

## FORM 9

### **NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES**

**(or securities convertible or exchangeable into listed securities<sup>1</sup>)**

Name of Listed Issuer: **True Leaf Brands Inc.** (the “Issuer”)

Symbol(s): **MJ.**

Date: **October 7, 2019.**

Is this an updating or amending Notice:  Yes  No

If yes provide date(s) of prior Notices: **N/A.**

Issued and Outstanding Securities of Issuer Prior to Issuance: **100,412,099.**

#### **Pricing**

Date of news release announcing proposed issuance: **October 7, 2019** or

Date of confidential request for price protection: **N/A.**

Closing Market Price on Day Preceding the news release: **\$0.21 on October 4, 2019** or

Day preceding request for price protection: **N/A.**

#### **Closing**

Number of securities to be issued: **\$540,000 face value convertible security and the warrants set out in Section 6 of Part 1.**

Issued and outstanding securities following issuance: **100,412,099.**

#### **Instructions:**

1. For private placements (including debt settlement), complete tables 1A and 1B in Part 1 of this form.
2. Complete Table 1A – Summary for all purchasers, excluding those identified in Item 8.
3. Complete Table 1B – Related Persons only for Related Persons
4. If shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition) please proceed to Part 2 of this form.
5. An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10 – Notice of Proposed Transaction
6. Post the completed Form 9 to the CSE website in accordance with *Policy 6 – Distributions*. In addition, the completed form must be delivered to [listings@thecse.com](mailto:listings@thecse.com) with an appendix that includes the information in Table 1B for ALL placees

**Part 1. Private Placement**

**Table 1A – Summary**

Each jurisdiction in which purchasers reside	Number of Purchasers	Price per Security	Total dollar value (CDN\$) raised in the jurisdiction
New York, United States of America	1	Contractual Rights	N/A
Total number of purchasers:	1		
Total dollar value of distribution in all jurisdictions:			N/A

**Table 1B – Related Persons**

Full Name & Municipality of Residence of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable) (CDN\$)	Prospectus Exemption	Total Securities Previously Owned, Controlled or Directed	Payment Date <sup>(1)</sup>	Describe relationship to Issuer <sup>(2)</sup>
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

<sup>(1)</sup> Indicate date each placee advanced or is expected to advance payment for securities. Provide details of expected payment date, conditions to release of funds, etc. Indicate if the placement funds have been placed in trust pending receipt of all necessary approvals.

<sup>(2)</sup> Indicate if Related Person.

\* An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

- Total amount of funds to be raised: **N/A.**
- Provide full details of the use of the proceeds. 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.**

- Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: **N/A.**
- If securities are issued in forgiveness of indebtedness, provide details of the debt agreement(s) or and the agreement to exchange the debt for securities.

**The securities are issued pursuant to the Waiver, Amendment and Funding Supplement Agreement entered into on October 7, 2019 in connection with a 6 month repayment deferral of the First Convertible Security issued pursuant to the Convertible Security Funding Agreement dated February 12, 2019.**

- Description of securities to be issued:
  - Class **N/A.**
  - Number **N/A.**
  - Price per security **N/A.**
  - Voting rights **N/A.**

6. Provide the following information if warrants, (options) or other convertible securities are to be issued:
- (a) Number  
**2,160,000 warrants to purchase common shares.**
  - (b) Number of securities eligible to be purchased on exercise of warrants (or options)  
**Each warrant may be exercised into one common share at an exercise price of \$0.21 for a period of 36 months from date of issuance.**
  - (c) Exercise price **See item 6.(b) above.**
  - (d) Expiry date **See item 6.(b) above.**
7. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount **\$540,000.**
  - (b) Maturity date **September 22, 2021.**
  - (c) Interest rate **N/A.**
  - (d) Conversion terms **The face value of the convertible security may be converted into common shares at a conversion price of \$0.21 as set out in the Convertible Security Funding Agreement and including, for greater certainty, a conversion of the Convertible Security pursuant to a Buy-Back Conversion Notice as defined in the Convertible Security Funding Agreement.**
  - (e) Default provisions  
**Any of the following will constitute an Event of Default:**
    - (a) **Any of the representations, warranties, or covenants made by the Company or any of its agents, officers, directors, employees or representatives in any Transaction Document are inaccurate, false or misleading in any material respect, as of the date as of which it was made or deemed to be made, or any certificate or financial or other written statement furnished by or on behalf of the Company to the Investor or any of its representatives is inaccurate, false or misleading in any material respect, as of the date as of which it is made or deemed to be made or repeated (in each case where qualified by an express reference to the representation or the warranty being given on a particular other date or dates, on that date or dates).**
    - (b) **The Company or any Subsidiary of the Company suffers or incurs an Insolvency Event.**
    - (c) **The Company or any Subsidiary ceases, suspends, or threatens to cease or suspend, the conduct of all or a substantial part of**

its business, or disposes, in a single transaction, or in a series of transactions, of all or substantially all of its assets;

- (d) The Company or any Subsidiary takes action to reduce its capital in accordance with Section 74 of the Corporations Act.
- (e) There is a cease trade order against the Company, a management cease trade order in respect of the Company, or the Company ceases to be a “reporting issuer” under Canadian Securities Laws in any province (or applies to do so).
- (f) The Shares are de-listed from the CSE, subject to certain exceptions.
- (g) The Shares become listed on any stock exchange other than the CSE or the Toronto Stock Exchange or the TSX Venture Exchange, unless the Shares remain listed on one of the CSE, or the TSX Venture Exchange or the Toronto Stock Exchange.
- (h) Any of the conditions precedent to a Closing or an issuance of Conversion Shares, as applicable, have not have been fulfilled in a timely manner or the time prescribed.
- (i) The Company challenges, disputes or denies the right of the Investor to receive any Securities hereunder, or otherwise dishonours or rejects any action taken, or document delivered, in furtherance of the Investor’s rights to receive any Investor’s Shares or Warrants (provided that nothing in this clause is deemed to prevent the Company from challenging the Investor’s actions to which the Investor is not entitled under this Agreement).
- (j) A Transaction Document or a Contemplated Transaction has been determined by a court of competent jurisdiction to be wholly or partly void, voidable or unenforceable in any respect.
- (k) A court of competent jurisdiction makes an ultimate determination in favour of any action, claim, proceeding, suit, investigation, or action against any other person or otherwise asserted before any Governmental Authority, which seeks to restrain, challenge, deny, enjoin, limit, modify, delay, or dispute, the right of the Investor or the Company to enter into any Transaction Documents or undertake any of the Contemplated Transactions.
- (l) Any event, condition or development occurs or arises which constitutes or is reasonably likely to constitute a Material Adverse Effect.
- (m) Any consent, permit, approval, registration or waiver necessary for the consummation of those Contemplated Transactions that remain to be consummated at the applicable time, has not been

issued or received, or does not remain in full force and effect at the applicable time.

- (n) **The CSE objects in respect of any of the Securities to be issued pursuant to this Agreement or institutes a trading halt of 48 hours or greater in duration with respect to this Agreement or the Securities issuable hereunder.**
- (o) **The Investor has not received all those items required to be delivered to it in connection with a Closing, or upon the exercise of Warrants in accordance with this Agreement.**
- (p) **The Company subsequently becomes prohibited under Canadian Securities Laws, the Corporations Act, or the CSE Policies from issuing Shares to the Investor under this Agreement.**
- (q) **The Company fails to perform, comply with, or observe, any other term, covenant, undertaking, obligation or agreement under any Transaction Document, including without limitation, the failure to pay any cash amount owing to the Investor hereunder at the time such payment is due.**
- (r) **A default judgment of an amount of C\$500,000 or greater is entered against the Company or any Subsidiary.**
- (s) **The Company and/or any of its Subsidiaries defaults in relation to a payment obligation in the amount of C\$500,000 or greater under any financial accommodation, including any loan, advance, debenture or other form of financing entered into with a third party (taking into account any applicable grace period agreed by the relevant third party).**
- (t) **If at any time after the Execution Date, the Company or any of its Subsidiaries has any present or future liabilities, including contingent liabilities, for an amount or amounts totalling more than C\$500,000 which have not been satisfied on time or within ninety (90) days of invoice (taking into account any applicable grace period agreed with the relevant third party to whom such liabilities are owed), or have become prematurely payable as a result of its default or breach (howsoever described).**
- (u) **The Company fails to comply with its covenant to assign its obligations under the Agreement to the applicable counterparty in connection with a Change of Control Event if the Investor exercises its applicable right under the Agreement.**
- (v) **The Company fails to comply with its obligation to deliver Conversion Shares in accordance with this Agreement.**
- (w) **The Company fails to make a Repayment when due.**

- (x) **The Company fails to grant or perfect the liens or security interests or deliver the executed agreements which grant such liens and security interests, or fail to comply with their obligations under such agreements, in each case as set out in the relevant clause of the Agreement and the corresponding agreements.**
  - (y) **The Company's cash balance falls below C\$250,000 at any time.**
  - (z) **The Company threatens, or commences, any lawsuit or legal proceeding before any court challenging this Agreement or the legality of any obligation of the Company hereunder.**
  - (aa) **The Company's Public Record is inaccurate, false or misleading in any material respect, as of the date as of which it was made or deemed to be made.**
  - (bb) **Any other event, fact, state of affairs, or circumstance set forth in this Agreement that constitutes a material default upon its occurrence or coming into effect or being.**
  - (cc) **An Event of Default (as defined in the February 2019 CSFA) occurs and/or is continuing.**
8. 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 placement (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): **N/A.**
  - (b) Cash **N/A.**
  - (c) Securities **N/A.**
  - (d) Other **N/A.**
  - (e) Expiry date of any options, warrants etc. **N/A.**
  - (f) Exercise price of any options, warrants etc. **N/A.**
9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship. **N/A.**
10. Describe any unusual particulars of the transaction (i.e. tax "flow through" shares, etc.) **N/A.**
11. State whether the private placement will result in a change of control. **No.**
12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. **N/A.**

13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102 Resale of Securities.

**Part 2. Acquisition**

**N/A.**

## 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 on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. the Issuer has obtained the express written consent of each applicable individual to:
  - (a) the disclosure of their information to the Exchange pursuant to this Form or otherwise pursuant to this filing; and
  - (b) the collection, use and disclosure of their information by the Exchange in the manner and for the purposes described in Appendix A or as otherwise identified by the Exchange, from time to time
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 CSE Policy 1).
5. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated **October 7, 2019**.

Kerry Biggs  
Name of Director or Senior  
Officer

"Kerry Biggs"  
Signature

Chief Financial Officer  
Official Capacity



## Appendix A

### PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9

The Canadian Securities Exchange and its subsidiaries, affiliates, regulators and agents (collectively, “CSE or the “Exchange”) collect and use the information (which may include personal or other information) which has been provided in Form 9 for the following purposes:

- To determine whether an individual is suitable to be associated with a Listed Issuer;
- To determine whether an issuer is suitable for listing;
- To determine whether allowing an issuer to be listed or allowing an individual to be associated with a Listed Issuer could give rise to investor protection concerns or could bring the Exchange into disrepute;
- To conduct enforcement proceedings;
- To ensure compliance with Exchange Requirements and applicable securities legislation; and
- To fulfil the Exchange’s obligation to regulate its marketplace.

The CSE also collects information, including personal information, from other sources, including but not limited to securities regulatory authorities, law enforcement and self-regulatory authorities, regulation service providers and their subsidiaries, affiliates, regulators and agents. The Exchange may disclose personal information to these entities or otherwise as provided by law and they may use it for their own investigations.

The Exchange may use third parties to process information or provide other administrative services. Any third party will be obliged to adhere to the security and confidentiality provisions set out in this policy.

All personal information provided to or collected by or on behalf of The Exchange and that is retained by The Exchange is kept in a secure environment. Only those employees who need to know the information for the purposes listed above are permitted access to the information or any summary thereof. Employees are instructed to keep the information confidential at all times.

Information about you that is retained by the Exchange and that you have identified as inaccurate or obsolete will be corrected or removed.

If you wish to consult your file or have any questions about this policy or our practices, please write the Chief Privacy Officer, Canadian Securities Exchange, 220 Bay Street – 9th Floor, Toronto, ON, M5J 2W4.