AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the 25th day of March, 2021,

AMONG:

AYURCANN INC.,
a corporation incorporated under the federal laws of Canada
("**XTRX**")

- and -

CANADA COAL INC.,
a corporation existing under the laws of the Province of Ontario
("**CCK**")

- and –

12487772 CANADA INC.,
a corporation incorporated under the federal laws of Canada

("**Subco**");

WHEREAS, XTRX and CCK have agreed to effect an amalgamation of XTRX and Subco under the authority contained in the CBCA upon the terms and conditions hereinafter set out;

AND WHEREAS, XTRX and Subco are each incorporated under the CBCA;

AND WHEREAS, Subco is a wholly-owned subsidiary of CCK;

AND WHEREAS, XTRX is authorized to issue an unlimited number of XTRX Shares and up to 25,393 XTRX Class A Special Shares, of which there are 57,758,501 XTRX Shares issued and outstanding and no XTRX Class A Special Shares issued and outstanding as of the date hereof.

AND WHEREAS, the authorized capital of Subco consists of an unlimited number of Subco Shares, of which one (1) Subco Share is issued and outstanding at the date hereof as a fully paid and non-assessable share, which is owned of record by CCK;

AND WHEREAS, pursuant to the Amalgamation, and subject to the terms of this Agreement, XTRX and Subco shall amalgamate and continue as Amalco, which shall become a wholly-owned subsidiary of CCK, and CCK shall issue to each XTRX Shareholder, in exchange for each one (1) XTRX Share held, a number of CCK Post-Consolidation Shares in accordance with the Exchange Ratio;

AND WHEREAS, XTRX, CCK and Subco have each made full disclosure to the other of all their respective assets and liabilities;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties agree as follows:

1. Interpretation

In this Agreement, including the recitals hereto, the following words and expressions shall have the respective meanings ascribed to them below:

"**Agreement**" means this agreement, its recitals and exhibits, as the same may be amended, modified or supplemented from time to time.

“**Amalco**” means the corporation resulting from the Amalgamation and continuing the corporate existence of the Amalgamating Corporations.

“**Amalco Shareholder**” means a registered holder of Amalco Shares, from time to time, and “**Amalco Shareholders**” means all of such holders.

“**Amalco Shares**” means the common shares in the share capital of Amalco.

“**Amalgamating Corporations**” means XTRX and Subco, and “**Amalgamating Corporation**” means either of them as applicable.

“**Amalgamation**” means the amalgamation of the Amalgamating Corporations pursuant to the provisions of the CBCA in the manner contemplated in and pursuant to this Agreement.

“**Articles of Amalgamation**” means the articles of amalgamation giving effect to the Amalgamation to be filed with the Director pursuant to this Agreement, in the form attached hereto as Exhibit “A”.

“**Business Combination Agreement**” means the business combination agreement dated November 24, 2020 between XTRX, CCK and the XTRX Representative, as amended on January 21, 2021.

“**CBCA**” means the *Canada Business Corporations Act* as the same has been and may hereafter from time to time be amended.

“**CCK**” means Canada Coal Inc., a corporation existing under the laws of the Province of Ontario.

“**CCK Options**” means stock options to purchase CCK Shares.

“**CCK Shareholder**” means a registered holder of CCK Shares, from time to time.

“**CCK Shares**” means the common shares in the capital of CCK.

“**CCK Post-Consolidation Shares**” means the CCK Shares on a post-Consolidation basis.

“**Certificate of Amalgamation**” means the certificate in respect of the Amalgamation issued by the Director;

“**Consolidation**” means the consolidation by CCK of the CCK Shares on the basis of two (2) CCK Shares for each one (1) CCK Post-Consolidation Share.

“**Director**” means the Director appointed under Section 260 of the CBCA.

“**Dissenting XTRX Shares**” means the XTRX Shares held by Dissenting Shareholders.

“**Dissenting Shareholder**” means a registered holder of XTRX Shares who, in connection with the special resolution of the XTRX Shareholders approving the Amalgamation, has exercised the right to dissent pursuant to Section 190 of the CBCA in strict compliance with the provisions thereof and thereby becomes entitled to be paid the fair value of his, her or its XTRX Shares and who has not withdrawn the notice of the exercise of such right as permitted by Section 190 of the CBCA.

“**Earn-Out**” means the earn-out obligation of CCK to the XTRX Shareholders, as more particular described in Schedule “B” attached to the Business Combination Agreement.

“**Earn-Out Shares**” means CCK Post-Consolidation Shares.

“**Earn-Out Trigger One**” means XTRX receiving a Sale for Medical Purposes License from Health Canada.

“**Effective Date**” means the date shown on the Certificate of Amalgamation issued by the Director, which date shall be in accordance with Section **Error! Reference source not found.**.

“**Effective Time**” means 12:01 a.m. (Toronto time) on the Effective Date or such other time on the Effective Date as may be agreed by XTRX and CCK.

"**Exchange Ratio**" means either:

(i) if the Earn-Out Trigger One has not been met prior to the Effective Date, a ratio of 1.2858 CCK Post-Consolidation Shares for each one (1) XTRX Share; or

(ii) if the Earn-Out Trigger One has been met prior to the Effective Date, a ratio of 1.4695 CCK Post-Consolidation Shares for each one (1) XTRX Share.

"**Existing XTRX Options**" means the XTRX Options, entitling the holders thereof to purchase up to: (i) 458,334 XTRX Shares at a price of $0.15 per share of which 125,000 expire on or before September 5, 2022 and 333,334 expire on or before September 16, 2022 and (ii) 75,000 XTRX Shares at a price of $0.14 per share which expire on November 23, 2023.

"**Existing XTRX Warrants**" means the common share purchase warrants of XTRX, entitling the holders thereof to purchase up to 9,812,500 XTRX Shares at a price of $0.20 per share of which 5,000,000 expire on May 31, 2022, 812,500 expire on June 10, 2022 and 4,000,000 expire on August 13, 2022.

"**fair value**" where used in relation to a XTRX Share held by a Dissenting Shareholder, means fair value as determined by a court under Section 190 of the CBCA or as agreed between XTRX and the Dissenting Shareholder.

"**Name Change**" means the change of name of CCK from "Canada Coal Inc." to "Ayurcann Inc." or such other name as determined by the XTRX and acceptable to the applicable Governmental Authorities.

"**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Government Authority, syndicate or other entity, whether or not having legal status.

"**Subco**" means 12487772 Canada Inc., a corporation incorporated under the federal laws of Canada as a wholly-owned Subsidiary of CCK for the sole purpose of effecting the Amalgamation.

"**Subco Shares**" means the common shares in the capital of Subco.

"**Transfer Agent**" means Computershare Investor Services Inc., at its principal office in Toronto, Ontario, being the transfer agent and registrar for the CCK Shares.

"**XTRX**" means Ayurcann Inc., a corporation incorporated under the CBCA.

"**XTRX Class A Special Shares**" means superior voting, redeemable, retractable Class "A" Special Shares without nominal or par value.

"**XTRX Options**" means stock options to purchase XTRX Shares.

"**XTRX Representative**" means Noah Sudman, an individual representing the XTRX Shareholders in connection with the Business Combination.

"**XTRX Shareholder**" means a registered holder of XTRX Shares, from time to time.

"**XTRX Shares**" means the Class "A" Common Shares in the capital of XTRX.

2. Paramountcy

In the event of any conflict between the provisions of this Agreement and the provisions of the Business Combination Agreement, the provisions of this Agreement shall prevail.

3. Agreement to Amalgamate

Each of XTRX, CCK and Subco hereby agrees to the Amalgamation such that the Amalgamating Corporations shall amalgamate to create and continue as Amalco under the provisions of the CBCA, on the terms and conditions set out in this Agreement.

4. Filing of Articles

Following the approval of this Agreement by the shareholders of the Amalgamating Corporations in accordance with the CBCA, and in accordance with the terms and conditions of the Business Combination Agreement, including the satisfaction or waiver of all conditions precedent set forth in the Business Combination Agreement, XTRX shall file the Articles of Amalgamation with the Director as provided under the CBCA.

5. Conditions Precedent to the Amalgamation

The Amalgamation is subject to the satisfaction or waiver by the party entitled to make such waiver, of the conditions precedent set forth in Article 7 of the Business Combination Agreement. The signing and delivery of the Articles of Amalgamation by XTRX and Subco shall be conclusive evidence that such conditions have been satisfied to the satisfaction of XTRX and CCK or waived by the party entitled to make such waiver, and that XTRX and Subco may amalgamate in accordance with the provisions of this Agreement.

6. Amalgamation Events

Pursuant to the Amalgamation, on the Effective Date:

(a) each issued and outstanding XTRX Share held by each Dissenting Shareholder will become an entitlement to be paid the fair value of such share;

(b) each issued and outstanding Subco Share shall be exchanged for one (1) fully paid and non-assessable Amalco Share;

(c) each issued and outstanding XTRX Share (other than those held by Dissenting Shareholders) shall be exchanged fully paid and non-assessable CCK Post-Consolidation Shares in accordance with the Exchange Ratio;

(d) following the Effective Time, the Existing XTRX Warrants and Existing XTRX Options will automatically adjust in accordance with their terms such that, following the Effective Time, the holders of the Existing XTRX Warrants and Existing XTRX Options shall acquire CCK Post-Consolidation Shares in lieu of XTRX Shares adjusted to reflect the Exchange Ratio, with the exercise prices of the Existing XTRX Warrants and Existing XTRX Options adjusted by the inverse of the Exchange Ratio, or will be replaced with equivalent convertible securities of CCK entitling the holders thereof to acquire CCK Post-Consolidation Shares in lieu of XTRX Shares adjusted to reflect the Exchange Ratio, with the exercise prices of the Existing XTRX Warrants and Existing XTRX Options adjusted by the inverse of the Exchange Ratio, and otherwise bearing the same terms as the Existing XTRX Warrants and Existing XTRX Options which they replace;

(e) as consideration for the issuance of CCK Post-Consolidation Shares in exchange for the XTRX Shares, Amalco shall issue to CCK one (1) Amalco Share for each one (1) CCK Post-Consolidation Shares so issued;

(f) XTRX and Subco shall be amalgamated and continue as Amalco;

(g) all of the property and assets of each of XTRX and Subco shall be the property and assets of Amalco and Amalco shall be liable for all of the liabilities and obligations of each of XTRX and Subco, including civil, criminal and quasi criminal, and all contracts, liabilities and debts of Subco and XTRX;

(h) all rights of creditors against the property, assets, rights, privileges and franchises of Subco and XTRX and all liens upon their property, rights and assets shall be unimpaired by the Amalgamation and all debts, contracts, liabilities and duties of Subco and XTRX shall thenceforth attach to and be enforced against Amalco; and

(i) no action or proceeding by or against Subco or XTRX shall abate or be affected by the Amalgamation but, for all purposes of such action or proceeding, the name of Amalco shall be substituted in such action or proceeding in place of Subco or XTRX, as the case may be.

7. Articles of Amalgamation

The Articles of Amalgamation of Amalco shall be in the form attached hereto as Exhibit "A".

8. Name

The Name of Amalco shall be "Ayurcann Holdings Corp.", or such other name as mutually agreed to by the XTRX and CCK.

9. Registered Office

Until changed in accordance with the CBCA, the registered office of Amalco shall be in the Province of Ontario.

10. Authorized Capital

The authorized capital of Amalco shall consist of an unlimited number of Amalco Shares, the rights, privileges, restrictions and conditions attaching to which shall be as set out in the Articles of Amalgamation attached hereto as Exhibit "A".

11. Share Transfer Restrictions

The Amalco Shares shall be subject to restrictions on transfer as set out in the Articles of Amalgamation attached hereto as Exhibit "A".

12. Business

There shall be no restrictions on the business which Amalco is authorized to carry on or the powers which Amalco may exercise.

13. Number of Directors

The board of directors of Amalco shall consist of not less than one (1) and not more than ten (10) directors, the exact number of which shall be determined by the directors from time to time.

14. First Directors

The first director(s) of Amalco shall be the person(s) whose names and residential addresses appear below:

Name	Address	Resident Canada
Igal Sudman	97 Laskin Dr., Maple, Ontario L6A 5A4	Yes
Roman Buzaker	37 Oakhurst Drive, Thornhill, Ontario L4J 7V3	Yes

The above director shall hold office from the Effective Date until the first annual meeting of Amalco Shareholders or until his successor is elected or appointed.

15. By-laws

The by-laws of Amalco shall be, to the extent not inconsistent with this Agreement, the by-laws of Subco, until repealed or amended.

16. Fractional Shares

No fractional CCK Post-Consolidation Shares or Amalco Shares will be issued or delivered to any former XTRX Shareholders or the former Subco Shareholder otherwise entitled thereto, if any. Instead, the number of CCK Post-

Consolidation Shares or Amalco Shares issued to each former holder of XTRX Shares or Subco Shares will be rounded down to the nearest whole number.

17. Stated Capital

The stated capital account in the records of Amalco for the Amalco Shares shall be equal to the stated capital attributed to the XTRX Shares and the Subco Shares, determined immediately before the Amalgamation.

18. Termination

Subject to the terms of the Business Combination Agreement, this Agreement may be terminated by the board of directors of each of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholders of the Amalgamating Corporations, at any time prior to the issuance of the Certificate of Amalgamation. If this Agreement is terminated pursuant to this Section, this Agreement shall forthwith become void and of no further force and effect.

19. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario sitting in and for the judicial district of Toronto in respect of all matters arising under or in relation to this Agreement.

20. Further Assurances

Each of XTRX and CCK agree to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Amalgamation Agreement.

21. Time of the Essence

Time shall be of the essence of this Agreement.

22. Amendments

This Agreement may only be amended or otherwise modified by written agreement executed by XTRX and CCK.

23. Counterparts

This Agreement may be signed in counterparts (including counterparts by facsimile), and all such signed counterparts, when taken together, shall constitute one and the same agreement, effective on this date.

[*Remainder of page intentionally left blank. Signature page follows.*]

IN WITNESS WHEREOF the Parties have executed this Agreement by their duly authorized officers as of the day and year first above written.

AYURCANN INC.

Per: [redacted]

Igal Sudman
Chief Executive Officer

CANADA COAL INC.

Per: [redacted]

Olga Nikitovic
Interim Chief Executive Officer

12487772 CANADA INC.

Per: [redacted]

Olga Nikitovic
Director

EXHIBIT "A"
ARTICLES OF AMALGAMATION

(*See attached*.)

Canada Business Corporations Act (CBCA)
FORM 9
ARTICLES OF AMALGAMATION
(Section 185)

1 - Corporate name of the amalgamated corporation

Ayurcann Inc.

2 - The province or territory in Canada where the registered office is situated (do not indicate the full address)

Ontario

3 - The classes and any maximum number of shares that the corporation is authorized to issue

The Corporation is authorized to issue an unlimited number of common shares.

4 - Restrictions, if any, on share transfers

Shareholders cannot transfer shares without either (i) approval of the directors of the Corporation by resolution, or (ii)approval of the holders of at least a majority of the shares of the Corporation.

5 - Minimum and maximum number of directors (for a fixed number of directors, indicate the same number in both boxes)

Minimum number 1 **Maximum number** 10

6 - Restrictions, if any, on the business the corporation may carry on

No restrictions.

7 - Other provisions, if any

N/A

8 - The amalgamation has been approved pursuant to that section or subsection of the Act which is indicated as follows:

- (◉) **183 - Long form:** approved by special resolution of shareholders
- ( ) **184(1) - Vertical short-form:** approved by resolution of directors
- ( ) **184(2) - Horizontal short-form:** approved by resolution of directors

9 - Declaration

I hereby certify that I am a director or an authorized officer of the following corporation:

Name of the amalgamating corporations	Corporation number	Signature
Ayurcann Inc.	1085435 - 2	[redacted]
12487772 Canada Inc.	1248777 - 2	
	-	
	-	

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

Instructions
FORM 9
ARTICLES OF AMALGAMATION

Filing this application costs $200.

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Item 1
Set out the proposed name of the amalgamated corporation that complies with sections 10 and 12 of the CBCA. If this name is not the same one as one of the amalgamating corporations, articles of amalgamation must be accompanied by a Nuans Name Search Report dated not more than ninety (90) days prior to the receipt of the articles by Corporations Canada. A numbered name may be assigned under subsection 11(2) of the CBCA without a Nuans Name Search Report.

Item 2
Set out the name of the province or territory within Canada where the registered office is to be situated.

Item 3
Set out the details required by paragraph 6(1)(c) of the CBCA, including details of the rights, privileges, restrictions and conditions attached to each class of shares. All shares must be without nominal or par value and must comply with the provisions of Part V of the CBCA.

Item 4
If restrictions are to be placed on the right to transfer shares of the corporation, set out a statement to this effect and the nature of such restrictions.

Item 5
State the number of directors. If cumulative voting is permitted, the number of directors must be fixed.

Item 6
If restrictions are to be placed on the business the corporation may carry out, set out the restrictions.

Item 7
Set out any provisions, permitted by the CBCA or its Regulations to be set out in the by-laws of the corporation, that are to form part of the articles, including any pre-emptive rights or cumulative voting provisions.

Item 8
Indicate whether the amalgamation is under section 183 or subsection 184(1) or 184(2) of the CBCA.

Item 9
A director or officer of the amalgamating corporations shall sign the articles.

If space in items 3, 4, 6, 7 and 9 is insufficient, please attach a schedule.

Also Include:

- Form 2 - Initial Registered Office Address and First Board of Directors
- A statutory declaration from a director or officer of each amalgamating corporation in accordance with subsection 185(2) of the CBCA.
- A Nuans Name Search Report, if applicable
- Fee of $200, payable by credit card (American Express, Visa or Master Card) or by cheque made payable to the Receiver General for Canada

For more information, consult the Corporations Canada Website (corporationscanada.ic.gc.ca)
or call toll-free (within Canada) **1-866-333-5556 or** (from outside Canada) **(613) 941-9042**.

Send documents:

By e-mail: **IC.corporationscanada.IC@canada.ca**

By mail: Corporations Canada
235 Queen Street
Ottawa, Ontario K1A 0H5