

FORM 9

NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES **(or securities convertible or exchangeable into listed securities)**

| Name of Listed Issuer: | Symbol(s): |
|---|-----------------|
| Lowell Farms Inc. (formerly Indus Holdings, Inc.) (the "Issuer"). | LOWL LOWL.WT |

Date: July 6, 2021 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: 202,590 Super Voting Shares and 70,622,253 Subordinate Voting Shares of the Issuer were issued and outstanding (please see public filings of the Issuer for additional details as to outstanding securities of the Issuer and its subsidiaries as of the dates set out therein).

Pricing

Date of news release announcing proposed issuance: June 29, 2021 or

Date of confidential request for price protection: N/A

Closing Market Price on Day Preceding the news release: C\$1.59 or

Day preceding request for price protection: N/A

Closing

Number of securities to be issued: 7,997,520 Subordinate Voting Shares of the Issuer.

Issued and outstanding securities following issuance: 202,590 Super Voting Shares and 78,619,773 Subordinate Voting Shares of the Issuer (please see public filings of the Issuer for additional details as to outstanding securities of the Issuer and its subsidiaries as of the dates set out therein).

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 with an appendix that includes the information in Table 1B for ALL places.

Part 1. [INTENTIONALLY OMITTED]

Part 2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). 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 indirectly acquired a 10-acre, 40,000 square foot processing facility and related equipment located at 20800 Spence Road, Salinas, California and all of the equity interests in 20800 Spence Rd LLC (“Spence”), which holds the operating permits for the facility (collectively, the “Acquired Assets”).
2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material: The Acquired Assets were acquired from C Quadrant LLC (“C Quadrant”) and certain related parties pursuant to a purchase agreement dated as of June 29, 2021. The acquisition is valued at approximately US\$22 million, with the acquisition consideration being comprised of a cash payment of US\$9 million and the issuance of 7,997,520 Subordinate Voting Shares of the Issuer (of which 309,981 will be held in escrow to secure certain indemnification obligations undertaken by the sellers in the transaction). The share consideration was issued in a private placement transaction and the Issuer has agreed to register such shares for resale in the United States. There were no material relationships between the Issuer and the sellers or their affiliates prior to the completion of the transaction. The cash portion of the consideration for the transaction was funded by a mortgage loan from Viridescent Realty Trust, Inc. (“Lender”) pursuant to a loan agreement dated as of June 29, 2021 between the Lender and a subsidiary of the Issuer. The mortgage loan, which was made available in a single draw, was in the amount of US\$9,360,000 and bears interest at 12.5% per annum. The mortgage loan is guaranteed by Indus Holding Company, a subsidiary of the Issuer that is the direct or indirect owner of all of the Issuer’s operating assets. The mortgage loan is secured by the facility and the equity interests in

Spence. The mortgage loan will mature on the fifth anniversary of the closing of the transaction.

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:
 - (a) Total aggregate consideration in Canadian dollars: Approximately C\$27.1 million.
 - (b) Cash: Approximately C\$11.1 million.
 - (c) Securities (including options, warrants etc.) and dollar value: 7,997,520 Subordinate Voting Shares of the Issuer (approximately C\$16.0 million).
 - (d) Other: N/A.
 - (e) Expiry date of options, warrants, etc. if any: N/A.
 - (f) Exercise price of options, warrants, etc. if any: N/A.
 - (g) Work commitments: N/A.
4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc). Arm's-length negotiation with the third party sellers.
5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: N/A.
6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

| Name of Party (If not an individual, name all insiders of the Party) | Number and Type of Securities to be Issued | Dollar value per Security (CDN\$) | Conversion price (if applicable) | Prospectus Exemption | Total Securities, Previously Owned, Controlled or Directed by Party | Describe relationship to Issuer ⁽¹⁾ |
|--|--|-----------------------------------|----------------------------------|--|---|--|
| C Quadrant | 7,997,520 Subordinate Voting Shares | 1.99 | N/A | N/A – Securities Distributed Outside of Canada | Nil | Unrelated to the Issuer. |

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: Legal, financial and commercial due diligence were undertaken by the Issuer, including site visits of the operations pertaining to the Acquired Assets.

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 acquisition (including warrants, options, etc.):

Section 8 Not Applicable (i.e. none of foregoing were paid by the Issuer).

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (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): _____.

(b) Cash _____.

(c) Securities _____.

(d) Other _____.

(e) Expiry date of any options, warrants etc. _____.

(f) Exercise price of any options, warrants etc. _____.

9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other

- relationship with the Issuer and provide details of the relationship. Not applicable.
10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. No.

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 July 6, 2021.

Brian Shure
Name of Director or Senior
Officer

"Brian Shure"
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:

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- 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.