

AMALGAMATION AGREEMENT

THIS AGREEMENT is made effective as of the 29 day of May, 2023.

AMONG:

SPROUT AI INC., a corporation existing under the laws of the Province of British Columbia

("Sprout")

AND:

Sprout AI S.A., a corporation existing under the laws of the Republic of Panama

("Subco")

AND:

THERACANN INTERNATIONAL BENCHMARK CORPORATION, a corporation existing under the laws of the Republic of Panama

("TheraCann")

WHEREAS:

- A. Sprout was incorporated pursuant to the *Business Corporations Act (British Columbia)* (the "**BCBCA**") on August 25, 2020;
- B. Sprout is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario and the Sprout Shares (as defined herein) are listed on the Canadian Securities Exchange (the "**CSE**");
- C. Subco was incorporated pursuant to the Law 32 of 1927 on Corporations of the Republic of Panama (the "**Law 32 Panama**") on November 19, 2018, and is a wholly-owned subsidiary of Sprout;
- D. TheraCann was incorporated pursuant to the Law 32 Panama on April 28, 2017;
- E. TheraCann is a privately held company committed to providing high technology solutions and infrastructure for highly regulated industrial supply chains;
- F. Sprout and TheraCann wish to combine their respective businesses by way of a non-arm's length "three-cornered" amalgamation in which Subco will amalgamate with TheraCann (the "**Amalgamation**") to form one corporation ("**Amalco**") under Law 32 Panama, Section 8 (Merger with other Corporations) Articles 71-79, pursuant to which, among other things:
 - (i) each Subco Share (as defined herein) will be exchanged for one Amalco Share (as defined herein);

- (ii) Sprout will issue securities of Sprout to the security holders of TheraCann in exchange for their securities of TheraCann; and
 - (iii) Amalco will become a wholly-owned subsidiary of Sprout,
all in the manner contemplated herein and pursuant to the terms and conditions hereof;
and
- G. the Transaction (as defined herein) will constitute a "fundamental change" of Sprout (as defined in policies of the CSE and a Related Party Transaction (as defined in Multilateral Instrument 61-101 –*Protection of Minority Security Holders in Special Transactions* "MI 61-101").

THEREFORE this Agreement witness that in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

Article 1 INTERPRETATION AND CONSTRUCTION

1.1 Defined Terms

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following words and terms will have the indicated meanings and grammatical variations of such words and terms will have corresponding meanings:

- (a) "**Advisors**" when used with respect to any person, will mean such person's directors, officers, employees, representatives, agents, counsel, accountants, advisers, engineers, and consultants;
- (b) "**Agreement**" means this Amalgamation Agreement and any supplementary or ancillary agreement, instrument or document hereto, all as may be amended from time to time;
- (c) "**Amalco Shares**" means common shares in the capital of Amalco;
- (d) "**Amalco**" has the meaning set out in the recitals hereof;
- (e) "**Amalgamating Companies**" means Subco and TheraCann;
- (f) "**Amalgamation Resolution**" means the special resolution passed by the TheraCann Shareholders by way of a majority vote of shareholders provided in written consent, approving the Amalgamation and adopting this Amalgamation Agreement pursuant to Law 32 Panama, Section 8 (Merger with other Corporations) Articles 40-43, and Articles 71-79, and the Articles of Incorporation of TheraCann;
- (g) "**Amalgamation**" has the meaning set out in the recitals hereof;
- (h) "**BCBCA**" has the meaning set out in the recitals hereof;

- (i) "**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia;
- (j) "**Canadian Securities Laws**" means the *Securities Act* (British Columbia) (or equivalent legislation) in each of the Provinces of Canada and the respective regulations under such legislation together with applicable published rules, regulations, policy statements, national instruments and memoranda of understanding of the Canadian Provincial Securities Administrators and the securities regulatory authorities in such Provinces.
- (k) "**Certificate of Amalgamation**" means the certificate of the Secretary of the Company that is executed pursuant to Article 74 of Law 32 Panama to evidence the Amalgamation;
- (l) "**Closing**" means the completion of the Transaction;
- (m) "**Consolidation**" means the consolidation of the Sprout Shares on the basis of one new Sprout Share for every 3.3333 Sprout Shares held by a Sprout Shareholder;
- (n) "**DGI**" means the National Revenue Office (Panama), as amended and all regulations thereunder;
- (o) "**Effective Date**" means the date of the Amalgamation, as set out on the **Certificate of Amalgamation**;
- (p) "**Effective Time**" means the time on the Effective Date that the Amalgamation becomes effective;
- (q) "**Exchange Ratio**" means 5.296 post-Consolidation Sprout Shares issuable for each one TheraCann Share, which TheraCann Shareholders will be entitled to receive in connection with the Amalgamation;
- (r) "**Exchange**" or "**CSE**" means the Canadian Securities Exchange;
- (s) "**Fundamental Change Resolution**" means the ordinary resolution of the Sprout Minority Shareholders to be passed at the Sprout Meeting approving the Amalgamation and such other matters (if any) required under Canadian Securities Laws, the policies of the Exchange and applicable corporate laws in connection the approval of the Transaction contemplated hereunder;
- (t) "**Governmental Authority**" means any domestic or foreign government whether federal, provincial, state or municipal and any branch or department thereof or any governmental agency, governmental department, governmental tribunal or governmental commission of any kind whatsoever;
- (u) "**IFRS**" means the International Financial Reporting Standards;
- (v) "**ITA**" means the *Income Tax Act* (Canada), as amended and all regulations thereunder;

- (w) "**Liquidity Event**" means (i) the listing of the Common Shares on a Recognized Exchange, (ii) the sale of all or substantially all of the issued and outstanding Common Shares or all or substantially of the assets of the Company for cash proceeds or for securities provided that such securities are listed and posted for trading on a Recognized Exchange; or (iii) the amalgamation, merger, arrangement, reverse takeover or any other corporate transaction involving the Company with or into another entity pursuant to which the common shares of the resulting issuer from such transaction are listed on a Recognized Exchange;
- (x) "**Listing Statement**" means the listing statement of Sprout to be prepared in accordance with the requirements of the Exchange and filed with the Exchange in connection with the Amalgamation and the listing of the post-Consolidation Sprout Shares, substantially in the form of the Sprout Circular;
- (y) "**Material Adverse Change**" means a change in the business, operations or capital of Sprout, Subco or TheraCann that would reasonably be expected to have a significant adverse effect on the market price or value of a security of that company, including adverse changes of material fact, or any other event or development that could reasonably have a significant adverse impact on that company's affairs, operations or financial results;
- (z) "**MI 61-101**" has the meanings ascribed thereto in the recitals of this Agreement;
- (aa) "**Name Change**" means the change of Sprout's name to "TheraCann International Benchmark Corporation" or such other name as determined by TheraCann and acceptable to the Exchange;
- (bb) "**Recognized Exchange**" means an exchange recognized by the Alberta Securities Commission as an exchange, self-regulatory organization or self regulatory body;
- (cc) "**Registrar**" means the Mercantile Registry of the Republic of Panama pursuant to Article 75 of Law 32 Panama;
- (dd) "**Sprout Board**" means the board of directors of Sprout;
- (ee) "**Sprout Circular**" means the management information circular of Sprout to be provided to the Sprout Shareholders in respect of the Fundamental Change Resolution, and the other matters (if any) to be considered at the Sprout Meeting;
- (ff) "**Sprout Meeting**" means a special meeting of the Sprout Shareholders to be held to approve, inter alia, the Fundamental Change Resolution, and such other matters as the parties may determine, and any and all adjournments or postponements of such meeting;
- (gg) "**Sprout Minority Shareholders**" means, in the case of the Fundamental Change Resolution, the Sprout Shareholders less those excluded pursuant to MI 61-101 regarding the obtaining of "minority approval" as defined in MI 61-101;

- (hh) "**Sprout Option Plan**" means the stock option plan of Sprout, approved by the Sprout Shareholders on November 18, 2022;
- (ii) "**Sprout Options**" means incentive stock options of Sprout issuable pursuant to the Sprout Option Plan;
- (jj) "**Sprout Performance Warrants**" means performance based share purchase warrants of Sprout, each exercisable into one Sprout Share at an exercise price of \$0.17 for a period of three years from the date of issuance;
- (kk) "**Sprout RSU Plan**" means the restricted share unit plan of Sprout, approved by the Sprout Shareholders on November 18, 2022;
- (ll) "**Sprout RSUs**" means restricted share units of Sprout issuable pursuant to the Sprout RSU Plan;
- (mm) "**Sprout Shareholders**" means the holders of the Sprout Shares;
- (nn) "**Sprout Shares**" means common shares in the capital of Sprout, as presently constituted;
- (oo) "**Sprout Subco Amalgamation Resolution**" means the resolution of Sprout, as the sole shareholder of Subco, approving the Amalgamation and adopting the Amalgamation Agreement;
- (pp) "**Sprout**" means Sprout AI Inc., a corporation incorporated under the laws of British Columbia;
- (qq) "**Subco Exchange Ratio**" means one (1) post-Consolidation Sprout Share issuable for every 90,964,806 Subco Shares outstanding, which holders of Subco will be entitled to receive in connection with the Amalgamation;
- (rr) "**Subco Shareholder**" means Sprout, the holder of all of the issued and outstanding Subco Shares;
- (ss) "**Subco Shares**" means Common A Voting shares in the capital of Subco;
- (tt) "**Subco**" means Sprout AI S.A. , a corporation incorporated under the laws of the Republic of Panama;
- (uu) "**TheraCann Board**" means the board of directors of TheraCann;
- (vv) "**TheraCann Consideration Warrants**" means the common share purchase warrants of TheraCann to be issued to certain holders of TheraCann Debentures as consideration to complete the TheraCann Debenture Amendments, with each TheraCann Sweetener Warrant being exercisable to acquire one TheraCann Share at an exercise price of \$1.32 per TheraCann Share until the date that is 18 months from the date of a Liquidity Event;

- (ww) "**TheraCann Debenture Amendments**" means certain amendments to the TheraCann Debentures be completed prior to the Effective Time;
- (xx) "**TheraCann Debentures**" means convertible debentures of TheraCann having an aggregate principal value of \$6,644,000 with accrued interest of \$2,387,569;
- (yy) "**TheraCann Financial Statements**" means all financial statements of TheraCann, both audited and unaudited as applicable, for the periods required pursuant to applicable regulatory policies for inclusion in any disclosure document or other filing to any applicable regulatory authorities, and includes, but is not limited to, the audited financial statements of TheraCann for the years ended December 31, 2022 and 2021 and the unaudited financial statements for the three month period ended March 31, 2023;
- (zz) "**TheraCann Private Placement**" means the private placement of TheraCann Shares, at a price of USD\$3.50 per TheraCann Share to be completed in one or more tranches prior to Closing;
- (aaa) "**TheraCann Shareholders**" means the holders of the TheraCann Shares;
- (bbb) "**TheraCann Shares**" means the common shares in the capital of TheraCann;
- (ccc) "**TheraCann Warrant Amendments**" means certain amendments to certain of the TheraCann Warrants be completed prior to the Effective Time;
- (ddd) "**TheraCann Warrants**" means the common share purchase warrants of TheraCann exercisable in to TheraCann Shares until either July 31, 2023 or from and after the date of a Liquidity Event for a period of 18 months from the date of the Liquidity Event;
- (eee) "**TheraCann**" means TheraCann International Benchmark Corporation, a corporation existing under the laws of the Republic of Panama; and
- (fff) "**Transaction**" means the Amalgamation, and all related transactions and corporate proceedings contemplated in this Agreement.

1.2 Construction

In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

- (a) the terms "this Agreement", "herein", "hereof" and "hereunder" and similar expressions refer to this Agreement and any supplementary or ancillary agreement, instrument or document hereto, all as may be amended from time to time, and not to any particular article, section or other portion of this Agreement;
- (b) any reference to a currency will refer to Canadian currency unless otherwise specifically referenced;
- (c) words importing the singular will include the plural, and vice versa; words importing gender will include the opposite gender; words importing natural persons will include

corporations, partnerships, trusts and other legal entities, and vice versa; and words importing a particular form of legal entity will include all other forms of legal entities interchangeably; and

- (d) the division of this Agreement into Articles, sections, subsections, paragraphs and other subdivisions, and the use of headings, are for ease of reference only and will not affect the interpretation or construction hereof.

1.3 Date for Any Action

If the date on which any action is required to be taken hereunder is not a Business Day in the place where an action is required to be taken, such action will be required to be taken on the next succeeding day that is a Business Day in such place.

1.4 Appendices

The following appendices are hereby incorporated in and form part of this Agreement:

- (a) Appendix A – Articles of Incorporation of Amalco
- (b) Appendix B – Issued and Outstanding Securities (and obligations to issue securities) of Sprout, Subco and TheraCann

Article 2 THE AMALGAMATION

2.1 Statement of General Intent

This Agreement and the Amalgamation are intended, subject to the terms and conditions hereof, to result in the formation of Amalco; the issuance of post-Consolidation Sprout Shares to the TheraCann Shareholders in exchange for their TheraCann Shares outstanding at the Effective Time subject to the Exchange Ratio; the issuance of post-Consolidation Sprout Shares to Subco Shareholders in exchange for such Subco Shares outstanding at the Effective Time subject to the Subco Exchange Ratio; and Amalco becoming a wholly-owned subsidiary of Sprout. To this end, each of Sprout and TheraCann agrees to act in good faith and use all commercially reasonable efforts to take and do, or cause to be taken and done, all acts and other things necessary, proper or advisable to obtain all necessary approvals to complete the Amalgamation in accordance with the terms and conditions hereof and applicable laws, and to cooperate with each other in connection therewith.

2.2 Structure of Amalgamation

Upon and subject to the terms and conditions hereof, the Amalgamating Companies hereby agree to effect the Amalgamation under Law 32 Panama, Section 8 (Merger with other Corporation) and to continue as one corporation subsequent to the Amalgamation on the terms and conditions prescribed herein. At or immediately prior to the Effective Time:

- (a) all of the outstanding TheraCann Debentures will convert in to TheraCann Shares immediately prior to the Effective Time, in accordance with their terms, as amended;

- (b) following the conversion of the TheraCann Debentures into TheraCann Shares, all of the Sprout Shares then held by TheraCann will be distributed to the TheraCann Shareholders, on a *pro rata* basis, immediately prior to the Effective Time;
- (c) in accordance with the requirements of the BCBCA and the Articles of Sprout and satisfaction of the conditions precedent contained in this Agreement, Sprout will complete and give effect to the Consolidation upon and subject to the terms of this Agreement;
- (d) following the approval of the Fundamental Change Resolution by the Sprout Minority Shareholders, the Sprout Subco Amalgamation Resolution by Sprout and the Amalgamation Resolution by the TheraCann Shareholders, the completion of the Consolidation set forth in paragraph 2.2(c) above and the satisfaction of the remaining conditions precedent contained in this Agreement, the Amalgamating Companies will be amalgamated under the Law 32 Panama, Section 8 (Merger with other Corporation) and will continue as one corporation subsequent to the Amalgamation on the terms and conditions prescribed in this Agreement, and in connection therewith:
 - (i) the Amalgamation of the Amalgamating Companies and their continuation as one company will become irrevocable;
 - (ii) this Amalgamation Agreement will be filed with, and certified by, the Registrar;
 - (iii) Amalco will have, as its Articles of Incorporation, the Articles of Incorporation attached hereto as Appendix "A";
 - (iv) Amalco will become capable immediately of exercising the functions of an incorporated company;
 - (v) the shareholders of Amalco will have the powers and liability provided in the Law 32 Panama;
 - (vi) each shareholder of each of the Amalgamating Companies is bound by this Agreement;
 - (vii) the property, rights and interests of each of the Amalgamating Companies will continue to be the property, rights and interests of Amalco;
 - (viii) Amalco will continue to be liable for the obligations of each of the Amalgamating Companies;
 - (ix) an existing cause of action, claim or liability to prosecution is unaffected;
 - (x) a legal proceeding being prosecuted or pending by or against either of the Amalgamating Companies may be prosecuted, or its prosecution may be continued, as the case may be, by or against Amalco; and
 - (xi) a conviction against, ruling, order or judgment in favour or against either of the Amalgamating Companies may be enforced by or against Amalco;

- (e) each TheraCann Share and each Subco Share issued and outstanding at the Effective Time will be exchanged for fully paid and non-assessable post-Consolidation Sprout Shares based on the Exchange Ratio and Subco Exchange Ratio, respectively, free and clear of any and all encumbrances, liens, charges, demands of any kind and nature, and thereafter all of the TheraCann Shares and Subco Shares will be cancelled without any repayment of capital in respect thereof;
- (f) in consideration of the issuance of post-Consolidation Sprout Shares pursuant to paragraph 2.2(e), Amalco will issue to Sprout one Amalco Share for each post-Consolidation Sprout Share issued;
- (g) Sprout will add to the stated capital maintained in respect of the Sprout Shares an amount equal to the aggregate paid-up capital for purposes of the ITA of the TheraCann Shares and Subco Shares immediately prior to the Amalgamation;
- (h) no fractional post-Consolidation Sprout Shares will be issued to holders of TheraCann Shares, or Subco Shares, as applicable; in lieu of any fractional entitlement, the number of post-Consolidation Sprout Shares issued to each former holder of TheraCann Shares and Subco Shares, will be rounded down to the next lesser whole number of post-Consolidation Sprout Shares; and
- (i) all outstanding TheraCann Warrants and other convertible securities of TheraCann will be adjusted in accordance with their terms such that, upon exercise or conversion, the holder will receive post-Consolidation Sprout Shares in lieu of TheraCann Shares, subject to the Exchange Ratio.

2.3 Certificates

After the Effective Time, the registrar and transfer agent of Sprout, will forward or cause to be forwarded by first class mail (postage prepaid) to such former TheraCann Shareholders at the address specified in the central securities register maintained by TheraCann, DRS statements or share certificates issued by such transfer agent, evidencing the number of post-Consolidation Sprout Shares issued to such TheraCann Shareholder under the Amalgamation. After the Effective Date, all share certificates held by TheraCann Shareholders will be deemed null and void.

2.4 Initial Amalco Corporate Matters

At the Effective Time, and thereafter subject to such change as may be properly effected under Law 32 Panama, Section 8 (Merger with other Corporation) and the Articles of Incorporation of Amalco, as the case may be:

- (a) **Name.** The name of Amalco will be "TheraCann International Benchmark Corp.", or such other name as Sprout and TheraCann will agree.
- (b) **Registered Office.** The registered and records office of Amalco will be C/O Dumoulin Black, 595 Howe St 10th Floor, Vancouver, BC V6C 2T5, Canada.

- (c) **First Director.** The first director of Amalco will be Chris Bolton, having an address at C/O TheraCann International, International Business Park Unit 5B, Building 3860 Panama Pacifico, Republic of Panama, 000000.
- (d) **First Officer.** The first officer at Amalco will be Chris Bolton, to be appointed as the Chief Executive Officer and Chairman of Amalco, having an address at C/O TheraCann International, International Business Park Unit 5B, Building 3860 Panama Pacifico, Republic of Panama, 000000.
- (e) **Authorized Capital.** The authorized capital of Amalco will consist of an unlimited number of common voting "A" shares without par value, with the rights and restrictions set out in the Articles of Incorporation of Amalco.
- (f) **Restrictions on Business.** There will be no restrictions on the business that Amalco may carry on.
- (g) **Restrictions on Share Transfer.** Unless and for so long as Amalco is not a public company, no Amalco Shares may be transferred without the written consent of the directors of Amalco, which consent may be withheld at their sole discretion and without reason therefor.
- (h) **Fiscal Year.** The fiscal year end of Amalco will be December 31.
- (i) **Auditor.** The auditor of Amalco will be Segal GCSC LLP, unless the appointment of an auditor is waived.
- (j) **Articles of Incorporation of Amalco.** A copy of the Articles of Incorporation of Amalco is attached hereto as Appendix "A".

2.5 **Sprout Corporate Matters on Closing**

Subject to the terms and conditions of this Agreement, at the Closing:

- (a) **Name.** Sprout will change its name to "TheraCann Beyond Farming Inc.", or such other name as determined by TheraCann and acceptable to the Exchange.
- (b) **Directors.** The parties agree that the Sprout Board will consist of:
 - (i) the current members, being: Chris Bolton (Chairman); Tom Andrews; Kevin McGeough; Toni Rinow; and
 - (ii) an additional director as mutually agreed upon by the parties.
- (c) **Officers.** The parties agree that the senior management of Sprout will consist of the current members of senior management being:
 - (i) Chris Bolton, Chief Executive Officer;
 - (ii) Carlos Zapata, Chief Operating Officer; and

- (iii) Dean Callaway, Chief Financial Officer.

Article 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Sprout and Subco

Each of Sprout and Subco, jointly and severally represents and warrants to TheraCann that:

- (a) in the case of Sprout, it is incorporated or otherwise formed under the laws of British Columbia, is a valid and existing company, and, with respect to the filing of annual reports, is in good standing;
- (b) in the case of Subco, it is incorporated or otherwise formed under the laws of the Republic of Panama, is a valid and existing company, and, with respect to any taxes owing to the DGI, is in good standing;
- (c) no proceedings have been taken or authorized by Sprout or Subco in respect of the bankruptcy, reorganization, insolvency, liquidation, dissolution or winding up of Sprout or Subco, as applicable;
- (d) where applicable, it has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its property and assets, and it is duly and appropriately registered, licensed and otherwise qualified to carry on its business and to own, lease and operate its property and assets and is in good standing in all material respects in each jurisdiction where it carries on business or owns, leases or operates its property or assets;
- (e) Sprout is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario and it is not in material default of any material requirement under the securities laws of said provinces;
- (f) its authorized and issued share capital is as set out set out in Appendix "B" hereto, and other than as set out in Appendix "B":
 - (i) there are no rights, privileges or agreements requiring it to repurchase, redeem, retract or otherwise acquire, whether directly or indirectly, any of its issued shares or other securities; and
 - (ii) there are no options, warrants, rights, privileges or agreements requiring it to sell, or otherwise issue (by exercise, conversion, exchange or otherwise), whether directly or indirectly, any of its unissued shares;

and such information contained in Appendix "B" hereto will remain accurate and complete in all material respects at the Closing unless otherwise agreed by the parties, subject to the issuance and reservation for issuance of post-Consolidation Sprout Shares pursuant to the Amalgamation, the issuance of up to 3,715,913 Sprout RSUs pursuant to the Sprout RSU Plan and the issuance of up to 5,184,994 Sprout Options pursuant to the Sprout Option Plan;

- (g) Sprout has no subsidiaries other than Subco, Subco has no subsidiaries, and Subco has no assets or active business operations;
- (h) it has all requisite corporate power and capacity and has taken all necessary corporate action to authorize it to execute and deliver this Agreement and perform its obligations hereunder, and this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding obligation enforceable against it in accordance with this Agreement's terms, except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court;
- (i) its execution and delivery of this Agreement and its performance of its obligations hereunder does not and will not result in the breach of, constitute a default under or conflict with:
 - (i) any provision of its constating documents;
 - (ii) any resolutions of its shareholders or directors;
 - (iii) any statute, rule or regulation applicable to it or its property;
 - (iv) any order, decree or judgment of a court or regulatory authority or body having jurisdiction over it or its property;
 - (v) any mortgage, indenture, agreement or other commitment to which it is a party or it or its property is bound; or
 - (vi) any agreement which would permit any party to that agreement to terminate such agreement or accelerate the maturity of any indebtedness of Sprout or Subco, or that would result in the creation or imposition of any encumbrance of the Sprout Shares, the Subco Shares or the assets of Sprout;
- (j) there are no claims, actions, suits or proceedings (judicial, administrative or otherwise) commenced, pending or threatened against it, or any of its subsidiaries, as applicable, nor to its knowledge is any of the foregoing contemplated nor to its knowledge is there any basis therefor;
- (k) all consents, approvals, permits, authorizations or filings as may be required for the execution and delivery of this Agreement have been obtained;
- (l) it has complied with and is in compliance, in all material respects, with all applicable laws, and has all material licences, permits, orders or approvals of, and has made all required registrations with, any governmental or regulatory body that are material to the conduct of its business;
- (m) the Sprout Shares are currently listed for trading on the Exchange. No securities commission or other authority of any government or self-regulatory organization, including without limitation the Exchange, has issued any order preventing the

Amalgamation or the trading of any securities of Sprout and, to the best of Sprout's knowledge, no proceedings for such purpose are pending or threatened;

- (n) as of their respective dates, all information and materials filed by Sprout through the SEDAR website (including all exhibits and schedules thereto and documents incorporated by reference therein) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and complied in all material respects with all applicable legal and stock exchange requirements;
- (o) there is no "material fact" or "material change" (as those terms are defined under applicable securities Laws) in the affairs of Sprout that has not been generally disclosed to the public;
- (p) Endeavor Trust Corporation has been duly appointed as the registrar and transfer agent of Sprout;
- (q) the minute books and corporate records of Sprout are maintained substantially in accordance with all applicable laws and are complete and accurate in all material respects. The financial books and records and accounts of Sprout in all material respects (i) have been maintained in accordance with good business practices on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Sprout, and (iii) accurately and fairly reflect the basis for the financial statements of Sprout;
- (r) the financial statements of Sprout have been prepared in accordance with IFRS, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of Sprout as of the date thereof, and there have been no adverse material changes in the financial position of Sprout since the date thereof and the business of Sprout has been carried on in the usual and ordinary course consistent with past practice since the date thereof;
- (s) Sprout has filed all tax returns, reports and other tax filings, and has paid, deducted, withheld or collected and remitted on a timely basis all amounts to be paid, deducted, withheld or collected and remitted with respect to any taxes, interest and penalties as required under all applicable tax laws. There are no assessments, reassessments, actions, suits or proceedings, in progress, pending, or threatened, against Sprout, and no waivers have been granted by Sprout in connection with any taxes, interest or penalties. The provisions for taxes reflected in the Sprout financial statements are sufficient for the payment of all accrued and unpaid taxes, interest and penalties for all periods and all transactions up to the end of the most recent financial period addressed in the Sprout financial statements;
- (t) all agreements with directors and officers of Sprout have been provided to TheraCann for review, and as of the date hereof, no director or officer is indebted to Sprout. Neither Sprout nor an affiliate of Sprout is party to any material agreement with any insider of Sprout (or an affiliate of Sprout) or other non-arm's length party to Sprout (or

any affiliate of Sprout), other than agreements with current directors and officers of Sprout that have previously been provided to TheraCann;

- (u) Sprout has not made, nor is it considering making, an assignment for the benefit of its creditors, and has not requested, nor is it considering requesting, a meeting of its creditors to seek a reduction, compromise, composition or other accommodation with respect to its indebtedness;
- (v) neither Sprout nor Subco, is bound by any agreement, guarantee, indemnification (other than to officers and directors pursuant to Sprout's Notice of Articles, Articles or other constating documents or any of its subsidiaries' articles or other constating documents and standard indemnity agreements), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person;
- (w) since the date of its most recent financial statements filed on www.sedar.com, there has not been:
 - (i) any change in the financial condition, operations, results of operations, or business of Sprout, nor has there been any occurrence or circumstances which, to the knowledge of Sprout, with the passage of time might reasonably be expected to have a material adverse effect on the business or operations of Sprout; or
 - (ii) any loss, labour trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by which, to the knowledge of Sprout, has had, or may reasonably be expected to have, a material adverse effect on the business or operations of Sprout;
- (x) except to the extent reflected or reserved in the most recent Sprout annual financial statements, or incurred subsequent to December 31, 2022 and incurred in the ordinary course of Sprout's business, Sprout does not have any outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise, including under any guarantee of any debt);
- (y) there are no material liabilities of Sprout of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which Sprout may become liable on or after the consummation of the transactions contemplated hereby other than:
 - (i) liabilities that will be disclosed on or reflected or provided for in the most recent financial statements of Sprout; and
 - (ii) liabilities incurred in the ordinary and usual course of business of Sprout or as have been disclosed to TheraCann, none of which has had or may reasonably be expected to result in a Material Adverse Change on Sprout; and
- (z) Sprout does not own any property or assets other than cash, cash equivalents or as otherwise disclosed in its financial statements. Other than as disclosed in its financial

statements, Sprout does not lease any property or premises and is not required to make any payments in connection with its use or occupation of any property or premises.

3.2 Representations and Warranties of TheraCann

TheraCann represents and warrants to each of Sprout and Subco that:

- (a) it exists under the laws of the Republic of Panama, is a valid and existing company and with respect to any taxes owing to the DGI, is in good standing, and no proceedings have been taken or authorized by TheraCann in respect of the bankruptcy, reorganization, insolvency, liquidation, dissolution or winding up of TheraCann;
- (b) it has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its property and assets, and it is duly and appropriately registered, licensed and otherwise qualified to carry on its business and to own, lease and operate its property and assets and is in good standing in each jurisdiction where it carries on business or owns, leases or operates its property or assets;
- (c) all consents, approvals, permits, authorizations or filings as may be required for the execution and delivery of this Agreement have been obtained;
- (d) it has complied with and is in compliance, in all material respects, with all applicable laws, and has all material licences, permits, orders or approvals of, and has made all required registrations with, any governmental or regulatory body that are material to the conduct of its business;
- (e) its authorized and issued share capital is as set out set out in Appendix "B" hereto, and other than as disclosed herein:
 - (i) there are no rights, privileges or agreements requiring it to repurchase, redeem, retract or otherwise acquire, whether directly or indirectly, any of its issued shares or other securities; and
 - (ii) there are no options, warrants, rights, privileges or agreements requiring it to sell, or otherwise issue (by exercise, conversion, exchange or otherwise), whether directly or indirectly, any of its unissued shares;

and other than TheraCann Shares issued in connection with the TheraCann Private Placement, TheraCann Consideration Warrants issued in connection with the TheraCann Debenture Amendments and amendments to certain of the TheraCann Warrants pursuant to the TheraCann Warrant Amendments, such information contained in Appendix "B" hereto will remain accurate and complete in all material respects at the Closing, unless otherwise agreed by the parties;

- (f) it has all requisite corporate power and capacity and has taken all necessary corporate action to authorize it to execute and deliver this Agreement and perform its obligations hereunder, and this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding obligation enforceable against it in accordance

with this Agreement's terms except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court;

- (g) its execution and delivery of this Agreement and its performance of its obligations hereunder does not and will not result in the breach of, constitute a default under or conflict with:
 - (i) any provision of its constating documents;
 - (ii) any resolutions of its shareholders or directors;
 - (iii) any statute, rule or regulation applicable to it or its property;
 - (iv) any order, decree or judgment of a court or regulatory authority or body having jurisdiction over it or its property;
 - (v) any mortgage, indenture, agreement or other commitment to which it is a party or it or its property is bound; or
 - (vi) any agreement which would permit any party to that agreement to terminate such agreement or accelerate the maturity of any indebtedness of TheraCann, or that would result in the creation or imposition of any encumbrance of the TheraCann Shares or the assets of TheraCann;
- (h) TheraCann has the following six wholly-owned subsidiaries: (i) TheraCann Canada Benchmark Corporation, a corporation incorporated under the laws of the Province of Alberta; (ii) TheraCann Canada Inc., a corporation incorporated under the laws of the Province of Alberta; (iii) TheraCann Australia Benchmark Pty Ltd., a corporation incorporated under the laws of Australia; (iv) TheraCann Africa Benchmark Pty Ltd., a corporation incorporated under the laws of South Africa; (v) ETCH BioTrace S.A., a corporation incorporated under Law 32 of the laws of Panama; and (vi) One System One Solution S.A., a corporation incorporated under Law 32 of the laws of Panama; and TheraCann owns 53% of the issued and outstanding voting shares of Sprout A.I. Inc., a corporation incorporated under the laws of Canada;
- (i) all TheraCann Shares are issued as fully paid and non-assessable securities of TheraCann and are free and clear of any and all encumbrances, liens, charges, demands of any kind and nature;
- (j) to the knowledge of TheraCann, other than as has been disclosed in writing directly to Sprout, there are no claims, actions, suits or proceedings (judicial, administrative or otherwise) commenced, pending or threatened against it, nor to its knowledge is any of the foregoing contemplated nor to its knowledge is there any basis therefor;
- (k) it is not a reporting issuer or equivalent in any jurisdiction and has not contravened any applicable securities laws of any jurisdiction, including without limitation in relation to the issuing of its seed shares, founders shares or any other shares or other securities;

- (l) to the knowledge of TheraCann, other than as has been disclosed in writing directly to Sprout, TheraCann is in good standing with respect to all of its obligations owing pursuant to all its material contracts, and each of such material contracts is a legal, valid and binding obligation of TheraCann;
- (m) to the knowledge of TheraCann, other than as has been disclosed in writing directly to Sprout, all activities of TheraCann are in material compliance with and are in good standing under all applicable laws, rules, regulations and regulatory orders and prohibitions and there have been no violations thereof nor any basis for a claim or determination thereof, and there are no current, pending or threatened order, prohibition or other directive relating to any such matters nor to TheraCann's knowledge any basis for such order, prohibition or other directive;
- (n) to the knowledge of TheraCann, other than as has been disclosed in writing directly to Sprout, there are no agreements, arrangements, commitments, understandings, judgments, orders, warrants, writs, injunctions or decrees binding upon TheraCann that has or could have the effect of prohibiting or materially restricting or impairing any business practice of TheraCann, any acquisition of property or assets by TheraCann or the conduct of business by TheraCann;
- (o) other than as disclosed to Sprout, the minute books and corporate records of TheraCann are maintained substantially in accordance with all applicable laws and are complete and accurate in all material respects. The financial books and records and accounts of TheraCann in all material respects (i) have been maintained in accordance with good business practices on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of TheraCann, and (iii) accurately and fairly reflect the basis for the TheraCann Financial Statements;
- (p) the TheraCann Financial Statements have been prepared in accordance with IFRS, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of TheraCann as of the date thereof, and there have been no adverse material changes in the financial position of TheraCann since the date thereof and the business of TheraCann has been carried on in the usual and ordinary course consistent with past practice since the date thereof;
- (q) TheraCann has filed all tax returns, reports and other tax filings, and has paid, deducted, withheld or collected and remitted on a timely basis all amounts to be paid, deducted, withheld or collected and remitted with respect to any taxes, interest and penalties as required under all applicable tax laws. There are no assessments, reassessments, actions, suits or proceedings, in progress, pending, or threatened, against TheraCann, and no waivers have been granted by TheraCann in connection with any taxes, interest or penalties. The provisions for taxes reflected in the TheraCann Financial Statements are sufficient for the payment of all accrued and unpaid taxes, interest and penalties for all periods and all transactions up to the end of the most recent financial period addressed in the TheraCann Financial Statements;

- (r) no director, officer, insider or other non-arm's length party of TheraCann (or any affiliate thereof) is a party to any material contract or transaction with, or is indebted to, TheraCann;
- (s) TheraCann has not made, nor is it considering making, an assignment for the benefit of its creditors, and has not requested, nor is it considering requesting, a meeting of its creditors to seek a reduction, compromise, composition or other accommodation with respect to its indebtedness;
- (t) there is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which TheraCann is a party or by which it is otherwise bound that would now or hereafter in any way may limit the business or operations of TheraCann in a particular manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction of TheraCann from engaging in its business or from competing with any person or in any geographic area;
- (u) TheraCann is not bound by any agreement, guarantee, indemnification (other than to officers and directors pursuant to TheraCann's articles and standard indemnity agreements), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person;
- (v) there are no accrued bonuses payable to any officers, directors, employees or consultants of TheraCann;
- (w) since the date of the most recent financial statements of TheraCann provided to Sprout, there has not been:
 - (i) any change in the financial condition, operations, results of operations, or business of TheraCann, nor has there been any occurrence or circumstances which, to the knowledge of TheraCann, with the passage of time might reasonably be expected to have a material adverse effect on the business or operations of TheraCann; or
 - (ii) any loss, labour trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by which, to the knowledge of TheraCann, has had, or may reasonably be expected to have, a material adverse effect on the business or operations of TheraCann;
- (x) except to the extent reflected or reserved in the TheraCann Financial Statements, or incurred subsequent to December 31, 2022 and incurred in the ordinary course of TheraCann's business, TheraCann does not have any outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise, including under any guarantee of any debt);
- (y) there are no material liabilities of the TheraCann of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which TheraCann may become liable on or after the consummation of the transactions contemplated hereby other than:

- (i) liabilities that will be disclosed on or reflected or provided for in the most recent financial statements of TheraCann; and
- (ii) liabilities incurred in the ordinary and usual course of business of TheraCann, none of which has had or may reasonably be expected to result in a Material Adverse Change on TheraCann.

Article 4
COVENANTS OF THERACANN

From and after the date hereof and until the Effective Date (except as hereinafter otherwise provided) or earlier termination of this Agreement, unless Sprout will otherwise consent in writing, which consent will not be unreasonably withheld, conditioned or delayed:

4.1 Access

TheraCann will permit:

- (a) Sprout and its Advisors to have reasonable access at reasonable times to all properties, books, accounts, records, material contracts, files, correspondence, tax records, and documents of or relating to TheraCann including auditor's working papers and management letters, and to discuss such matters with the executive officers of TheraCann; TheraCann will make available to Sprout and its Advisors all information concerning its business and properties in its possession or under its control as Sprout may reasonably request; and
- (b) Sprout to conduct, or cause its Advisors or agents to conduct, such reasonable reviews, inspections, tests, and investigations of the assets of TheraCann as they deem necessary or advisable, provided such reviews are conducted at reasonable times and in a reasonable manner.

4.2 Ordinary Course

TheraCann will conduct business only in the ordinary course consistent with past practice. Except as contemplated by this Agreement, the Amalgamation, the TheraCann Private Placement or as agreed to between the parties or as required by applicable laws, TheraCann will not:

- (a) Amend its Articles of Incorporation, except as contemplated by the Amalgamation and this Agreement;
- (b) subdivide, split, combine, consolidate, or reclassify any of its outstanding shares of capital stock;
- (c) issue or agree to issue any securities except: (i) pursuant to the exercise of currently outstanding options or other convertible securities, (ii) in connection with the TheraCann Debenture Amendments, or (iii) as otherwise provided for herein;
- (d) declare, set aside or pay any dividend or make any other distribution payable in cash, shares, stock, securities or property with respect to any of its shares of capital stock

other than consistent with past practice;

- (e) repurchase, redeem, or otherwise acquire, directly or indirectly, any of its capital stock or any securities convertible into or exchangeable or exercisable into any of its capital stock;
- (f) other than pursuant to obligations or rights under existing written contracts, agreements and commitments, sell, lease or otherwise dispose of any material property or assets or enter into any agreement or commitment in respect of any of the foregoing;
- (g) other than the TheraCann Debenture Amendments and the TheraCann Warrant Amendments, amend or propose to amend the rights, privileges and restrictions attaching to the TheraCann Shares or any of the terms of its stock options or common share purchase warrants as they exist at the date of this Agreement, or reduce its stated capital;
- (h) reorganize, amalgamate or merge with another Person;
- (i) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity or material assets;
- (j) enter into any agreements outside of the ordinary course with its directors or officers or their respective affiliates; or
- (k) except as required by IFRS, or any applicable law, make any changes to the existing accounting practices of TheraCann or make any material tax election inconsistent with past practice.

4.3 Exclusivity

TheraCann will:

- (a) not, directly or indirectly, through any of its Advisors or otherwise, solicit or encourage offers from, initiate, participate in any negotiations or discussions with, enter into any agreements or understandings with, or furnish any information to any third party regarding or in anticipation of any acquisition, merger, arrangement, amalgamation, other business combination, joint venture or equity financing or similar transaction involving TheraCann or any subsidiary or affiliate, their respective common shares or any of their material assets in each case that would be reasonably likely to impede the Amalgamation (any such transactions being referred to as an "**Alternative Transaction**");
- (b) cease and cause any of its subsidiaries and Advisors or otherwise, to cease and terminate any existing activity, discussion or negotiation with any third party in respect of an Alternative Transaction;
- (c) terminate access that any third party has to TheraCann's data site, if any, or access to due diligence materials as of the date of this Agreement and request the return or destruction of any due diligence materials provided to any third parties immediately;

- (d) not release any person (other than Sprout) from any standstill covenants or obligations under any confidentiality and/or standstill agreement;
- (e) use its reasonable commercial efforts to complete the Transaction and to not take any action contrary to or in opposition to the Transaction, except as required by statutory law;
- (f) use its reasonable commercial efforts to obtain any third parties approvals required in respect of the Transaction; and
- (g) cooperate fully with Sprout and to use all reasonable commercial efforts to otherwise complete the Transaction, unless such cooperation and efforts would subject Sprout to liability or would be in breach of applicable statutory and regulatory requirements,

in each case, other than pursuant to any fiduciary obligations of its directors (including, without limitation, the fiduciary obligation to respond to any unsolicited inquiries received).

4.4 Stock Exchange Approval

TheraCann will use all commercially reasonable efforts to obtain the conditional approval of the Exchange to list the post-Consolidation Sprout Shares issuable to the TheraCann Shareholders and the holders of Subco Shares in connection with the Transaction. In this regard, the parties agree and acknowledge that TheraCann will take primary responsibility for obtaining the conditional approval of the Exchange.

4.5 TheraCann Meeting, Sprout Circular and Listing Statement

- (a) TheraCann will use all commercially reasonable efforts to assist Sprout in:
 - (i) preparing, as promptly as practicable after the date of this Agreement, the Sprout Circular, together with any other documents required under Canadian Securities Laws and applicable corporate laws in connection with the Sprout Meeting or listing of the post-Consolidation Sprout Shares issuable in connection with the Amalgamation on the Exchange; and
 - (ii) causing the Sprout Circular to be mailed to the Sprout Shareholders as required by Canadian Securities Laws.
- (b) TheraCann will use all commercially reasonable efforts to (i) cause the TheraCann Shareholders to pass the Amalgamation Resolution, and (ii) prepare as promptly as possible the Listing Statement and any other documents required by applicable legislation and/or regulation in connection with all shareholder and regulatory approvals required in respect of the Amalgamation and the other matters contemplated hereby, including but not limited to the extent applicable, the disclosure regarding TheraCann (including financial statements) prescribed under applicable Canadian Securities Laws and described in the form of prospectus that Sprout would be eligible to use, for inclusion in the Listing Statement, as the case may be.

Article 5
COVENANTS OF SPROUT

From and after the date hereof and until the Effective Date (except as hereinafter otherwise provided) or earlier termination of this Agreement, unless TheraCann will otherwise consent in writing, which consent will not be unreasonably withheld, conditioned or delayed:

5.1 Access

Sprout will permit:

- (a) TheraCann and its Advisors to have reasonable access at reasonable times to all properties books, accounts, records, material contracts, files, correspondence, tax records, and documents of or relating to Sprout including auditor's working papers and management letters and to discuss such matters with the executive officers of Sprout; Sprout will make available to TheraCann and its Advisors a copy of each report or other document filed pursuant to Canadian Securities Laws and all other information concerning its business and properties in its possession or under its control as TheraCann may reasonably request; and
- (b) TheraCann to conduct, or cause its Advisors or agents to conduct, such reasonable reviews, inspections, tests, and investigations of the assets of Sprout as they deem necessary or advisable provided such reviews are conducted at reasonable times and in a reasonable manner.

5.2 Ordinary Course

Sprout will conduct business only in the ordinary course consistent with past practice. Except as contemplated by this Agreement, the Amalgamation, or as agreed to between the parties or as required by applicable laws, each of Sprout and Subco will not:

- (a) amend its: (i) Articles or Notice of Articles in the case of Sprout; and (ii) Articles of Incorporation in the case of Subco, in each case, except as contemplated by the Amalgamation and this Agreement;
- (b) subdivide, split, combine, consolidate, or reclassify any of its outstanding shares of capital stock;
- (c) issue or agree to issue any securities, except pursuant to the exercise of currently outstanding options and warrants;
- (d) declare, set aside or pay any dividend or make any other distribution payable in cash, shares, stock, securities or property with respect to any of its shares of capital stock other than consistent with past practice;
- (e) repurchase, redeem, or otherwise acquire, directly or indirectly, any of its capital stock or any securities convertible into or exchangeable or exercisable into any of its capital stock;

- (f) incur, guarantee, assume or modify any additional indebtedness for borrowed money in an aggregate amount in excess of \$30,000 in the ordinary course of business;
- (g) sell, lease or otherwise dispose of any material property or assets or enter into any agreement or commitment in respect of any of the foregoing, other than pursuant to obligations or rights under existing written contracts, agreements and commitments;
- (h) amend or propose to amend the rights, privileges and restrictions attaching to the Sprout Shares or any of the terms of its stock options or common share purchase warrants as they exist at the date of this Agreement, or reduce its stated capital;
- (i) except as contemplated by the Amalgamation and this Agreement, reorganize, amalgamate or merge with another Person;
- (j) except as contemplated by the Amalgamation and this Agreement, acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity or material assets;
- (k) enter into any agreements outside of the ordinary course with its directors or officers or their respective affiliates; or
- (l) except as required by IFRS, or any applicable law, make any changes to the existing accounting practices of Sprout or make any material tax election inconsistent with past practice.

5.3 **Exclusivity**

Sprout will:

- (a) not, directly or indirectly, through any of its Advisors or otherwise, solicit or encourage offers from, initiate, participate in any negotiations or discussions with, enter into any agreements or understandings with, or furnish any information to any third party regarding or in anticipation of any Alternative Transaction involving Sprout, Subco or any other subsidiary or affiliate, their respective common shares or any of their material assets in each case that would be reasonably likely to impede the Amalgamation;
- (b) cease and cause any of its subsidiaries and its Advisors or otherwise, to cease and terminate any existing activity, discussion or negotiation with any third party in respect of an Alternative Transaction;
- (c) terminate access that any third party has to Sprout's data site, if any, or access to due diligence materials as of the date of this Agreement and request the return or destruction of any due diligence materials provided to any third parties immediately;
- (d) not release any person (other than TheraCann) from any standstill covenants or obligations under any confidentiality and/or standstill agreement;

- (e) use its reasonable commercial efforts to complete the Amalgamation and to not take any action contrary to or in opposition to the Amalgamation, except as required by statutory law;
- (f) use its reasonable commercial efforts to obtain any third parties approvals required in respect of the Amalgamation; and
- (g) cooperate fully with TheraCann and to use all reasonable commercial efforts to otherwise complete the Amalgamation, unless such cooperation and efforts would subject TheraCann to liability or would be in breach of applicable statutory and regulatory requirements,

in each case, other than pursuant to any fiduciary obligations of its directors (including, without limitation, the fiduciary obligation to respond to any unsolicited inquiries received).

5.4 Stock Exchange Approval

Sprout will use all commercially reasonable efforts to assist TheraCann in obtaining the conditional approval of the Exchange to list the post-Consolidation Sprout Shares issuable to the TheraCann Shareholders and the holders of Subco Shares in connection with the Transaction.

5.5 Sprout Circular and Listing Statement

- (a) Sprout will cause the Sprout Meeting to be held on or before the date which is 65 days following the date hereof, or such later date as consented to in writing by TheraCann, acting reasonably, and will use all commercially reasonable efforts to:
 - (i) prepare, as promptly as practicable after the date of this Agreement, the Sprout Circular, together with any other documents required under Canadian Securities Laws and applicable corporate laws in connection with the Sprout Meeting or listing of the post-Consolidation Sprout Shares issuable in connection with the Amalgamation on the Exchange;
 - (ii) cause the Sprout Circular to be mailed to the Sprout Shareholders as required by Canadian Securities Laws; and
 - (iii) cause the Sprout Circular to include, inter alia, the unanimous recommendation of the Sprout Board that the Sprout Minority Shareholders vote in favour of approval of the Fundamental Change Resolution.
- (b) Sprout will use all commercially reasonable efforts to assist TheraCann in connection with the preparation of the Listing Statement and provide TheraCann with such information and material concerning its affairs as TheraCann will reasonably request, and prepare as promptly as possible any other documents required by applicable legislation and/or regulation in connection with all shareholder and regulatory approvals required in respect of the Amalgamation and the other matters contemplated hereby, including but not limited to the extent applicable, the disclosure regarding Sprout (including financial statements) prescribed under applicable Canadian Securities Laws

and described in the form of prospectus that Sprout would be eligible to use, for inclusion in the Listing Statement.

Article 6
CONDITIONS PRECEDENT TO THE AMALGAMATION

6.1 Mutual Conditions Precedent

Each party's obligation to satisfy their respective covenants herein and consummate the Amalgamation and other transactions contemplated herein is subject to the satisfaction, on or before the Effective Date (or such other date as otherwise may be specifically indicated), of the following conditions, any of which may be waived by mutual consent of the parties subject to the satisfaction or in absence of such further conditions with respect to the giving of such waiver, and without prejudice to their rights to rely on one or more other conditions precedent:

- (a) effective as of the Closing, the Sprout Board will be comprising the following persons (or such other persons as are nominees of TheraCann and acceptable to each of Sprout and the Exchange):
 - (i) Chris Bolton (Chairman);
 - (ii) Tom Andrews;
 - (iii) Kevin McGeough;
 - (iv) Toni Rinow; and
 - (v) an additional director as mutually agreed upon by the parties.
- (b) all necessary corporate action will have been taken to appoint the following persons, effective upon the Closing, as the management of Sprout (the "**Management**"):
 - (i) Chris Bolton, Chief Executive Officer;
 - (ii) Carlos Zapata, Chief Operating Officer; and
 - (iii) Dean Callaway, Chief Financial Officer;
- (c) all necessary documents, approvals and consents will be obtained to effect the appointments to the Sprout Board and the Management of Sprout described in subsections 6.1(a) and 6.1(b) above;
- (d) the TheraCann Shareholders will have approved the Amalgamation Resolution;
- (e) the Sprout Minority Shareholders will have approved the Fundamental Change Resolution;
- (f) neither Sprout nor TheraCann will have issued any further securities without the consent of the other party other than as contemplated in this Agreement, pursuant to

the exercise of currently outstanding options or other convertible securities of Sprout and TheraCann, as applicable, or as otherwise contemplated herein;

- (g) all other approvals, consents and orders that are necessary or advisable for the consummation of the Transaction, including, but not limited to, the approval of the Exchange of the Amalgamation and the listing of the post-Consolidation Sprout Shares, will have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably;
- (h) there will be no material action, cause of action, claim, demand, suit, investigation or other proceedings in progress, pending or threatened against or affecting any of Sprout, Subco, TheraCann or any such company's respective officers and directors, at law or in equity, or before any governmental department, commission, or agency, which involve the reasonable likelihood of any judgment or liability against any of the parties;
- (i) there will not be in force any prohibition at law, order or decree restraining or enjoining the consummation of the Transaction;
- (j) the approval of the Registrar of the Amalgamation will have been obtained under the Law 32 Panama;
- (k) the representations and warranties of the parties herein will be true and correct in all material respects as at the Effective Time, except for such representations and warranties made expressly as of a specified date which will be true and correct in all material respects as of such date; and
- (l) all covenants, obligations and conditions of the parties herein on their parts will be performed, satisfied and observed prior to or at the Effective Time will have been performed, satisfied and observed in all material respects.

6.2 Sprout and Subcos' Conditions Precedent

The obligation of Sprout and Subco to satisfy their respective covenants herein and consummate the Amalgamation and other transactions contemplated herein is subject to the satisfaction, on or before the Effective Date (or such other date as otherwise may be specifically indicated), of the following conditions, any of which may be waived by mutual consent of Sprout and Subco subject to the satisfaction or in absence of such further conditions with respect to the giving of such waiver, and without prejudice to their rights to rely on one or more other conditions precedent:

- (a) TheraCann will have delivered to Sprout the TheraCann Financial Statements;
- (b) TheraCann will have delivered to Sprout all of the documents set out in Section 7.4 herein;
- (c) TheraCann will have delivered to Sprout any other such documents and other information as Sprout, and any regulatory authority or body having jurisdiction, will have reasonably requested; and

- (d) there will have been no Material Adverse Changes with respect to TheraCann between the date of signing this Agreement and the completion of the Amalgamation.

6.3 TheraCann Conditions Precedent

The obligation of TheraCann to satisfy its covenants herein and consummate the Amalgamation and other transactions contemplated herein is subject to the satisfaction, on or before the Effective Date (or such other date as otherwise may be specifically indicated), of the following conditions, any of which may be waived by TheraCann subject to the satisfaction or in absence of such further conditions with respect to the giving of such waiver, and without prejudice to its rights to rely on one or more other conditions precedent:

- (a) Sprout will have delivered to TheraCann all of the documents set out in Section 7.2 herein;
- (b) Sprout will be a reporting issuer in good standing in the provinces of British Columbia, Ontario and Alberta and will not be in material default of any requirement of any Canadian Securities Laws or the requirements of the Exchange and neither Sprout nor any of its securities will be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;
- (c) there being no outstanding Sprout Shares or convertible securities outstanding to acquire Sprout Shares other than as set forth in Appendix "B";
- (d) Sprout will have approved the Sprout Subco Amalgamation Resolution in accordance with applicable Law;
- (e) completion of the Consolidation;
- (f) the post-Consolidation Sprout Shares to be issued on the Closing will be issued as fully paid and non-assessable shares in the capital of Sprout, free and clear of any and all encumbrances, liens, charges, "restricted period" (pursuant to Section 2.5 of National Instrument 45-102 Resale of Securities), demands of whatsoever nature under Canadian law, except those imposed pursuant escrow restrictions of the Exchange or pursuant to sales from a control block;
- (g) the issuance of the post-Consolidation Sprout Shares on Closing will be exempt from prospectus requirements in Canada;
- (h) each of Sprout and Subco will have delivered to TheraCann such documents and other information as TheraCann, and any other regulatory authority or body having jurisdiction, will have reasonably requested or required; and
- (i) there will have been no Material Adverse Changes with respect to Sprout or Subco between the date of signing this Agreement and the completion of the Amalgamation.

Article 7
CLOSING

7.1 Time and Place of Closing

The Closing will take place at the Effective Time at such place as may be mutually agreed between Sprout and TheraCann, or as soon as reasonably practicable thereafter at such time, on such date and at such place as Sprout and TheraCann may otherwise agree.

7.2 Sprout Deliveries at Closing

At the Closing, Sprout will deliver to TheraCann:

- (a) a certified copy of the directors' resolutions or other documentation evidencing the approval of Sprout of the Amalgamation, Consolidation, Name Change, the entering into of this Agreement and all matters related to the Transaction;
- (b) a certified copy of the directors' resolutions or other documentation evidencing the approval of Subco of the Amalgamation, the entering into of this Agreement and all matters related to the Transaction;
- (c) a certified copy of the Sprout Subco Amalgamation Resolution;
- (d) a certified copy of the Certificate of Amalgamation;
- (e) copies of the share certificates or DRS statements representing the post-Consolidation Sprout Shares issued pursuant to subsection 2.2(e);
- (f) a certificate signed by a director or senior officer of Sprout confirming that all Sprout's conditions precedent to the Amalgamation for the benefit of Sprout have been satisfied or waived by Sprout, that all representations and warranties of Sprout contained herein are true and correct as if they had been made at the Effective Time and that all covenants and obligations required to be performed and complied with by this Agreement have been performed and complied with as of the Effective Time;
- (g) evidence satisfactory to TheraCann that Sprout has received conditional approval of the Exchange for the Amalgamation; and
- (h) such other documents and instruments in connection with the Closing as may be reasonably requested by TheraCann.

7.3 Amalcos' Deliveries at Closing

At the Closing, Amalco will deliver to Sprout share certificates representing the Amalco Shares issued pursuant to subsection 2.2(f).

7.4 TheraCann Deliveries at Closing

At the Closing, TheraCann will deliver to Sprout:

- (a) a certified copy of the directors' resolutions or other documentation evidencing the approval of TheraCann of the Amalgamation, the entering into of this Agreement and all matters related to the Transaction;
- (b) a certified copy of the Amalgamation Resolution;
- (c) a certificate signed by a director or senior officer of TheraCann confirming that all TheraCann's conditions precedent to the Amalgamation for the benefit of TheraCann have been satisfied or waived by TheraCann, that all representations and warranties of TheraCann contained herein are true and correct as if they had been made at the Effective Time, that all covenants and obligations required to be performed and complied with by this Agreement have been performed and complied with as of the Effective Time;
- (d) evidence satisfactory to Sprout of receipt of the conditional approval of the Exchange for the Amalgamation; and
- (e) such other documents and instruments in connection with the Closing as may be reasonably requested by Sprout.

Article 8 TERMINATION

8.1 Right to Terminate

This Agreement may be terminated at any time prior to the Effective Time, by the mutual consent of the parties or in the following circumstances by written notice given by the terminating party to the other parties hereto:

- (a) by either of Sprout (on behalf of itself and Subco) or TheraCann, if the Effective Time has not occurred on or before July 31, 2023, or such other date as mutually agreed to between TheraCann and Sprout, provided that the party then seeking to terminate this Agreement is not then in default of any of its obligations hereunder;
- (b) by either of Sprout (on behalf of itself and Subco) or TheraCann (the "**Non-Defaulting Party**"), if the other is in default or breach (the "**Defaulting Party**") of any representation, warranty, covenant or agreement set forth in this Agreement in any material respect, and the Non-Defaulting Party has given written notice (the "**Default Notice**") of such default to the Defaulting Party and the Defaulting Party has failed to cure such default within ten (10) days of the Default Notice (the "**Cure Period**"), in which event this Agreement will terminate on the date immediately following the end of the Cure Period (if the applicable default or breach has not been cured to the satisfaction of the Non-Defaulting Party, in its sole and unfettered discretion);
- (c) by either of Sprout (on behalf of itself and Subco) or TheraCann if any permanent order, decree, ruling or other action of a court or other competent authority restraining, enjoining or otherwise preventing the consummation of the Amalgamation will have become final and non-appealable;

- (d) by Sprout (on behalf of itself and Subco) if the Amalgamation Resolution is not approved by the TheraCann Shareholders; or
- (e) by TheraCann if the Fundamental Change Resolution is not approved by the Sprout Minority Shareholders.

and in such event, each party hereto will be released from all obligations under this Agreement without liability other than pursuant to Section 8.2 below, always provided that such release without liability will not apply if such termination is a result of the party's failure to perform, satisfy or observe in good faith its obligations to be performed, satisfied or observed hereunder.

8.2 Effect of Termination

Notwithstanding section 8.1, each party's right of termination under this Article is in addition to and not in derogation of or limitation to any other rights, claims, causes of action or other remedy that such party may have under this Agreement or otherwise at law with respect to any misrepresentation, breach of covenant or indemnity contained herein.

Article 9

CONFIDENTIALITY AND PUBLIC DISCLOSURE

9.1 Confidentiality

Unless and until the transactions contemplated in this Agreement have been completed, except with the prior written consent of the other parties at the relevant time or as required by law, each of the parties and their respective Advisors will hold all information received from the other parties in strictest confidence, except such information and documents available to the public or as are required to be disclosed by applicable law, and will use such information solely for the purpose of completing the Amalgamation. All such information in written form and documents will be returned to the party originally delivering them in the event that the transactions provided for in this Agreement are not consummated.

9.2 Public Disclosure

All public announcements regarding this Agreement or the Amalgamation will be subject to review and reasonable consultation of all parties hereto as to form, content and timing, before public disclosure, always provided that a party will be entitled to make such public announcement if required by applicable law or regulatory requirements to immediately do so and it has taken reasonable efforts to comply herewith.

Article 10

GENERAL

10.1 Expenses

Subject to section 8.2, the parties hereto acknowledge and agree that each party will be responsible for its own costs, whether or not the transactions contemplated herein are completed, including but not limited to any fees, disbursements and charges incurred with respect to its due diligence investigations and the preparation of this Agreement and any other documents, certificates and opinions required for

the Closing or otherwise required in connection herewith (it being acknowledged that documentation in respect of the Transaction will, to as great an extent as reasonably possible, be prepared by TheraCann's legal counsel).

10.2 Notices

Each notice, demand or other communication required or permitted to be given hereunder will be effective if by email, in writing and delivered personally, or sent by prepaid mail as follows:

- (a) If to Sprout or Subco,
Sprout AI Inc.

400-931 Fort Street
Victoria, BC | V8V 3K3
Email: czapata@sproutai.solutions

Attention: Carlos Zapata, Chief Operating Officer

- (b) If to TheraCann:

TheraCann International Benchmark Corporation
Suite 213, Building 3855, International Business Park
Panama Pacifico
Email: cbolton@theracann.solutions

Attention: Chris Bolton, Chief Executive Officer and Chairman

and any notice, demand or other communication given as aforesaid will be deemed to be received on the date of email or personal delivery if delivered or transmitted during normal business hours (and on the first Business Day thereafter if delivered or transmitted after normal business hours), and the third Business Day after mailing if sent by prepaid mail, excluding all days when normal mail service is interrupted. Any party may from time to time change its address of service by notice to the other parties in accordance herewith.

10.3 Entire Agreement and Further Assurances

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, whether oral or written, existing between the parties with respect to the subject matter hereof, including the letter agreement entered into between TheraCann and Sprout, dated effective April 22, 2023.

The parties will from time to time promptly execute or cause to be executed all such deeds, conveyances and other documents and instruments and do or cause to be done all such acts and other things which may be necessary or advisable to fully carry out and give effect to the intent of and matters contained in this Agreement.

10.4 Amendments and Waivers

This Agreement may only be amended by instrument in writing signed by the parties hereto, without further notice to or consent or approval by their respective shareholders unless strictly required by applicable law.

Any waiver or consent hereunder must be in writing and signed by the party giving the waiver or consent. No waiver or consent hereunder will be construed or deemed to be a waiver or consent with respect to any other provision hereof or to be a continuous waiver or consent unless so expressly provided for.

10.5 Severability

If any provision or part thereof of this Agreement is declared by a court or other judicial or administrative body of competent jurisdiction to be illegal, invalid or unenforceable, that provision or part thereof will be severed from this Agreement and the remaining provisions of part thereof of this Agreement will continue in full force and effect and unaffected thereby.

10.6 Assignment and Enurement

This Agreement is personal in nature and may not be assigned in whole or in part without the express written consent of the other parties hereto. This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

10.7 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties hereto acknowledge and agree that the courts of British Columbia will have exclusive jurisdiction with respect to any dispute or other matter arising hereunder.

10.8 Time of the Essence

Time will be of the essence hereof.

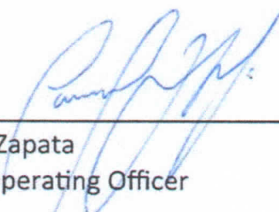
10.9 Execution and Delivery

This Agreement may be signed and delivered in two or more counterparts and by electronic means, and when taken together such counterparts will be deemed to constitute one and the same and an originally executed instrument having effect from the date first above written notwithstanding the date of execution and delivery.

[Remainder of page intentionally left blank]

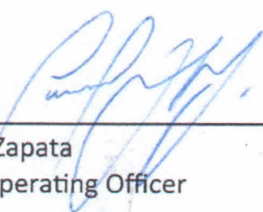
IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

SPROUT AI INC.

per: 


Carlos Zapata
Chief Operating Officer

Sprout AI S.A.

per: 

Carlos Zapata
Chief Operating Officer

**THERACANN INTERNATIONAL BENCHMARK
CORPORATION**

per: 

Chris Bolton
Chief Executive Officer

APPENDIX A

ARTICLES OF INCORPORATION OF AMALCO

See attached.

APPENDIX B

ISSUED AND OUTSTANDING SECURITIES
(AND OBLIGATIONS TO ISSUE SECURITIES)

A. Sprout AI Inc.

Type of Security	Number
Sprout Shares outstanding as of the date hereof	90,964,806
Sprout Performance Warrants outstanding as of the date hereof (to be cancelled as of the Effective Time)	10,000,000 ⁽¹⁾

⁽¹⁾ Each Sprout Performance Warrant is exercisable into a Sprout Share at an exercise price of \$0.17 for a period of three years from the date of issuance.

B. Sprout AI S.A.

Type of Security	Number
Subco Shares outstanding at date hereof	90,964,806

C. TheraCann International Benchmark Corporation

Type of Security	Number
TheraCann Shares outstanding as of the date hereof	10,315,714
TheraCann Warrants outstanding as of the date hereof	631,500 ⁽¹⁾
TheraCann Debentures	\$6,644,000 (plus accrued interest of \$2,387,569)

⁽¹⁾ 292,500 of such TheraCann Warrants are exercisable until July 31, 2023; and 339,000 of such TheraCann Warrants are exercisable at any time from and after the date of a Liquidity Event for a period of 18 months from the date of the Liquidity Event.