ESCROW AGREEMENT

THIS ESCROW AGREEMENT made effective as of the 15th day of March, 2022.

AMONG:

G. SCOTT PATERSON (the "**Shareholders' Representative**")

- and -

TREES CORPORATION (the "**Corporation**")

- and -

ODYSSEY TRUST COMPANY (the "**Escrow Agent**")

WHEREAS:

A. The Corporation, 1000101203 Ontario Inc. ("**Trees Subco**") and Miraculo Inc. ("**Miraculo**") entered into an amalgamation agreement dated February 7, 2022 pursuant to which Trees proposed to acquire all of the issued and outstanding shares of Miraculo by way of a three-cornered amalgamation among Trees, Miraculo and Trees Subco (the "**Amalgamation Agreement**");

B. Pursuant to the terms of the Amalgamation Agreement, on March 15, 2022, (i) Miraculo amalgamated with Trees Subco to form a new entity ("**Amalco**"); (ii) each share of Trees Subco was exchanged for one common share of Amalco; and (iii) each common share of Miraculo (a "**Miraculo Share**") held by Miraculo shareholders (the "**Miraculo Shareholders**") was exchanged for common shares in the capital of Trees ("**Trees Shares**") and warrants to purchase Trees Shares ("**Trees Warrants**") on the basis of 0.117647059582019 Trees Shares and 0.0588235297910095 Trees Warrants for each Miraculo Share held;

C. pursuant to section 1.4 of the Amalgamation Agreement, the Trees Shares issued to Miraculo Shareholders (the "**Escrowed Shares**") are to be deposited in escrow and released in accordance with the terms of this Agreement (the "**Escrow Terms**"); and

D. the Shareholders' Representative is entering into this Agreement as the authorized representative of the Miraculo Shareholders.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, representations, warranties and indemnities of each of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

1. <u>APPOINTMENT OF ESCROW AGENT</u>

1.1 The Escrow Agent is hereby appointed as the escrow agent under this Escrow Agreement and the Escrow Agent hereby accepts such appointment.

2. DEPOSIT OF ESCROWED SHARES

2.1 Upon execution of this Escrow Agreement and the issuance by the Corporation of the Escrowed Shares, the Corporation shall, or shall direct its registrar and transfer agent to, deliver direct registration statements representing the Escrowed Shares to the Escrow Agent to be held by the Escrow Agent in escrow until released pursuant to Section 3.1.

2.2 Delivery by the Corporation or its registrar and transfer agent to the Escrow Agent of the direct registration statements representing the Escrowed Shares will fulfill and discharge the obligations of the Corporation and the Purchaser to deliver the Escrowed Shares to the Miraculo Shareholders pursuant to the Amalgamation Agreement.

2.3 The Escrow Agent confirms that it has no ownership interest in the Escrowed Shares, but is serving as escrow holder only, and has possession of the direct registration statements representing the Escrowed Shares only in accordance with this Agreement.

2.4 The parties hereto shall execute all further instruments which may be reasonably requested by the Escrow Agent to enable it to carry out the purpose of this Escrow Agreement.

3. RELEASE OF ESCROWED SHARES

3.1 In this section the following terms have the following meanings:

(a) "**Fulfillment Notice**" means either a Joint Instruction from Trees and the Shareholders' Representative or a Statutory Declaration of the Shareholders' Representative detailing the circumstances that warrant a release of such Escrowed Shares from escrow pursuant to Section 3.2(a), 3.2(b), 3.2(c) or 3.2(d), as applicable.

(b) "**Joint Instruction**" means a joint instruction in writing addressed to the Escrow Agent and executed by the Corporation and the Shareholders' Representative.

(c) "**Market Price**" means, at any date, the volume weighted average price per share at which the Trees Shares have traded:

(i) on the Neo Exchange Inc. ("**NEO**") or any other recognized Canadian stock exchange on which the Trees Shares are listed; or

(ii) if the Trees Shares are not listed on the NEO or any other recognized stock exchange, on any over-the-counter market on which the Trees Shares are trading;

during the ten (10) consecutive trading days ending immediately before such record date;

(d) "**Outside Date**" means March 15, 2023.

(c) "**Statutory Declaration**" means a written statement of fact attested to by the Shareholders' Representative before an individual who is authorized in the jurisdiction in which such attestation is made to administer oaths.

3.2 The Escrow Agent will, within two (2) Business Days of receiving a Fulfillment Notice, release some or all of the Escrowed Shares to the Miraculo Shareholders, on a *pro rata* basis, as follows:

(a) that number of Escrowed Shares equal to 25% of the total number of Escrowed Shares originally deposited in escrow on the earlier of (i) the Market Price being equal to or greater than $0.20 at a date prior to receipt of the Fulfillment Notice, and for greater certainty irrespective of any change to the Market Price thereafter, and (ii) the Outside Date;

(b) that number of Escrowed Shares equal to 25% of the total number of Escrowed Shares originally deposited in escrow on the earlier of (i) the Market Price being equal to or greater than $0.25 as at a date prior to receipt of the Fulfillment Notice, and for greater certainty irrespective of any change to the Market Price thereafter, and (ii) the Outside Date;

(c) that number of Escrowed Shares equal to 25% of the total number of Escrowed Shares originally deposited in escrow on the earlier of (i) the Market Price being equal to or greater than $0.30 as at a date prior to receipt of the Fulfillment Notice, and for greater certainty irrespective of any change to the Market Price thereafter, and (ii) the Outside Date; and

(d) that number of Escrowed Shares equal to 25% of the total number of Escrowed Shares originally deposited in escrow on the earlier of (i) the Market Price being equal to or greater than $0.35 as at a date prior to receipt of the Fulfillment Notice, and for greater certainty irrespective of any change to the Market Price thereafter, and (ii) the Outside Date.

For greater certainty, notwithstanding any delivery of (or absence of the delivery of) one or more of the above-contemplated Fulfillment Notices in (a) through (d), all Escrowed Shares not yet released to the Miraculo Shareholders shall be automatically released from escrow by the Escrow Agent to the Miraculo Shareholders on the Outside Date.

3.3 If, at any time, the Escrow Agent receives a Fulfillment Notice in the form of a Statutory Declaration from the Shareholders' Representative, the Escrow Agent will, within two Business Days, deliver a copy of the Statutory Declaration to the Corporation and unless Corporation delivers to the Escrow Agent, within seven Business Days of such delivery, an order from a court of competent jurisdiction prohibiting release from escrow of the Escrowed Shares that the Statutory Declaration is intended to support, the Escrow Agent will release the relevant Escrowed Shares in accordance with Section 3.2(a), 3.2(b), 3.2(c) or 3.2(d), as applicable.

3.4 If, at any time, the Trees Shares are proposed to be delisted from the NEO or another recognized Canadian stock exchange (and not concurrently listed on another recognized Canadian stock exchange), then Trees and the Shareholders Representative shall prepare and submit a Joint Instruction to the Escrow Agent to release any Escrowed Shares then remaining in escrow pursuant to the terms of this Agreement, and the Escrow Agent shall cause the Escrowed Shares to be released to the Miraculo Shareholders forthwith and in any event not less than ten (10) days prior to any such date the Trees Shares are to be so delisted.

4. ORDER OF COURT

4.1 If at any time, the Escrow Agent receives an order of a court of competent jurisdiction, the Escrow Agent shall comply with the terms of such order.

5. TERMINATION OF ESCROW AGREEMENT

5.1 This Escrow Agreement shall terminate upon the release of all of the Escrowed Shares.

6. RELIANCE

6.1 In obtaining the consent or instructions of a party to this Agreement that is not an individual as to any action, the Escrow Agent may rely on the consent or instructions of any director or officer of such party, as signifying the consent or instructions of such party.

7. DUTIES OF AND INDEMNITY FOR ESCROW AGENT

7.1 The Escrow Agent is acting hereunder as a depository only and is not responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of any instrument or for the identity, authority or rights of any person executing or depositing such investment. Notwithstanding any provision herein incorporating other instruments by reference, the Escrow Agent shall not be charged with notice of the terms of any such instruments, and duties, responsibilities and immunities of the Escrow Agent shall be determined solely by reference to this Escrow Agreement.

7.2 The Escrow Agent shall be protected in acting upon any notice, request, waiver, consent, receipt, document or any other writing believed by the Escrow Agent to be genuine and to have been made, signed, sent or presented by the proper party or parties.

7.3 The Escrow Agent shall not be liable for any error of judgment or for any act done or step taken or omitted in good faith, or for any mistake of fact or law, or for anything which the Escrow Agent may do or refrain from doing in connection herewith, except for its own bad faith, gross negligence or wilful misconduct.

7.4 The Escrow Agent may consult with third party legal counsel of its selection in the event of any dispute or question as to the construction of any of the provisions hereof or the Escrow Agent's duties hereunder, and it shall incur no liability and shall be fully protected in acting in accordance with the opinion of such counsel.

7.5 In the event of a disagreement between the parties hereto or any person or entity claiming under or through the parties hereto (other than the Escrow Agent) resulting in claims and/or demands being made by the disputing parties which, in the sole judgment of the Escrow Agent, are conflicting, in connection with any matters involved herein or affected hereby, the Escrow Agent shall be entitled, at its sole option, to refuse to comply with any such demands so long as such disagreement shall continue. The Escrow Agent may refuse to make delivery of any of the Escrowed Shares in its possession to any or all of the claimants, and the Escrow Agent shall not be or become liable to any claimant by reason of failure or refusal to comply with such conflicting claims or demands or to deliver the Escrowed Shares or any portion thereof as demanded; provided, however, that the Escrow Agent shall deliver, pursuant to the terms of this Escrow Agreement, any portion of the Escrowed Shares not subject to conflicting claims. The Escrow Agent may continue to refuse to take any action, irrespective of the time which elapses during which such dispute continues, until either the rights of the disputing claimants have been finally determined by a court of competent jurisdiction evidenced by a court order, or until the claimants shall have reached agreement on their differences and shall have furnished to the Escrow Agent a Joint Instruction with respect to the action to be taken. The Escrow Agent may conclusively rely on any such Joint Instruction, and shall be fully protected and indemnified in taking any action in reliance thereon. The Escrow Agent shall be held harmless for any action taken pursuant to a court order, even if such order is appealable, or without the actual knowledge of the Escrow Agent, is or has been reversed, withdrawn, or modified or is not effective for any reason.

7.6 In the event of an unresolved claim or any other dispute relating to the Escrowed Shares, the Escrow Agent may, in its sole discretion, file an interpleader or similar type of action, or defend any action or legal proceeding filed against the Escrow Agent, but is not obligated to do so.

7.7 Trees, on its own behalf and on behalf of its successors and assigns, unconditionally and irrevocably agrees to indemnify and hold harmless the Escrow Agent from and against any and all claims, actions and suits, whether groundless or otherwise, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character arising out of, occasioned by, or in any manner related to, directly or indirectly, transactions to which this Escrow Agreement may from time to time apply, including without limitation a reasonable charge for the time of its partners, advisors, third party legal counsel, representatives and employees spent on matters connected to any litigation by or against the Escrow Agent; provided, however, that the Escrow Agent shall at all times remain responsible for its own bad faith, gross negligence or wilful misconduct, and the costs related thereto.

7.8 The Escrow Agent shall not be bound by or charged with notice of any transfer or assignment, in whole or in part, made by a party hereto or such party's successors or assigns, unless and until written notice thereof shall be delivered to and acknowledged by the Escrow Agent.

7.9 The Escrow Agent shall have no duties except those which are expressly set forth herein.

7.10 The Escrow Agent shall not be bound by any notice, claim or demand with respect hereto unless received by it in writing, and shall not be bound by any waiver, modification, termination or rescission of this Escrow Agreement, unless received by it in writing and signed by all of the other parties hereto.

7.11 Upon the release of the Escrowed Shares, or the obtaining of an interpleader order respecting the Escrowed Shares, all as provided in this Escrow Agreement, the Escrow Agent shall be released and discharged from all of its obligations hereunder.

7.12 The Escrow Agent may act on the opinion or advice obtained from its third party legal counsel, if any, and shall not be responsible for any loss occasioned by doing so nor shall it incur any liability or responsibility for deciding in good faith not to act upon such opinion or advice.

7.13 The Escrow Agent may rely upon any document or instrument delivered to it in compliance or purporting to be in compliance with any provision of this Escrow Agreement without any obligation whatsoever for it to make any inquiry as to the correctness of any statement made therein.

8. RESIGNATION OF THE ESCROW AGENT

8.1 The Escrow Agent may resign at any time by giving thirty (30) days' prior written notice of its intention to do so to the Corporation, the Purchaser and the Shareholders' Representative. Upon receipt of said notice, the Corporation and the Shareholders' Representative on behalf of the Miraculo Shareholders shall appoint a successor escrow agent. Upon its ceasing to be Escrow Agent under this Escrow Agreement while it is in force, the Escrow Agent shall forthwith deliver the entire balance of the Escrowed Shares to its successor upon receipt of an instruction from the Corporation and the Shareholders' Representative. In the event that the Corporation and the Shareholders' Representative do not agree on a replacement escrow agent within the thirty (30) days' notice period, the Escrow Agent may interplead, and obtain an interpleader order from a court of competent jurisdiction, the Escrowed Shares upon which it shall be relieved of all of its obligations hereunder.

9. MISCELLANEOUS

9.1 **Notices:**

(a) Any notice, communication or other document required or permitted to be given, sent or delivered hereunder to any party shall be in writing, and shall be sufficiently given, sent or delivered if it is:

(i) delivered to an officer or director of such party (in the case of a corporation) or to a partner of the party (in the case of a partnership);

(ii) sent to the party entitled to receive it by registered mail, postage prepaid;

(iii) sent by fax; or

(iv) sent by electronic mail,

to the addresses, fax numbers or electronic mail address, as the case may be, set forth in Schedule "A" hereto, or to such other address or facsimile number as the party entitled to or receiving such notice, communication or document shall, by a written notice given in accordance with this section, have communicated to the party giving, sending or delivering such notice, communication or document.

(b) Any notice, communication or document given, sent or delivered as aforesaid shall:

(i) if personally delivered as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery;

(ii) if sent by registered mail as aforesaid, be deemed to have been given, sent, delivered and received (whether or not actually received) on the fourth (4^{th}) Business day following the date of mailing, unless at any time between the date of mailing and the fourth Business day thereafter there is a discontinuance, strike or other interruption of regular postal service, in which case the same shall be deemed to have been given, sent delivered and received in the ordinary course of the mails, allowing for such discontinuance, strike or interruption of regular postal service;

(iii) if sent by facsimile machine, be deemed to have been given, sent, delivered and received on the date the sender received the facsimile answer back confirming receipt by the recipient; and

(iv) if sent by electronic mail, be deemed to have been given, sent, delivered and received on the date of transmittal thereof if given during the normal business hours of the recipient and on the business day during which such normal business hours next occur if not given during such hours on any day.

9.2 **Binding Nature:** This Escrow Agreement shall be binding on, enure to the benefit of and be enforceable by and against the parties hereto and their respective successors and permitted assigns, as the case may be.

9.3 **Choice of Law:** This Escrow Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

9.4 **Amendments:** This Escrow Agreement may only be amended in writing by an agreement executed by all parties hereto.

9.5 **Entire Agreement:** This Escrow Agreement, together with the Amalgamation Agreement, contains the entire agreement of the parties hereto and supersedes any and all prior agreements and negotiations between said parties regarding the subject matter contained herein.

9.6 **Multiple Counterparts:** This Escrow Agreement may be executed in multiple counterparts and by facsimile, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[*Signature page follows*]

IN WITNESS WHEREOF the parties have executed this Escrow Agreement as of the day and year first above written.

ODYSSEY TRUST COMPANY

By: *(signed) “”Dan Sander”*
Name: Dan Sander
Title: President, Corporate Trust

ODYSSEY TRUST COMPANY

By: *(signed) “Amy Douglas”*
Name: Amy Douglas
Title: Director, Corporate Trust

TREES CORPORATION

By: *(signed) “”Jeff Holmgren”*
Name: Jeff Holmgren
Title: Director

(signed) “G. Scott Paterson”
G. Scott Paterson, as Shareholders’ Representative

SCHEDULE "A"

CONTACT DETAILS FOR NOTICES

In the case of the Shareholders' Representative:

[Redacted – Confidential Information]

Attention: G. Scott Paterson
Email: **[Redacted – Confidential Information]**

If to the Corporation addressed as follows:

c/o Aird & Berlis LLP
Melanie Cole, Partner
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario
M5J 2T9 Canada

Attention: Melanie Cole
E-mail: mcole@airdberlis.com

If to the Escrow Agent, addressed as follows:

Odyssey Trust Company
Stock Exchange Tower
1230 – 300 5th Avenue SW
Calgary Alberta
T2P 3C4 Canada

Attention: Corporate Trust
E-mail: corptrust@odysseytrust.com