Form 62-103F1

Required Disclosure under the Early Warning Requirements

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to common shares in the capital of 48North Cannabis Corp. (**48North**)

257 Adelaide Street West
Suite 500
Toronto, Ontario
M5H 1X9

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The occurrence giving rise to this report is a plan of arrangement under the *Canada Business Corporations Act* among HEXO and 48North that took effect and was completed on September 1, 2021.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

HEXO Corp. (**HEXO**)
3000 Solandt Road
Ottawa, Ontario
K2K 2X2

Jurisdiction of incorporation: Ontario

Principal business: production, marketing and sale of cannabis

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On September 1, 2021, HEXO and 48North announced that they completed the previously announced arrangement (the "**Arrangement**"), pursuant to which HEXO acquired all of the issued and outstanding common shares in the capital of 48North (the "**48North Shares**") by way of court-approved plan of arrangement under the *Canada Business Corporations Act*.

Under the terms of the Arrangement, each former 48North shareholder was entitled to receive 0.02366 of a common share in the capital of HEXO (each whole common share, a "**HEXO Share**") for each 48North Share held immediately prior to the Arrangement. It is anticipated that the 48North Shares will be delisted from the TSX Venture Exchange (the "**TSXV**") as of the close of trading on or about September 2, 2021.

For more information, please refer to HEXO's press release dated September 1, 2021 announcing completion of the Arrangement.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

HEXO acquired ownership or control over 226,206,184 48North Shares representing all of the 48North Shares.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

Please see item 3.1 above.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Immediately prior to the completion of the Arrangement, HEXO did not hold any 48North Shares. Immediately following the completion of the Arrangement, HEXO acquired ownership or control over an aggregate of 226,206,184 48North Shares representing all of the 48North Shares.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

Please see paragraph 3.4 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

Pursuant to the Arrangement, HEXO acquired all of the 48North Shares for 0.02366 of a HEXO Share for each 48North Share. The closing price of the 48North Shares on the TSXV on August 31, 2021, the last trading day prior to the effective date of the Arrangement, was $0.0750, while the closing price of HEXO common shares on the Toronto Stock Exchange on August 31, 2021 was $3.1000. See item 5 below.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See item 4.1 above and item 5.1(k) below.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

The securities were acquired upon the completion of the Arrangement. The Arrangement is described in item 2.2 above.

Item 5 – Purpose of the Transaction

5.1 State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;

(b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;

(c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;

(d) **a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

(e) **a material change in the present capitalization or dividend policy of the reporting issuer;**

(f) **a material change in the reporting issuer's business or corporate structure;**

(g) **a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**

(h) **a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**

(i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**

(j) **a solicitation of proxies from securityholders;**

(k) **an action similar to any of those enumerated above.**

The purpose of the Arrangement was for HEXO to acquire ownership and control over 100% of the issued and outstanding 48North Shares.

For a detailed summary of the Arrangement and other information in respect of the transactions thereunder, please refer to the management proxy circular of 48North dated July 14, 2021, which is available on SEDAR at www.sedar.com under the profile of 48North. In addition, a copy of the definitive arrangement agreement is available on SEDAR at www.sedar.com under the profiles of 48North and HEXO respectively.

Following completion of the Arrangement, 48North is now a wholly-owned subsidiary of HEXO. It is anticipated that the 48North Shares will be de-listed from the TSXV as of the close of trading on or about September 2, 2021. It is currently anticipated that 48North will remain a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador for as long as certain of its warrants (exercisable for HEXO common shares) remain outstanding. Prior to the completion of the Arrangement, HEXO and 48North obtained an exemptive relief order dated August 31, 2021 from the applicable Canadian securities regulatory authorities from and with respect to the continuous disclosure, the certification and insider reporting obligations as applicable to 48North after completion of the Arrangement subject to certain conditions and other requirements as set out therein.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

Not applicable.

Item 9 – Certification

I, as the acquiror, certify that the statements made in this report are true and complete in every respect.

Date: September 2, 2021

HEXO CORP.

Per: *(signed) Sébastien St-Louis*

Name: Sébastien St-Louis

Title: Chief Executive Officer