requirements under those plans and programs. The Executive's participation in such plans and programs shall be subject to and in accordance with the terms and conditions of the plans and programs, including the Company's right to unilaterally amend or terminate the plans and programs from time to time in its sole discretion.

3.4 Stock Options. The Executive will be eligible to participate in the Company's Stock Option Plan (the "**Stock Option Plan**") subject to and in accordance with the terms and conditions of the Stock Option Plan, which Stock Option Plan may be amended from time to time in accordance with the terms of the Stock Option Plan. The amount of stock options, if any, which the Executive will be granted in respect of any fiscal year will be determined by the Company in its sole discretion.

3.5 Vacation. The Executive will be entitled to 3 weeks' annual paid vacation, to be taken subject to and in accordance with the Company's vacation policy which policy may be unilaterally amended by the Company from time to time in its sole discretion.

3.6 Expenses. The Company will reimburse the Executive for all reasonable expenses properly incurred by the Executive in connection with the performance of the Executive's duties hereunder provided that the Executive submits to the Company an itemized written account and receipts evidencing such expenses and that same are in accordance with the Company's reimbursement policies.

3.7 Deductions and Withholdings. All amounts payable or that become payable under this Agreement will be subject to any deductions and withholdings required by law.

IV. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

4.1 Confidentiality.

(a) The Executive understands and agrees that in the course of performing his duties and responsibilities as an employee of the Company, he will have access to and be entrusted with

confidential information and trade secrets (printed or otherwise) regarding the businesses, operations, equipment, products, customers, suppliers and employees of the Company ("**Confidential Information**"), the disclosure of any of which to competitors of the Company or to the general public or the use of same by the Executive or any competitor of the Company would be highly detrimental to the interests of the Company. For the purposes of this Agreement, Confidential Information includes, but is not limited to, the following:

- (i) any data or information related directly or indirectly to the Company or any of its Subsidiaries or any of their respective Affiliates, including past, present, future and contemplated products (including, but not limited to, strains of cannabis and products derived from cannabis), equipment, machinery, designs, services, operations, processes, procedures, techniques, formulae, developments, improvements, programming, specifications, research, technology, methods (including business methods), systems, ideas, secrets, practices, strategies, trade secrets, know-how, business plans, proposals, economic policies or otherwise;
- (ii) any technical or scientific know-how or knowledge of the Company or any of its Subsidiaries or any of their respective Affiliates or any agent, joint venturer or contractor of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (iii) any work, invention, discovery, process, development, design, improvement, change, addition or deletion (whether or not patentable or properly the subject matter of copyright) that relates to, affects or, in the opinion of the Company, is capable of being used or adapted for use in or in connection with the Business or any product, process or intellectual property right of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (iv) financial and sales information, forecasts, pricing information, profit information, cost information, product procurement information, proprietary information, customer information, supplier information and marketing and advertising information relating to the Company or any of its Subsidiaries or any of their respective Affiliates and any information relating to, including the identities, particular preferences, likes, dislikes and needs of, existing and potential customers and suppliers of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (v) patent applications, trade-mark applications, drawings, blueprints, manuals, letters, notebooks or reports (written or otherwise) related to the Company or any of its Subsidiaries or any of their respective Affiliates or any agent, joint venturer or contractor of the Company or any of its Subsidiaries or any of their respective Affiliates;
- (vi) any information provided to or received by the Company or any of its Subsidiaries or any of their respective Affiliates; and

(vii) all other information the Company tries to keep confidential (whether or not expressly marked as “confidential”) and that has commercial or competitive value or is of such a nature that its unauthorized disclosure would be detrimental to the interests of the Company, whether produced by or provided to the Company or any of its Subsidiaries or any of their respective Affiliates.

(b) During the Executive’s employment with the Company and thereafter, the Executive (i) will not use Confidential Information for any purpose detrimental to the Company, (ii) except as directed by the Company, will not use for himself or others, directly or indirectly, any such Confidential Information, and (iii) except as directed by the Company, will not disclose Confidential Information, directly or indirectly, to any other Person. The Executive acknowledges that this covenant is necessary to protect the trade secrets of the Company and its Subsidiaries and their respective Affiliates.

(c) In the event that the Executive shall be legally compelled or required by any governmental authority to disclose any of the Confidential Information, the Executive shall promptly provide written notice to the Company to permit the Company to seek a protective order, in camera process or other appropriate remedy to avoid public or third-party disclosure of such Confidential Information. In the event that such protective order or other remedy is not obtained, the Executive shall furnish only so much of such Confidential Information that he is legally compelled to disclose and shall exercise his commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such Confidential Information. The Executive shall reasonably cooperate with and assist the Company in seeking any protective order or other relief requested pursuant to this Section 4.1(c), at the Company’s expense.

(d) All physical property and all notes, memoranda, files, records, writings, documents and other materials of any and every nature, written or electronic, that the Executive has or will possess, control, prepare, develop or receive in the course of his employment by the Company or that relate to or are useful in any manner to the Business or any other business now or hereafter conducted by the Company, are and will remain the sole and exclusive property of the Company. Except in the course of performing his duties hereunder, the Executive will not remove from such Person’s premises any such physical property, the original, “soft copy” or any reproduction of any such materials nor the information contained therein, and all such physical property, materials and information in his possession or under his custody or control will, on the date of termination of his employment with the Company, be immediately returned to the Company. In the event that such items are not returned, the Company, as applicable, will have the right to charge the Executive for all reasonable damages, costs, lawyer’s fees and other expenses incurred in searching for, taking, removing and/or recovering such property.

V. INVENTIONS

5.1 Inventions. Any and all works, inventions, developments, improvements, changes, additions, deletions and discoveries (whether or not patentable or properly the subject matter of copyright) conceived, developed, created, generated, produced or reduced to practice during the Executive’s employment with the Company or any predecessor of the Company, whether alone or jointly with others and whether during or after regular working hours and whether within or outside of the Company’s premises, that relate to or in any way pertain to or connect with the Company

or any predecessor of the Company (“**Inventions**”) shall be the sole and exclusive property of the Company immediately upon conception, development, creation, generation, production or reduction to practice. The Executive shall promptly disclose to the Company or its nominee all Inventions and shall promptly sign such documents and take such action, including execution and delivery of assignments and waivers of the Executive’s right, title and interest in and to all Inventions, as the Company or its nominees may at any time request of the Executive in relation to any Invention. The Executive hereby waives any and all moral rights that he may have in any Invention.

5.2 Without restricting the generality of the foregoing, the Executive also agrees:

- (a) to assist the Company or its nominees in preparing copyright and patent applications, including Canadian and foreign applications, covering the Inventions;
- (b) to sign and deliver all such applications and their assignment to the Company or its nominees; and
- (c) to give all information and testimony, to co-operate with the Company and its solicitors, to sign all lawful papers, and to do all lawful things that may be needed or requested by the Company to the end that the Company may obtain, extend, re-issue, maintain and enforce Canadian and foreign copyrights or patents covering the Inventions.

5.3 The Company agrees to bear all expenses that it may cause to be incurred in obtaining, extending, re-issuing, maintaining and enforcing copyrights or patents in respect of Inventions assigned to it by the Executive, and in the vesting and perfecting of title thereto in the Company and to pay the Executive reasonable compensation for any time that the Company may require the Executive to expend in order to accomplish the above subsequent to the termination of this Agreement.

VI. NON-COMPETITION AND NON-SOLICITATION

6.1 Non-Competition. The Executive covenants and agrees with the Company that the Executive shall not, without the prior written consent of the Company, which consent may be withheld in its sole discretion, either for his own benefit or the benefit of any other Person, individually or with any other Person as principal, agent, employee, owner, director or officer of a corporation, operate, carry on, participate in, be employed in, contracted or engaged by or permit his name to be used or employed by any Person engaged in, or who plans to engage in, any business or venture that engages in the production, marketing, distribution or sale of marijuana or cannabis products, marijuana production products or accessories related to the administration of cannabinoids (a) during the Executive’s employment with the Company, anywhere in the world and (b) during the twelve (12) month period following the termination of this Agreement and the Executive’s employment with the Company, however caused, anywhere within Canada.

6.2 Non-Solicitation of Customers and Suppliers of the Business.

- (a) The Executive covenants and agrees with the Company that during the Executive’s employment with the Company, the Executive shall not, individually or through or with any other Person, induce or attempt to induce any client or supplier, past client or supplier

or potential client or supplier of the Company, any of its Subsidiaries or their respective Affiliates to terminate or curtail its commercial relationship with the Company, any of its Subsidiaries or their respective Affiliates or divert from, or attempt to take business from, the Company, any of its Subsidiaries or their respective Affiliates.

(b) The Executive covenants and agrees with the Company that for a period of twelve (12) months following the termination of this Agreement and the Executive's employment with the Company, however caused, the Executive shall not, individually or through or with any other Person:

(i) solicit, call or otherwise contact or communicate with any client or supplier of the Business who was a client or supplier as at the Termination Date, or any past client or supplier of the Business who was a client or supplier of the Business during the twelve (12) month period immediately preceding the Termination Date; or,

(ii) solicit, call or otherwise contact or communicate with any potential client or supplier of the Business that the Company is as at the Termination Date, or was within the twelve (12) month period immediately preceding the Termination Date, in negotiations with; or

(iii) solicit, call or otherwise contact or communicate with any potential client or supplier of the Business that the Executive, on behalf of the Company, was within the twelve (12) month period immediately preceding the Termination Date in negotiations with;

for the purpose of (i) inducing or attempting to induce such client or supplier, past client or supplier or potential client or supplier, to terminate or curtail its commercial relationship with the Company, any of its Subsidiaries or their respective Affiliates or (ii) diverting from, or attempting to take business from, the Company, any of its Subsidiaries or their respective Affiliates.

6.3 Non-Solicitation of Employees. The Executive covenants and agrees with the Company that during the Executive's employment with the Company and for a period of twelve (12) months following the Termination Date, the Executive shall not, individually or through or with any other Person, solicit, call, or otherwise contact any employee of the Business, or any potential employee of the Business that the Company is then in negotiations with, for the purpose of inducing or attempting to induce such employee, or potential employee, to leave his or her employment with the Company or not to accept employment, if offered, with the Company.

VII. REMEDIES

7.1 Reasonableness of Restrictions. The Executive understands and agrees that each and all of the restrictions and covenants contained in this Agreement and in particular Articles IV, V, VI and VII hereof are of the essence to this Agreement and constitute a material inducement to the Company to enter into this Agreement. The Executive further agrees that each and all of the restrictions and covenants contained in this Agreement and in particular Articles IV, V, VI and VII hereof are reasonable, valid and necessary to protect the legitimate interests of the Company, that he will not do or perform any act or attempt to do or perform any act whatsoever which will or

would either directly or indirectly circumvent any or all of the said restrictions or covenants and that all defences to the strict enforcement thereof by the Company are hereby waived by the Executive.

7.2 Breach of Restrictions. The Executive acknowledges that a breach by him of any of the provisions contained in this Agreement and in particular Articles VI and VII hereof may cause the Company great and irreparable injury and damage, which cannot be reasonably or adequately compensated only in damages in an action at law, and hereby agrees that the Company shall be entitled to the remedies of injunction, specific performance and other equitable relief to prevent a breach or recurrence of a breach of this Agreement and that the Company shall be entitled to its reasonable legal costs and expenses, on a solicitor and client basis, incurred in properly enforcing a provision of this Agreement and shall be entitled to discontinue making any payments to the Executive under the terms of this Agreement until such time as the breach of this Agreement has been remedied to the satisfaction of the Company. Nothing contained herein shall be construed as a waiver of any of the rights that the Company may have for damages or otherwise.

7.3 Restricted Period Elongated by Breach. Should the Executive breach the restrictions and covenants contained in Article VI, the running of the period of proscription contained in Article VII shall be stayed and shall only recommence upon the date that the Executive ceases to be in breach thereof, whether voluntarily or by injunction.

7.4 Communication of Restrictions. The Executive shall advise any future employer, associate or affiliate of the restrictions and covenants contained in Articles IV, V and VI hereof to which he is bound.

VIII. TERMINATION

8.1 Termination of Employment. The parties understand and agree that this Agreement and the Executive's employment with the Company may be terminated in the following manner under the specified circumstances:

- (a) subject to Section 8.1(d) below, by the Executive, at any time and for any reason, on the giving of ninety (90) days' written notice to the Company. The Company may at its option waive notice, in whole or in part;
- (b) by the Company, in its sole discretion acting reasonably, in the event of just cause for termination in which case the Company shall not provide to the Executive any period of notice with respect to such termination or compensation in lieu thereof or otherwise compensate the Executive;
- (c) subject to Section 8.1(d) below, by the Company in the absence of just cause for termination and at any time and for any reason in its sole discretion providing to the Executive twenty-four (24) months' written notice of termination, which period of notice may be abridged by the Company in whole or in part at its option by the payment to the Executive of the Salary, less required deductions, to which the Executive would otherwise have been entitled during the abridged period; or

(d) notwithstanding anything to the contrary otherwise provided herein and provided this Agreement has not otherwise been terminated as provided for herein, in the event of a Change of Control:

(i) (i) the Executive shall have the option to, within a period of twelve (12) months immediately following such Change of Control, terminate this Agreement and his employment with the Company on the giving of thirty (30) days' written notice to the Company in which event the Company shall, immediately following receipt of the Executive's written notice of termination pursuant to this Section 8.1(d), pay to the Executive Five Million Dollars (\$5,000,000.00); or

(ii) if the Company in the absence of just cause for termination terminates this Agreement and the Executive's employment with the Company within a period of twelve (12) months immediately following such Change of Control, the Company shall provide to the Executive thirty (30) days' written notice of such termination and immediately pay to the Executive Five Million Dollars (\$5,000,000.00).

(iii) the Executive shall reserve the right to waive the above rights relating an event of Change of Control.

8.2 Release. Upon termination of this Agreement and the Executive's employment with the Company, the Executive shall not be entitled to any termination or severance payment, allowance or benefit of any kind whatsoever (other than such, if any, as may exist pursuant to Sections 8.1(c) or (d) above) and the Executive shall and does hereby remise, release, acquit and discharge the Company and its Subsidiaries and all of their respective Affiliates of and from any and all claims in respect of termination or severance pay, bonus, allowance, benefit or any other form of compensation other than such, if any, as may exist pursuant to Sections 8.1(c) or (d) and does hereby acknowledge that the compensation provided for in Sections 8.1(c) or (d) shall be and is conclusively deemed to be reasonable.

IX. MISCELLANEOUS

9.1 Director's & Officer's Liability Insurance. The Company shall maintain, and pay for, director's and officer's liability insurance pursuant to which coverage will be provided to the Executive for all liability for acts, errors, omissions and deeds on terms typical in such policies of insurance. Such insurance shall provide coverage for the Executive to a limit of not less than 5 Million Dollars (\$5,000,000.00) per occurrence.

9.2 Indemnification. The Company agrees to indemnify the Executive against all costs, charges and expenses reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been an employee, director or officer of the Company if:

- (a) he acted honestly and in good faith with a view to the best interests of the Company; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

9.3 Notices. Any notices and other communications required or permitted hereunder shall be sufficiently given if in writing and delivered personally or mailed by registered or certified mail, postage pre-paid, to the parties hereto or to their representatives.

9.4 Amendments and Waivers. Any provision of this Agreement may be amended or waived only if such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power, or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies herein provided will be cumulative and not exclusive of any rights or remedies provided by law.

9.5 Successors and Assigns. The provisions of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs, administrators and executors, provided that the Executive may not assign, delegate or otherwise transfer any of his rights or obligations under this Agreement without the prior written consent of the Chief Executive Officer or his designate. The Company may assign this Agreement and in the event of such assignment, this Agreement shall be read and construed so that any reference to the "Company" shall refer to such assignee.

9.6 Survivability. It is expressly agreed by the parties hereto that the provisions of Article IV, V, VI, VII, VIII and IX of this Agreement shall survive the termination of this Agreement and the termination of the Executive's employment with the Company howsoever caused.

9.7 Governing Law. This Agreement shall for all purposes be governed by and construed in accordance with the laws in force in the Province of Manitoba. Any proceedings in respect of this Agreement shall take place in the courts of Manitoba and the parties hereby irrevocably attorn to the jurisdiction of such courts, notwithstanding any subsequent change in the residence of a party.

9.8 Headings. The headings in this Agreement are for convenience of reference only and will not control or affect the meaning or construction of any provisions hereof.

9.9 Severability. If any provision of this Agreement is found to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision shall be conclusively deemed to be severable and to have been severed from this Agreement and the balance of this Agreement shall remain in full force and effect, notwithstanding such severance. To the extent permitted by

Inc. dated **February 1, 2019** (the "Prior Agreement") which Prior Agreement the Executive hereby acknowledges and agrees has been terminated without the Executive being entitled to any further notice or payments with respect to such termination and with the Executive hereby releasing the Company and Delta 9 Bio-Tech Inc. with respect to any obligations owed pursuant to the Prior Agreement.

9.11 Independent Legal Advice. The Executive acknowledges that he has read, understands and agrees with all of the terms of this Agreement, and acknowledges that he has had ample opportunity to obtain independent legal advice with respect to it.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

Delta Cannabis Inc.

By: Hugh H. L.
 Name: _____
 Title: Director

Witness

[Signature]

[Signature]
 James P. Lawson

SCHEDULE "A"

The duties and responsibilities of the Executive under this Agreement shall include the following:

- Work with CEO on creation, approval, and implementation of annual Capital and Operating Budgets
- Work with Company managers on creation and implementation of departmental Capital and Operating Budgets
- Manage the accounting and finance department of the company
- Maintain the accounting records of the company
- Manage the creation of monthly internally prepared Financials Statements
- Manage the creation of quarterly review engaged Financial Statements and Management Discussion and Analysis
- Manage the creation of annual audited Financial Statements and Management Discussion and Analysis
- Manage the Company's banking relationships
- Assist in maintaining all required corporate filings up to date for the TSXV, OTCQX, and or other public exchange
- Assist in developing and implementing the Company's investor relations strategy
- ; and

all other duties and responsibilities that may be assigned to the Executive by the Board.

EXHIBIT "B"
SIDE LETTER

Side Letter attached.

April 22, 2022

Uncle Sam's Cannabis Ltd.
101 Granada Boulevard #301
Sherwood Park, AB T8A 4W2
Attention: Wissam El Annan

Dear Sir:

Re: Promissory Notes by Delta 9 Cannabis Store Inc. in favour of Uncle Sam's Cannabis Ltd.

Reference is made to: (i) that certain promissory note by Delta 9 Cannabis Store Inc. ("**Store**") in favour of Uncle Sam's Cannabis Ltd. ("**Uncle Sam's**") in the principal amount of \$4,990,264.37 dated April 22, 2022; and (ii) that certain promissory note to be delivered by Store in favour of Uncle Sam's respecting the value of the Final Inventory Count following the final determination thereof as determined pursuant to, and as such term is defined in, that certain asset purchase agreement made as of November 1, 2021 among Store, Uncle Sam's and Wissam El Annan dated November 1, 2021, as amended by that certain amending agreement dated December 20, 2021, and as further amended by that certain second amending agreement dated February 16, 2022, and as further amended by that certain third amending agreement dated March 22, 2022 (such promissory notes, as may be amended or replaced from time to time, collectively, the "**Promissory Notes**").

The Promissory Notes provide that the rights of Uncle Sam's under the Promissory Notes may, where arising by way of a contingent assignment in a written agreement dated prior to or concurrent with the date of such Promissory Note to which Store has consented, Uncle Sam's may assign its rights under such Promissory Note. As at the date of this letter agreement, Store has consented to the contingent assignment of the debt represented by both Promissory Notes on the terms set out in this letter agreement.

1. Commitment to Purchase Debt:

Pursuant to the terms of the Promissory Notes, the debts represented by the Promissory Notes have a maturity date of July 20, 2025 and Store has the ability to prepay any amount of the principal and interest represented by the Promissory Notes, without bonus or penalty, at any time prior to such maturity date.

In the event that Store does not repay the entirety of the principal and accrued and unpaid interest owing by Store to Uncle Sam's pursuant to both Promissory Notes on or before March 30, 2023 (the "**Determination Date**"), each of the undersigned John Arbuthnot III ("**Bill**") and John Arbuthnot IV ("**John**") jointly and severally covenant and agree that, on March 31, 2023, Bill, John, or a combination of Bill and John (in any case, collectively, the "**Purchaser**"), shall purchase from Uncle Sam's, at a price equal to the aggregate of: (i) the unpaid principal balance of the Promissory Notes as at the Determination Date; and (ii) the accrued and unpaid interest owing under the Promissory Notes as at the Determination Date (collectively, the "**Note Purchase**").

Price”). The Note Purchase Price shall be payable by the Purchaser in immediately available funds to the solicitors for Uncle Sam’s on or before March 31, 2023.

Upon the delivery of the Note Purchase Price by the Purchaser to the solicitors for Uncle Sam’s, Uncle Sam’s shall forthwith cause all rights and benefits of Uncle Sam’s arising under the Promissory Notes to be irrevocably assigned by Uncle Sam’s to the Purchaser, and Uncle Sam’s shall take all actions and shall deliver all such conveyances and other documentation as may be reasonably required to give effect to the assignment by Uncle Sam’s to the Purchaser of all rights and benefits of Uncle Sam’s arising pursuant to the Promissory Notes, including without limitation: (i) the delivery to the Purchaser of the Promissory Notes; (ii) the entering into of an assignment agreement, in form and content satisfactory to the Purchaser and their solicitors, acting reasonably, providing for the assignment of the rights of Uncle Sam’s under the Promissory Notes; and (iii) the delivery of such notices or releases to Store as may be reasonably necessary to evidence the irrevocable assignment of the rights of Uncle Sam’s under the Promissory Notes to the Purchaser with effect as of the date of payment of the Note Purchase Price.

2. Interpretation:

Notwithstanding the construction of the purchase and sale of the debt represented by the Promissory Notes as contemplated hereby and the explicit intent of each of Bill, John and Uncle Sam’s that the obligations of Bill and John to purchase the debt represented by the Promissory Notes not be construed as a guarantee by Bill and John of the obligations of Store pursuant to the Promissory Notes, in the event that this Agreement or any portion thereof shall be construed or interpreted as a guarantee by the Purchaser of the obligations of Store to Uncle Sam’s pursuant to the Promissory Notes, the following provisions shall apply:

- (a) **Waiver of Defences.** Each of the Purchaser agrees that their obligations under this Agreement are irrevocable, continuing, absolute and unconditional and shall not be discharged or impaired or otherwise affected by, and each of the Purchaser hereby irrevocably waives any defences to enforcement it may have (now or in the future), by reason of one or more of the following:
 - (i) any illegality, invalidity or unenforceability of any obligation of Store to Uncle Sam’s (for certainty, prior to any purchase and sale of the debt represented by the Promissory Notes as contemplated by this Agreement) arising under the Promissory Notes (collectively, the “**Obligations**”), the Promissory Notes themselves, or any other document delivered in connection with the Promissory Notes;
 - (ii) any change in the amount, time, place or manner of payment or performance of, or in any other term of the Obligations, or any waiver, release, assignment, amendment or other modification of the Promissory Notes or any other document delivered in connection with the Promissory Notes;
 - (iii) any taking, substitution, release, impairment, loss in value, amendment, waiver, or non-perfection of any collateral or any other guarantee for the Obligations;

- (iv) any manner of sale, disposition or application of proceeds of any collateral or other assets to all or part of the Obligations;
- (v) any default, failure or delay, wilful or otherwise, in the performance of the Obligations;
- (vi) any change in the name, object, capital, ownership or control, or constitution of Store or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Store or either of the Purchaser or their respective assets or any resulting restructuring, compromise, release or discharge of any Obligations;
- (vii) any merger, amalgamation, consolidation or other fundamental change of Store;
- (viii) any failure of Uncle Sam's to disclose to either of the Purchaser any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of Store now or hereafter known to Uncle Sam's, and each of the Purchaser hereby waives any duty of Uncle Sam's to disclose such information;
- (ix) the failure of Store to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of the Promissory Notes, any other documents delivered in connection with the Promissory Notes, or otherwise;
- (x) any defence, set-off or counterclaim (other than a defence of payment or performance) that may at any time be available to, or be asserted by, Store against Uncle Sam's; or
- (xi) any other circumstance, act, or omission that might vary the risk of either of the Purchaser or otherwise operate as a defence available to, or a legal or equitable discharge of, either of the Purchaser.

(b) Acknowledgments.

- (i) Each of the Purchaser hereby unconditionally and irrevocably waives any right to revoke this Agreement or its obligations hereunder and acknowledges that this Agreement and the obligations hereunder are continuing in nature, shall, by way of the obligations of purchase of the debt represented by the Promissory Notes, guarantee any ultimate balance owing to Uncle Sam's pursuant to the Promissory Notes, and applies to all presently existing and future Obligations, until the complete, irrevocable and infeasible payment and satisfaction in full of the Obligations.
- (ii) In the event of an interpretation of the obligations of the Purchaser hereunder as an obligation of guarantee, such obligations shall be a guarantee of payment and performance and not of collection, and Uncle Sam's shall not be obligated to

enforce or exhaust its remedies against Store before proceeding to enforce the obligations of the Purchaser under this Agreement.

- (iii) The obligations of each of the Purchaser hereunder are independent of the obligations of Store to Uncle Sam's. Uncle Sam's may resort to the Purchaser for payment and performance of the Obligations whether or not Uncle Sam's shall have resorted to any of its collateral or shall have proceeded against Store or any other guarantors with respect to the Obligations. Uncle Sam's may, at Uncle Sam's option, proceed against either of the Purchaser and Store, jointly and severally, or against the Purchaser only, or either of them only, without having obtained a judgment against Store.
- (iv) Except as may be required pursuant to the terms of the Promissory Notes, each of the Purchaser hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of non-performance, default, acceleration, protest or dishonour and any other notice with respect to any of the Obligations and this Agreement and any requirement that Uncle Sam's protect, secure, perfect or insure any encumbrance or any property subject thereto.
- (v) Each of the Purchaser agrees that its obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time all or part of any payment of any Obligation is voided, rescinded or recovered or must otherwise be returned by Uncle Sam's upon the insolvency, bankruptcy, reorganization, dissolution or winding-up of Store.
- (vi) The provisions of this Agreement shall continue to apply to all Obligations owing to Uncle Sam's by any amalgamated corporation resulting from Store amalgamating with one or more other corporations.
- (c) **Subrogation; Contribution; Reimbursement; Indemnification.** Each of the Purchaser waives and shall not exercise any rights that he may acquire by way of subrogation, contribution, reimbursement or indemnification for payments made under this Agreement until all Obligations shall have been paid and discharged in full. Subject to the foregoing, upon full and final payment and performance of all Obligations, each of the Purchaser shall be subrogated to the rights of Uncle Sam's against Store, and Uncle Sam's agrees to take such steps as the Purchaser may reasonably request, at the Purchaser's expense, to implement such subrogation.
- (d) **Indemnity.** Each of the Purchaser hereby agrees to indemnify and hold harmless Uncle Sam's from any direct losses, damages, liabilities, claims and related expenses incurred by Uncle Sam's or asserted against Uncle Sam's by any person arising out of, in connection with or resulting from this Agreement or any failure of any Obligations to be legal, valid and binding obligations of Store enforceable against Store in accordance with its terms.

3. Other Matters:

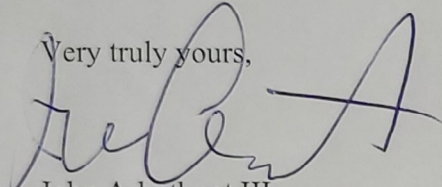
solely for the benefit of the parties hereto (including any permitted assigns), and no other person shall have any right, benefit or interest under, or because of, the existence of this letter agreement. This letter agreement shall be binding upon and shall enure to the benefit of each of the parties hereto and their respective heirs, executors, personal representatives, successors and permitted assigns, as applicable.

This letter agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein and the parties irrevocably attorn to the jurisdiction of the courts of Alberta.

This letter agreement may be executed in one or more counterparts, including, without limitation, via facsimile or other means of electronic transmission (including, without limitation, PDF file), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If you are in agreement with the terms outlined in this letter agreement, please sign below and return a copy to the writer, by way of physical delivery or electronic transmission by email attachment.

Very truly yours,



John Arbuthnot III

John Arbuthnot IV

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, this letter agreement is ACCEPTED AND AGREED, this ____ day of April, 2022.

UNCLE SAM'S CANNABIS LTD.

Per: _____
Wissam El Annan, President

This letter agreement is solely for the benefit of the parties hereto (including any permitted assigns), and no other person shall have any right, benefit or interest under, or because of, the existence of this letter agreement. This letter agreement shall be binding upon and shall enure to the benefit of each of the parties hereto and their respective heirs, executors, personal representatives, successors and permitted assigns, as applicable.

This letter agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein and the parties irrevocably attorn to the jurisdiction of the courts of Alberta.

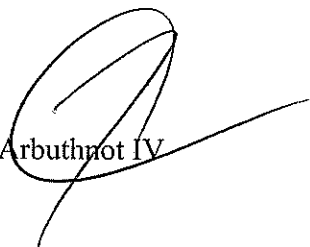
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If you are in agreement with the terms outlined in this letter agreement, please sign below and return a copy to the writer, by way of physical delivery or electronic transmission by email attachment.

Very truly yours,

John Arbuthnot III

John Arbuthnot IV



FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, this letter agreement is ACCEPTED AND AGREED, this ____ day of April, 2022.

UNCLE SAM'S CANNABIS LTD.

Per: _____
Wissam El Annan, President

**THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF LAWYER**

I HEREBY CERTIFY THAT:

1. John Arbuthnot III, the Guarantor named in the Letter agreement dated ___ April, 2022, made between John Arbuthnot III, John Arbuthnot IV and UNCLE SAM'S CANNABIS LTD., which this certificate is attached to or noted upon, appeared before me by two-way video conference and acknowledged that the guarantor had executed the Letter agreement.

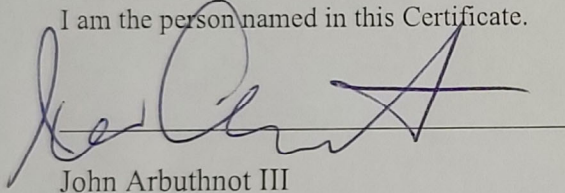
2. I satisfied myself by examination of the guarantor that the guarantor is aware of the contents of the Letter agreement and understands it.

CERTIFIED BY _____, Lawyer at the City of Winnipeg, in the Province of Manitoba,
this _____ day of April, 2022.

Signature

STATEMENT OF GUARANTOR

I am the person named in this Certificate.


John Arbuthnot III

**THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF LAWYER**

I HEREBY CERTIFY THAT:

1. John Arbuthnot IV, the Guarantor named in the Letter agreement dated ____ April, 2022, made between John Arbuthnot III, John Arbuthnot IV and UNCLE SAM'S CANNABIS LTD., which this certificate is attached to or noted upon, appeared before me by two-way video conference and acknowledged that the guarantor had executed the Letter agreement.

2. I satisfied myself by examination of the guarantor that the guarantor is aware of the contents of the Letter agreement and understands it.

CERTIFIED BY _____, Lawyer at the City of Winnipeg, in the Province of Manitoba, this ____ day of April, 2022.

Signature

STATEMENT OF GUARANTOR

I am the person named in this Certificate.

John Arbuthnot IV

EXHIBIT “C”
NOTICE OF TRANSFER OF CLAIM

To: DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC.,
DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE
INC.

And to: ALVAREZ & MARSAL CANADA INC.

Re: **IN THE MATTER OF THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*, RSC 1985,
c C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC.,
DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.
(Court File No. 2401-09688)**

John William Arbuthnot IV (“**Seller**”), for good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged and pursuant to the terms of an Assignment of Claim Agreement dated August 15, 2024, does hereby certify that Seller has unconditionally and irrevocably sold, transferred and assigned to 2759054 Ontario Inc., its successors and assigns (“**Buyer**”), all rights, title and interest in and to the claim of Seller (“**Claim**”) against the Debtor in the above noted proceeding under the *Companies’ Creditors Arrangement Act* (Canada) in the Court of King’s Bench of Alberta.

Seller hereby waives any notice or hearing requirements and stipulates that an order may be entered recognizing this Notice of Transfer of Claim as evidence of an unconditional assignment and Buyer herein as the valid owner of the Claim. Effective immediately, all further notices and all payments, remittances or distributions of money, proceeds or property in respect of the Claims, shall be delivered or made to the following address:

UNCLE SAM’S CANNABIS LTD.
Attention: Wissam El Annan
Email: abouannann@hotmail.com

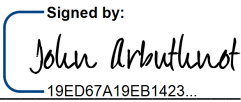
With a copy, that shall not constitute notice, to:

FORUM LAW LLP
11835 – 149 Street NW
Edmonton, AB T5L 2J1
Attention: Sharif Issawi
Email: issawi@forumlaw.ca


Please acknowledge receipt of this Notice, and the transfer set forth hereunder, by countersigning at the bottom and returning by fax or email to the Buyer at the addresses above.

IN WITNESS WHEREOF, the undersigned have duly executed this Notice of Transfer of Claim by their duly authorized representative dated the ____ day of August, 2024.

JOHN WILLIAM ARBUTHNOT IV

Signed by:

By: _____
19ED67A19EB1423...

UNCLE SAM’S CANNABIS LTD.

DocuSigned by:

By: _____
3C2F708D9A1C4C4...
Name: Wissam El Annan
Title: Owner