

## FORM 10

### **NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)<sup>1</sup>**

Name of Listed Issuer: Medcolcanna Organics Inc. (the "Issuer" or "Medcolcanna").

Trading Symbol: MCCN

Issued and Outstanding Securities of the Issuer Prior to Transaction: 169,738,595 common shares

Date of News Release Fully Disclosing the Transaction: March 7, 2023

#### **1. Transaction**

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

The Issuer has entered into a loan agreement (the "Loan") to borrow funds from a third-party lender, who is also a shareholder of the Issuer (the "Lender").

Per the terms of the Loan, the Lender has agreed to make available up to USD\$300,000 in a single advance consisting of USD\$100,000 (the "First Advance"), which was received in January 2023 and an additional amount of USD\$200,000 (the "Override Amount"), which was received February 2023.

The Loan has a two (2) year term, with an option to extend the term at the discretion of the Lender. The Loan bears interest at a rate of 12% per annum, payable on a quarterly basis. The quarterly interest payments will start on or about January 1, 2024, and the interest will accrue from the date of the loan on the initial amount of USD\$100,000 and for the Override Amount, from the date that this amount was received by the Issuer. Any amount that is not paid

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<sup>1</sup> If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

by the Issuer when due, shall bear interest, until paid, at the rate of 18% per annum.

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:
  - (a) Total aggregate consideration in Canadian dollars: The Loan received by the Issuer is for \$USD300,000.
  - (b) Cash: The Loan was provided in cash to the Issuer.
  - (c) Other: N/A.
  - (d) Work commitments: N/A.
  
3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

The terms of the Loan were negotiated at arm's length.
  
4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer: N/A.
  
5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: N/A.
  
6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.):
  - (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): None.
  - (b) Cash: None.
  - (c) Other: None .

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SIGNIFICANT TRANSACTION**

7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship. The Lender is a shareholder of the Issuer, currently owning approximately 29.5% of the Issuer's issued and outstanding shares.
8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A.

## 2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: N/A.

## 3. Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1), except that the Issuer is non compliant with its obligations to file financial statements and supporting documents associated with same and is currently subject to a failure to file cease trade order issued by the British Columbia Securities Commissions and other securities commissions where the Issuer is a reporting issuer.

5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated March 7, 2023.

Chris Reid  
Name of Director or Senior  
Officer

"Chris Reid"  
Signature

Chief Financial Officer  
Official Capacity