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ASX RELEASE

11 June 2020

MMJ Investor Update - WeedMD

MMJ Group Holdings Limited (ASX:MMJ) ("MMJ"), is an Australian-listed company that specialises in managing a portfolio of investments along the cannabis value-chain in Australia, Canada and Europe.

WeedMD Investor Presentation

MMJ attaches the following release by one of MMJ's largest investees, **WeedMD Inc. (TSX-V:WMD) (OTCQX:WDDMF) (FSE:4WE) ("WeedMD" or the "Company")**, in relation to its operations.

WeedMD Inc. is a federally-licensed producer of cannabis products for both the medical and adult-use markets in Canada. The WeedMD release provides an update on the Company's indoor and outdoor cultivation and extraction operations for the medical and adult use markets.

MMJ's investment in WeedMD

MMJ's initial investment in WeedMD was made in September 2019 – the investment now comprises:

- a) CAD6m in 8.5% unsecured convertible debenture units issued by WeedMD which MMJ has the option to convert into 3.75m shares by 25 September 2022. The debenture units have preference over ordinary shares with interest paid to MMJ on quarterly basis.
- b) Warrants that allow MMJ to acquire an additional 3.75m shares for CAD1.80 each by 25 September 2022.

Investor and Media Enquiries

Announcement authorised for release to ASX by:

Jim Hallam

Chief Financial Officer and Company Secretary

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About MMJ

MMJ is a global cannabis investment company (ABN 91 601 236 417). MMJ owns a portfolio of minority investments and aims to invest across the full range of emerging cannabis-related sectors including healthcare, technology, infrastructure, logistics, processing, cultivation, equipment and retail. For MMJ's latest investor presentation and news, please visit: <https://www.mmjgh.com.au/investors/>

Important Notice

This announcement contains reference to certain intentions, expectations, future plans, strategy and prospects of MMJ. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of MMJ may be influenced by a number of factors, many of which are outside the control of MMJ. No representation or warranty, express or implied, is made by MMJ, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties that may cause MMJ's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. MMJ does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended. Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in MMJ. This document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). MMJ's shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.

ASX RELEASE

Glossary

ABBREVIATION	Definition
AUD	means Australian dollars.
AASB	Australian Accounting Standards Board.
ACMPR	means Access to Cannabis for Medical Purposes Regulations.
ASX	means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.
ASX Listing Rules	means the Listing Rules of ASX.
B2B	Business to business
CAD	means Canadian dollars.
CBD	means Cannabidiol (CBD) is a crystalline, nonintoxicating cannabinoid in cannabis and hemp.
CBG	means Cannabigerol is the non-acidic form of cannabigerolic acid, the parent molecule from which other cannabinoids are synthesized.
Company or MMJ	means MMJ Group Holdings Limited (ACN 601 236 417).
EBITDA	means Earnings before Interest, Tax, Depreciation and Amortisation.
GMP	GMP stands for Good Manufacturing Practices and refers to a system of manufacturing that guarantees reproducibility of product quality to set specifications.
LPs	Canada's Licensed Producers of Cannabis Products
M	means million
MMPR	means Marihuana for Medical Purposes Regulation
MOIC	means multiple on invested capital
NTA	means net tangible assets.
Option	means an option to acquire a Share usually at predetermined price.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a registered holder of a Share.
THC	means THC is the principal psychoactive constituent of cannabis
TSXV	Toronto Stock Exchange Venture
Warrant	means an option to acquire a Share usually at predetermined price.
WST	means Western Standard Time as observed in Perth, Western Australia.



INVESTOR PRESENTATION

May 2020

DISCLAIMER

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An investment in the Company is speculative and involves substantial risk and is only suitable for investors that understand the potential consequences and are able to bear the risk of losing their entire investment. Investors should consider the following risks, in addition to many others, and consult with their own legal, tax and financial advisors with respect to all such risks before making an investment.

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ROBUST VERTICALLY-INTEGRATED INFRASTRUCTURE IN PLACE

- Indoor & outdoor cultivation combined with in-house extraction, product development & manufacturing
- Optimized for quality grow at scale
- Ability to expand ~2x with modest incremental capex

HIGH QUALITY PRODUCTS FOR MEDICAL PATIENTS AND ADULT-USE CONSUMERS

- Respected cultivation expertise
- Strong brand and consumer recognition built from product quality

UNIQUE & VALUABLE DIRECT-TO-CONSUMER MEDICAL PLATFORM

- Market leader in insured medical cannabis
- Targeting valuable & overlooked medical channel sales
- Closed-loop model providing exclusive access to ~350,000+ potential patients

WELL CAPITALIZED TO SUPPORT GROWTH STRATEGY

- Strategic institutional investor in the LiUNA Pension Fund
- Strong balance sheet for expansion
- Pathway to profitable growth



**We Are a Highly Focused
Canadian LP Recognized For
High Quality Products Produced
at Scale and Sold in
Valuable Channels**



★ STARSEED
Medicinal Inc.

MEDICAL MARKET

Captive patients through partnerships with health insurance payors groups

Color
cannabis

ADULT-USE MARKET

Distinctive products cultivated with care in the adult-use market

Cx INDUSTRIES

PROCESSING & PRODUCTION

Platform for products and partnerships

~11,000

Patient Registrations¹

~30%

Market Share of Q1-Q3 2019 Net Patient Adds in Canada²

~\$1,700

Avg Annual Spend Per Patient³

**“Most Searched For”
Adult Use Brand**

OCS, 2020⁴

\$6.40

Avg Wholesale Price / Gram (flower)⁵

30,000kg

Indoor & Outdoor Grow Capacity⁶

1. Total Starseed and WeedMD patient registrations as of April 30, 2020.

2. Share of net medical patient registrations between Jan 1, 2019 and Sep 30, 2019; Data on cannabis for medical purposes <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/research-data/medical-purpose.html>

3. 2019 Q3 trailing-twelve-months medical gross revenue divided by the average reported client count.

4. OCS.ca website, as of May 10, 2020

5. Pro-forma gross selling price for dry flower in medical and adult-use channels for 2019 Q3

6. Estimated run-rate capacity for licensed greenhouse and outdoor cultivation.

VERTICALLY-INTEGRATED PLATFORM

From an acclaimed genetics library to full processing, production and B2C service platforms

CULTIVATION HUB

Hybrid Greenhouse Cultivation



Delivering the quality and control of indoor facilities with greenhouse scale and efficiency

- 220,000 sq. ft. licensed footprint
- Opportunity to double cultivation footprint

Outdoor Cultivation



Outdoor grow provides cost-effective and tailored grown input biomass for cannabis 2.0 products

- Limited set of LPs with a 2019 outdoor harvest
- Successfully planted on 27 acres
- Scale-up potential of 100 total acres

PROCESSING & PRODUCTION

Extraction & Processing



Two supercritical CO2 extractors with processing capacity of up to 50,000kg per year

26,000 sq. ft. facility for extraction and processing activities

Product Development & Fulfillment



Platform for potential strategic partnerships

Concierge medical fulfillment and new product development



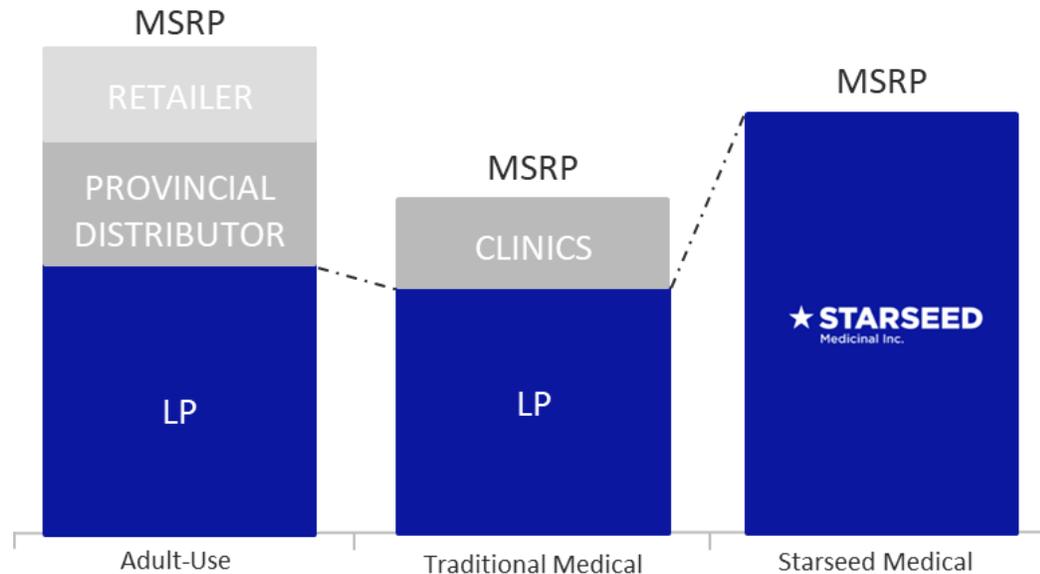
MEDICAL MARKET

★ STARSEED
Medicinal Inc.

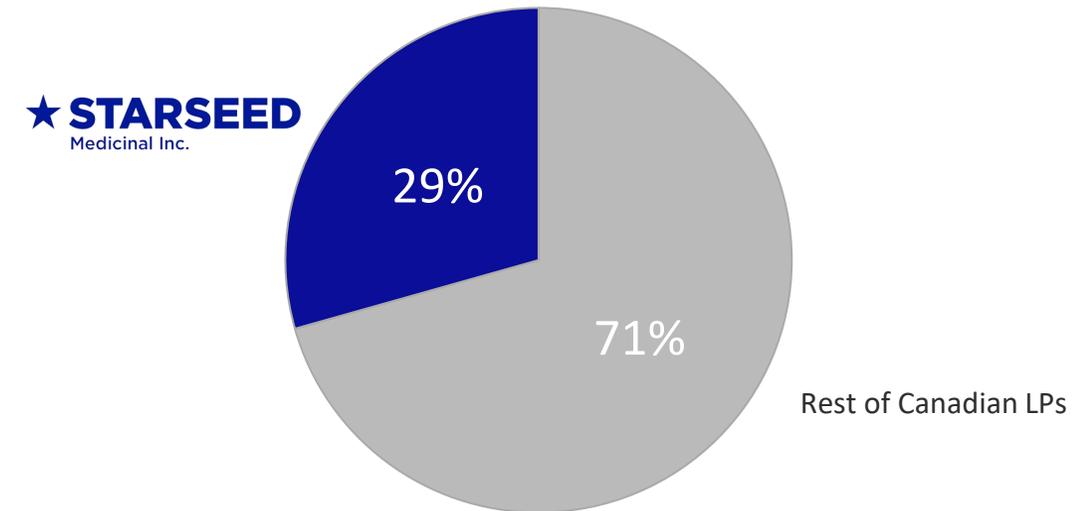
MARKET LEADER IN INSURED MEDICAL CANNABIS

- Valuable Medical channel sales generate superior margins and direct to consumer relationships
- Medical channel has been overlooked as it is hard to build successfully
- Insurance coverage and partnerships are key to sustainable medical sales for Starseed
- Capturing the channel with our closed loop direct-to-consumer medical sales model

ILLUSTRATIVE REVENUE SHARING (\$/g)



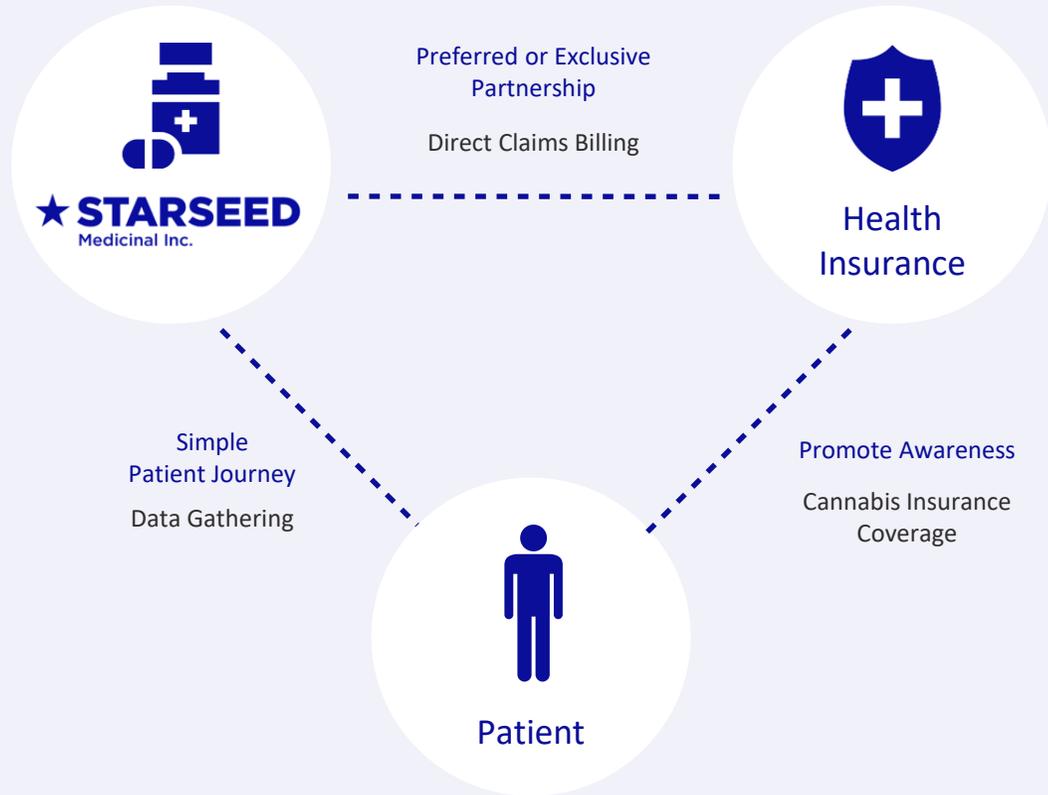
SHARE OF CANADIAN NET CLIENT REGISTRATIONS (Q1-Q3 2019)¹



Starseed contributed nearly a third of all net client registrations industrywide while growing 102% quarterly

1. Share of net medical patient registrations between Jan 1, 2019 and Sep 30, 2019; Data on cannabis for medical purposes -<<https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/research-data/medical-purpose.html>>

Starseed partners with benefits plans and insurers to launch customized insured medical cannabis programs to uniquely pair a care service model with medical-grade cannabis



FINANCIAL POST

Future of medical weed is all about insurance, says union-backed cannabis company

Starseed aims to partner with health-plan sponsors to get preferential access to large groups of workers who have medical marijuana coverage



MARK RENDELL

May 28, 2018
10:47 AM EDT

Filed under
Cannabis

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If Canada's medical marijuana system is going to survive and thrive after recreational legalization, the key will be employee healthcare plans, according to a union-backed cannabis company that's betting big on insurance coverage.

"It will just be a lot easier for somebody to avoid having to see a physician ... and just walk into an (Ontario Cannabis Store) and just purchase product," said Angelo Tsebelis, president of Starseed Medicinal Inc.

"The key differentiator (for medical marijuana) will be paid benefits."

With recreational marijuana set to become legal in the coming months, the weed industry is in the midst of a large-scale pivot. Most licensed producers continue to talk about supporting medical patients, but the momentum is clearly on the recreational side, and companies are increasingly focused on launching consumer brands and jockeying for position in recreational retail channels.

Starseed, by contrast, is focused exclusively on the medical market. And the private cannabis company, backed by the Laborers' International Union of North America (LIUNA), one of the largest construction unions in the country,



★ STARSEED
Medicinal Inc.

MEDICAL CANNABIS IN THE WORKPLACE

Medical cannabis thought leadership has been delivered across these outlets and is a key client acquisition tool



ANNOUNCED CAPTIVE CHANNEL PARTNERSHIPS
COVERING 350,000+ LIVES

LiUNA!

myHSA

Seasons
RETIREMENT COMMUNITIES

- Local 506
- Local 625
- Local 837
- Local 1059
- Local 183

Insulators Local 95 Trust Fund



International Union of Painters and Allied
Trades ("IUPAT") Province of Ontario Health
& Welfare Trust Fund

+ 3 other partnerships (private)

3rd PARTY DISTRIBUTION AGREEMENTS

SHOPPERS
DRUG MART

Over **40** other independent cannabis
clinics networks nationwide

KEY GROWTH INITIATIVES



Expend New
Partnerships



Drive Penetration
Rate



Broaden
Use Cases

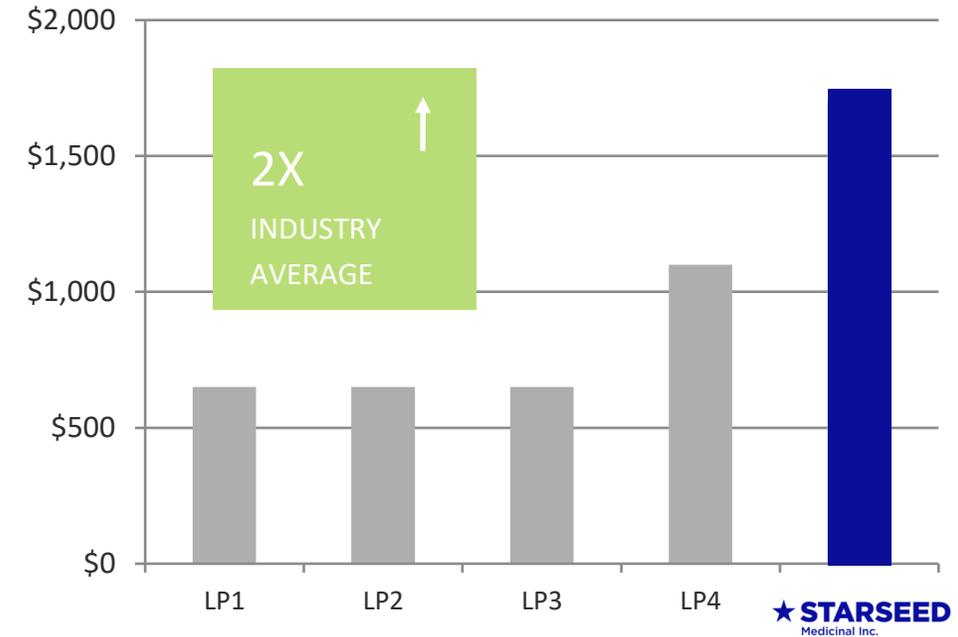
OUR MEDICAL MODEL HAS DELIVERED IMPRESSIVE RESULTS

MEDICAL GROSS REVENUE (\$000s)



Revenue growth driven by client grow and strong gross selling prices

IMPLIED AVERAGE SPEND PER CLIENT⁽¹⁾



Highest life-time value medical clients driven by high usage, attractive pricing power and low turnover

Note: Medical revenue, client registrations and average spend are non-IFRS and non-audited figures.
1. 2019 Q3 trailing-twelve-months medical gross revenue divided by the average reported client count.

ADULT-USE MARKET

Color
cannabis

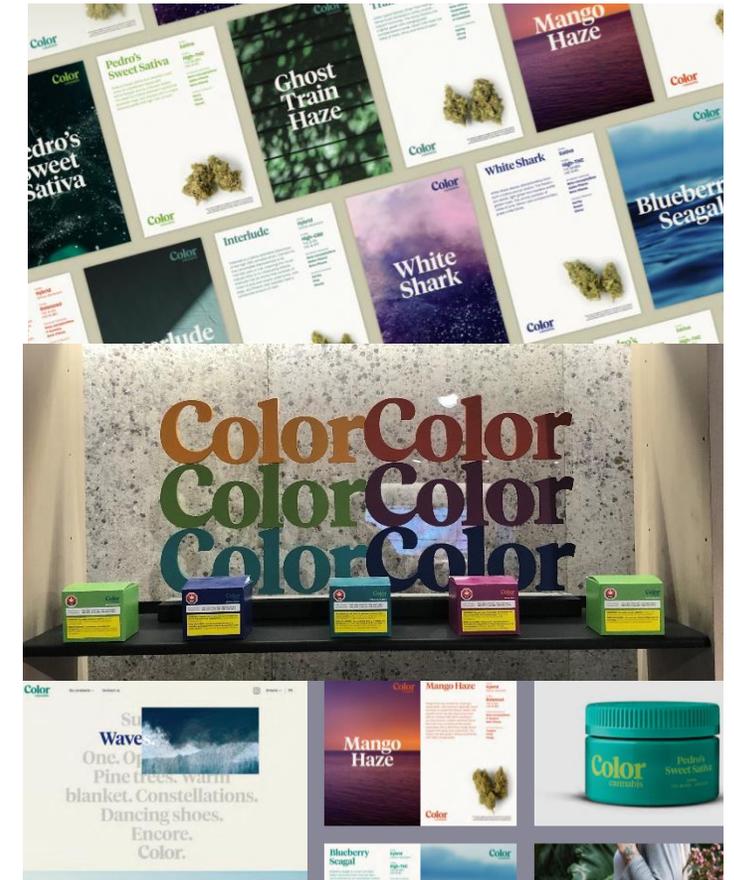
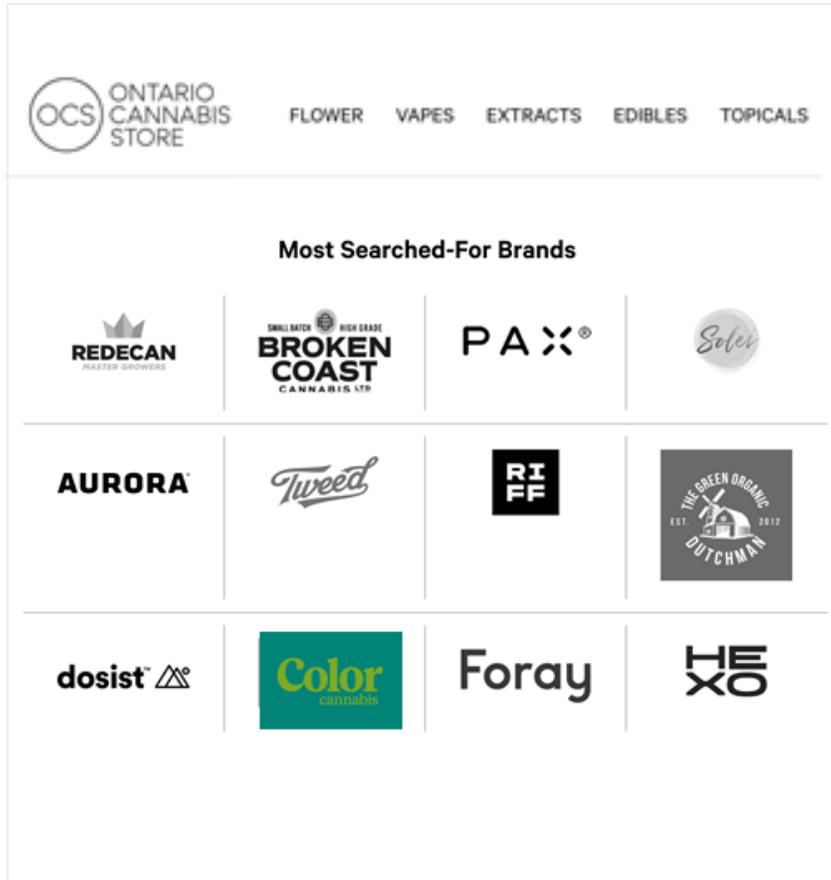




Color champions the individual moments when people & cannabis come together – from cultivators to consumers. Welcome to Color.



BUILDING BRAND AWARENESS AND TRIAL AT KEY CONSUMER JOURNEY STAGES ONLINE AND IN-STORE



Frequently a “Most Searched-For Brand” on OCS.ca



Promotional tools that trigger interaction, drive awareness and inspire trial at retail & online



Meaningful brand-stories built on plant genetics, cultivation practices and a distinct visual identity



PROCESSING & PRODUCTION

Cx INDUSTRIES



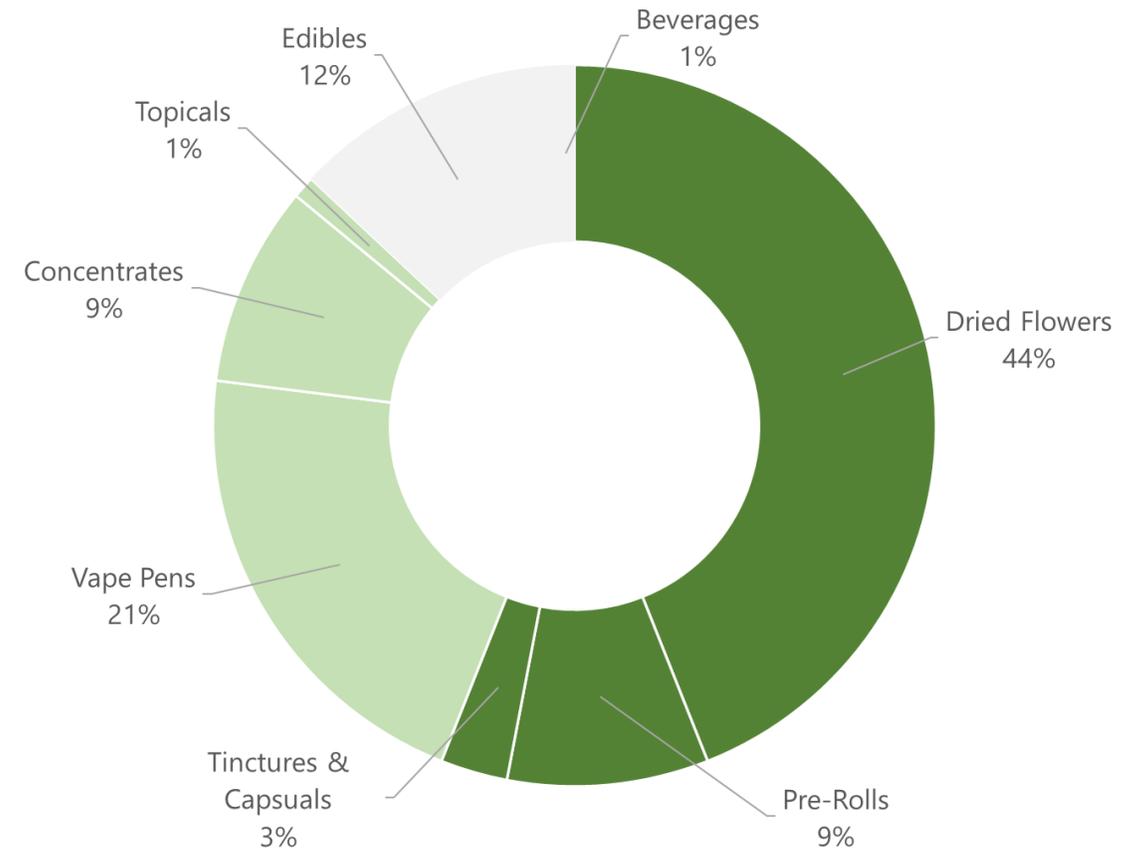
CX INDUSTRIES



- 26,000 sq. ft. extraction facility licensed for oil extraction, cannabis processing, and sales
- Two supercritical CO2 extractors with processing capacity of ~50,000kg per year
- Matching cost-effective outdoor biomass and specialized extraction equipment and expertise
- Platform for potential strategic partnership

PRODUCT CATEGORY COVERAGE

(% of Dollar Sales by Category in Certain US Markets¹)



Product development strategy addressing over 85% of format sales in mature markets

TEAM OF INDUSTRY EXPERTS



Angelo Tsebelis

Chief Executive Officer

16+ years in pharmaceutical and healthcare strategy and pricing, including at Shoppers Drug Mart and GlaxoSmithKline.



Lincoln Greenidge

Chief Financial Officer

26+ years in senior roles within finance and operations. Most recently CFO of LSC Lithium and previously served as CFO of LeadFX and corporate controller of HudBay Minerals.



Stephen Ng

Chief Commercial Officer

18+ years in investment banking, private equity and corporate development, including at Credit Suisse and CIBC World Markets.



Curtis Wallace

Head of Cultivation

15+ years cannabis cultivation experience and was originally licensed to cultivate (for personal use and patients) under Health Canada's initial legislative framework for medical cannabis.



Deborah Sikkema

Head of People

15+ years working with business leaders on HR solutions, including senior positions at organizations such as Shoppers Drug Mart, Canadian Tire, and Holt Renfrew.



Moe Jiwan

Head of Medical

15+ years in healthcare including was Solace Health and was the founder of Uptown Health Management Inc., a primary care network with facilities in Toronto.



Joseph Mele

Head of Adult Use

10 years of CPG experience with Kraft Foods, Andrew Peller Wines, and most recently as Head of Marketing at Asahi Canada.



Strong balance sheet and significant ownership by long-term strategic and insider shareholders

SHARE CAPITALIZATION ⁽¹⁾	OUTSTANDING
Common Shares Outstanding	210,261,715
Warrants / Options (exercise price / weighted average)	
Warrants (\$1.00-2.00 / \$1.73)	12,180,499
Warrants (\$2.50)	625,000
Options (less than \$1.00 / \$0.91)	7,024,377
Options (\$1.00-2.00 / \$1.63)	3,789,667
Options (greater than \$2.00 / \$2.43)	4,622,749
Fully Diluted Shares Outstanding	238,504,007



- Long-term strategic investor (~29% stake) creating strong shareholder-company alignment
- Staggered lock-up over 18 months
- LiUNA Pension Fund + insiders own ~40% of the company



FOCUS ON HIGH MARGIN MODEL WITH STRONG
BALANCE SHEET AND PRUDENT INFRASTRUCTURE
INVESTMENTS HAS POSITIONED WEEDMD FOR
PROFITABLE GROWTH



Best-in-Class Infrastructure and Expertise



High Quality Cannabis Products



Unique High Margin D2C Medical Platform



Positioned for Continued Growth and Margin Expansion



Strong Balance Sheet and Liquidity

STATUTORY RIGHTS OF RESCISSION (1 OF 2)

Securities legislation in certain of the provinces of Canada provides purchasers with rights of rescission or damages, or both, where an offering memorandum or any amendment to it contains a misrepresentation. A “misrepresentation” is an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading or false in the light of the circumstances in which it was made.

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

The following rights will only apply to a purchaser of securities of WeedMD Inc. in the event that this corporate presentation is deemed to be an offering memorandum pursuant to applicable securities legislation in certain provinces of Canada and are in addition to and without derogation from any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the relevant securities laws and are subject to the defences contained therein. The following summaries are subject to the express provisions of the applicable securities statutes and instruments in the below-referenced provinces and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

Ontario Investors

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

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

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

Alberta, British Columbia and Quebec

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

Saskatchewan Investors

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

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

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

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

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

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

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

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

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

Manitoba Investors

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



STATUTORY RIGHTS OF RESCISSION (2 OF 2)

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

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

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

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

New Brunswick Investors

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

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

Nova Scotia Investors

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

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

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

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

Prince Edward Island Investors

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

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

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

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

Newfoundland and Labrador Purchasers

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

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

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





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