NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

OF FIRE & FLOWER HOLDINGS CORP.
TO BE HELD ON DECEMBER 16, 2022

AND

MANAGEMENT INFORMATION CIRCULAR

November 4, 2022

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of Fire & Flower Holdings Corp. (the "**Corporation**") will be held on December 16, 2022 at 10:00 a.m. (Toronto time) at the offices of Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1.

The Special Meeting of Fire & Flower Holdings Corp. Shareholders

At the Meeting, you will be asked to consider and vote upon: (a) certain amendments to the Series C Common Share purchase warrants of the Corporation (the "**Series C Warrants**") held by 2707031 Ontario Inc., an indirect wholly-owned subsidiary of Alimentation Couche-Tard Inc. ("**ACT**") (the "**Series C Amendments**"); and (b) the non-brokered private placement offering of 3,034,017 Common Shares to ACT at a price of $1.64798 per Common Share, for aggregate proceeds of approximately $5,000,000 (the "**Private Placement**" and collectively with the Series C Amendments, the "**Proposed Transaction**"). Completion of the Proposed Transaction is subject to certain customary conditions, including among other conditions, the approval of the Transaction Resolution (as defined in the accompanying management information circular of the Corporation dated November 4, 2022 (the "**Circular**")) by the Shareholders and the approval of the Toronto Stock Exchange (the "**TSX**").

Pursuant to the terms of the amendment agreement dated October 17, 2022 between the Corporation and ACT, the Series C Amendments contemplate amending the terms of the Series C Warrants, including, but not limited to, the following amendments:

(a) the Series C Warrants shall be divided into two equal tranches: Series C-1 warrants (the "**Series C-1 Warrants**") and Series C-2 warrants (the "**Series C-2 Warrants**");

(b) the Series C-1 Warrants shall be exercisable at a price equal to 85% of the 20-day volume weighted average price of the Common Shares (as of the date of exercise) (the "**Proposed Series C Exercise Price**") at any time between the date the Series C Amendments come into effect and June 30, 2023 (subject to extension pursuant to the terms of the Series C-1 Warrants) (the "**Series C-1 Expiry Date**");

(c) the Series C-2 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between December 1, 2023 and August 31, 2024 (subject to extension pursuant to the terms of the Series C-2 Warrants);

(d) the number of Series C-1 Warrants shall be reduced by the number of Common Shares issued to ACT in the Private Placement; provided, however, that the aggregate number of Series C-1 Warrants and Series C-2 Warrants shall, upon the closing of the Private Placement, entitle ACT to acquire that number of Common Shares, which together with Common Shares then held and as-converted Common Shares underlying the convertible debentures of the Corporation held by ACT and its affiliates, would represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis (as defined in the

amended and restated investor rights agreement between the Corporation and ACT dated September 16, 2020 (the "**2020 IRA**"));

(e) any subsequent Series C Warrants to be issued to ACT pursuant to its Participation Right and Top-up Right (each as defined in the 2020 IRA) shall have an exercise price equal to the greater of:

(i) with respect to the Participation Right, the Proposed Series C Exercise Price and the price per security issued in the offering giving rise to the Participation Right; and

(ii) with respect to the Top-up Right, the Proposed Series C Exercise Price and the market price of the Common Shares on the date ACT delivers its notice to exercise its Top-up Right; and

(f) in the event the Series C-1 Warrants are not exercised in full on or prior to the Series C-1 Expiry Date, all Series C-2 Warrants then outstanding shall immediately be cancelled.

In connection with the foregoing, certain amendments shall also be made to the 2020 IRA upon the Series C Amendments coming into effect in order to reflect the Series C Amendments.

To be effective, the Proposed Transaction must: (a) be approved by a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting, after excluding any votes cast by ACT and its affiliates and any other persons whose votes may not be included: (i) in order to obtain "minority approval" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*; and (ii) pursuant to the policies of the TSX; and (b) receive TSX approval.

Benefits to Shareholders

- The board of directors of the Corporation (the "**Board**"), with the recommendation of the Special Committee (as defined herein) and after consultation with its financial and legal advisors, determined that the Proposed Transaction is in the best interests of the Corporation.

- The Private Placement will provide $5 million of immediate capital to the Corporation.

- The Special Committee received a Fairness Opinion (as defined herein) to the effect that, as of the date thereof, and based upon and subject to the assumptions, qualifications, explanations and limitations set forth therein, the Proposed Transaction is fair, from a financial point of view, to the Corporation.

- The Board considers the Proposed Transaction to have a high likelihood of being completed, subject to approval by the Shareholders of the Transaction Resolution.

- The Board and Special Committee each believes that the Proposed Transaction will take place in a reasonable time period and prior to December 31, 2022.

- The Board is still permitted to take certain actions in respect of an unsolicited acquisition or financing proposal that constitutes or would reasonably be expected to constitute or lead to a superior proposal.

Recommendation of the Board of Directors

After taking into consideration, among other things, the recommendation of the Special Committee, the Board has determined that the Proposed Transaction is in the best interests of the Corporation and is fair to the Corporation, and has resolved to approve the Proposed Transaction and to recommend that Shareholders vote FOR the Transaction Resolution.

Stéphane Trudel, Chief Executive Officer and a director of the Corporation, is a former officer of Alimentation Couche-Tard Inc. and continues to provide consulting services to Alimentation Couche-Tard Inc. following his cessation of full time services to Alimentation Couche-Tard Inc. Additionally, Suzanne Poirier is a senior vice-president of Alimentation Couche-Tard Inc. and ACT's nominee to the Board (pursuant to the 2020 IRA). As such, each of Mr. Trudel and Ms. Poirier disclosed their respective interests to the Board and abstained from voting on all matters related to the Proposed Transaction.

The accompanying Circular describes the background to the determinations and recommendation of the Board.

Fairness Opinion

On September 11**,** 2022, the special committee of independent directors of the Board (the "**Special Committee**") was established with a mandate of assisting the Board in reviewing and negotiating matters related to the Corporation's existing strategic capital investments and financing arrangements and, if necessary, present the Board with alternative strategic capital investments and financing arrangements. The Special Committee retained Canaccord Genuity Corp. ("**Canaccord Genuity**") as financial advisor and to provide a fairness opinion to the Special Committee with respect to the Proposed Transaction. On October 17**,** 2022, Canaccord Genuity provided an oral fairness opinion to the effect that, as of the date thereof, and based upon and subject to the assumptions, qualifications, explanations and limitations to be set forth in the written fairness opinion (the "**Fairness Opinion**"), the Proposed Transaction is fair, from a financial point of view, to the Corporation. A copy of the Fairness Opinion is included as Appendix B to the Circular. Shareholders are urged to read the Fairness Opinion in its entirety.

Further Information

The accompanying Circular contains a detailed description of the Proposed Transaction. You are urged to carefully consider all of the information contained in the Circular. If you require assistance, you should consult your own financial, legal or other professional advisors. **Your vote is important regardless of the number of Common Shares you own**. We encourage you to vote by completing the enclosed form of proxy or voting instruction form or, alternatively, by fax, by email or over the internet, in each case in accordance with the enclosed instructions. Although voting by proxy will not prevent you from voting in person if you attend the Meeting, it will ensure that your vote will be counted if you are unable to attend the Meeting for any reason.

Voting

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof is October 31, 2022 (the "**Record Date**"). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record

Date will be entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

If you are a Registered Shareholder and are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof, please date, sign and return the accompanying form of proxy (the "**Proxy**") for use at the Meeting or any adjournment(s) or postponement(s) thereof in accordance with the instructions set forth in the Proxy and Circular.

If you are a Non-Registered Beneficial Shareholder, a voting information form (also known as a VIF), instead of a form of proxy, may be enclosed. You must follow the instructions provided by your intermediary in order to vote your Common Shares. Non-registered beneficial Shareholders who have not duly appointed themselves as proxyholders will be able to attend the Meeting as guests, but guests will not be able to vote at the Meeting.

Particulars of the foregoing matters are set forth in the Circular. For the Meeting, the Corporation has elected to use the notice-and-access provisions under National Instrument 51-102 - *Continuous Disclosure Obligations* and National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (collectively, the "**Notice-and-Access Provisions**") to reduce its mailing costs and volume of paper with respect to the materials distributed for the purpose of the Meeting. The Notice-and-Access Provisions are a set of rules that permit the Corporation to post the Meeting materials online rather than making a traditional physical delivery of such materials. Shareholders will still receive a form of proxy or voting instruction form, as the case may be.

DATED at Toronto, Ontario this 4th day of November, 2022.

BY ORDER OF THE BOARD

(signed) "*Donald Wright*"
Chair of the Board of Directors

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Unless otherwise stated, the information in this management information circular (the "Circular") is as of November 4, 2022.

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Fire & Flower Holdings Corp. (the "**Corporation**") for use at the special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of the Corporation to be held at the offices of Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1 on December 16, 2022, at 10:00 a.m. (Toronto time) or any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying notice of meeting (the "**Notice**").

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Circular contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**"). More particularly, this Circular contains forward-looking statements concerning the transactions contemplated by the Amendment Agreement and the terms thereof. In addition, the use of any of the words "guidance", "initial", "scheduled", "can", "will", "prior to", "estimate", "anticipate", "believe", "should", "forecast", "future", "continue", "may", "expect", and similar expressions are intended to identify forward-looking statements.

The forward-looking statements contained in this Circular are based on the terms of the amendment agreement dated October 17, 2022 (the "**Amendment Agreement**") between the Corporation and 2707031 Ontario Inc., an indirect wholly-owned subsidiary of Alimentation Couche-Tard Inc. ("**ACT**") and the subscription agreement dated October 17, 2022 between the Corporation and ACT (the "**Subscription Agreement**") and certain key expectations and assumptions. Such expectations and assumptions include, but are not limited to: (a) the likelihood of the Proposed Transaction (as defined herein) being completed and occurring within the time periods contemplated herein; (b) the use of proceeds of the Private Placement (as defined herein); (c) the Corporation's ability to obtain Shareholder approval and approval of the Toronto Stock Exchange ("**TSX**"); and (d) an increase in the likelihood of ACT exercising some or all of the Series C Warrants (as defined herein) prior to their expiry. Although the Corporation believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because there is no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: (a) obtaining all necessary approvals for the transactions contemplated by the Amendment Agreement and the Subscription Agreement (including that of the TSX and the Shareholders) and fulfilling any conditions to such approvals; and (b) the risks of satisfying all conditions for closing of the transactions contemplated by the Amendment Agreement and the Subscription Agreement.

Additional information on these and other factors that could affect the Corporation's operations and financial results following the completion of the transactions contemplated hereby are included in its annual information form for the year ended January 29, 2022 and other reports on file with Canadian securities regulatory authorities, which may be accessed through the SEDAR website (www.sedar.com). Copies of

the Amendment Agreement and the Subscription Agreement may also be accessed through the SEDAR website (www.sedar.com).

The forward-looking statements contained in this Circular are made as of the date hereof and the Corporation does not undertake any obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

QUESTIONS AND ANSWERS RELATING TO THE MEETING AND THE PROPOSED TRANSACTION

The following is intended to answer certain key questions concerning the Meeting and the Proposed Transaction, and is qualified in its entirety by the more detailed information appearing elsewhere in this Circular. Unless otherwise defined, capitalized terms used in this section have the meanings given to them elsewhere in this Circular.

Why did I receive this Circular?

You received this Circular because you and other Shareholders will be asked to approve the Proposed Transaction (as defined herein).

When and where will the Meeting be held?

The Meeting will be held on December 16, 2022 at 10:00 a.m. (EST) at the offices of Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1.

What is the Proposed Transaction?

The Proposed Transaction contemplates both the Series C Amendments (as defined herein) and the Private Placement (as defined herein).

The amendments to the Series C Common Share purchase warrants (the "**Series C Warrants**") are being proposed pursuant to the terms of the Amendment Agreement. Upon giving effect to the proposed amendments:

(a) the Series C Warrants shall be divided into two equal tranches: Series C-1 warrants (the "**Series C-1 Warrants**") and Series C-2 warrants (the "**Series C-2 Warrants**");

(b) the Series C-1 Warrants shall be exercisable at a price equal to 85% of the 20-day volume weighted average price ("**VWAP**") of the Common Shares (as of the date of exercise) (the "**Proposed Series C Exercise Price**") at any time between the date the Series C Amendments come into effect and June 30, 2023 (subject to extension pursuant to the terms of the Series C-1 Warrants) (the "**Series C-1 Expiry Date**");

(c) the Series C-2 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between December 1, 2023 and August 31, 2024 (subject to extension pursuant to the terms of the Series C-2 Warrants);

(d) the number of Series C-1 Warrants shall be reduced by the number of Common Shares issued to ACT in the Private Placement; provided, however, that the aggregate number of Series C-1 Warrants and Series C-2 Warrants shall, upon the closing of the Private Placement, entitle ACT to acquire that number of Common Shares, which together with Common Shares then held and as-converted Common Shares underlying the convertible debentures of the Corporation held by ACT and its affiliates, would represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis (as defined in the amended and restated investor rights agreement between the Corporation and ACT dated September 16, 2020 (the "**2020 IRA**"));

(e) any subsequent Series C Warrants to be issued to ACT pursuant to its Participation Right and Top-up Right (each as defined in the 2020 IRA) shall have an exercise price equal to the greater of:

(i) with respect to the Participation Right, the Proposed Series C Exercise Price and the price per security issued in the offering giving rise to the Participation Right; and

(ii) with respect to the Top-up Right, the Proposed Series C Exercise Price and the market price of the Common Shares on the date ACT delivers its notice to exercise its Top-up Right; and

(f) in the event the Series C-1 Warrants are not exercised in full on or prior to the Series C-1 Expiry Date, all Series C-2 Warrants then outstanding shall immediately be cancelled

(collectively, the "**Series C Amendments**").

In connection with the foregoing, certain amendments shall also be made to the 2020 IRA upon the Series C Amendments coming into effect in order to reflect the Series C Amendments.

Pursuant to the terms of the Subscription Agreement, the Corporation is proposing to complete a non-brokered private placement offering of 3,034,017 Common Shares to ACT at a price of $1.64798 per Common Share, for aggregate proceeds to the Corporation of approximately $5,000,000 (the "**Private Placement**" and collectively with the Series C Amendments, the "**Proposed Transaction**"). Certain proceeds from the Private Placement may be used to repay indebtedness owing by the Corporation.

See "*The Proposed Transaction*" for more details.

Does the Board support the Proposed Transaction?

Yes. The board of directors of the Corporation (the "**Board**") has (a) approved the Proposed Transaction; (b) determined that the Proposed Transaction is in the best interests of the Corporation; and (c) recommends that Shareholders vote **FOR** the Transaction Resolution (as defined herein).

Stéphane Trudel, Chief Executive Officer and a director of the Corporation, is a former officer of Alimentation Couche-Tard Inc. and continues to provide consulting services to Alimentation Couche-Tard Inc. following his cessation of full time services to Alimentation Couche-Tard Inc. Additionally, Suzanne Poirier is a senior vice-president of Alimentation Couche-Tard Inc. and ACT's nominee to the Board (pursuant to the 2020 IRA). As such, each of Mr. Trudel and Ms. Poirier disclosed their respective interests to the Board and abstained from voting on all matters related to the Proposed Transaction.

Why is the Board making the recommendation to vote in favour of the Proposed Transaction?

In making its recommendation, the Board considered a number of factors described in this Circular under the heading "*MI 61-101 Disclosure – Board Review and Approval*", including the unanimous recommendation of the special committee of independent directors of the Board (the "**Special Committee**") and the Fairness Opinion (as defined herein) from Canaccord Genuity Corp. ("**Canaccord Genuity**") which states that, as of the date thereof, and based upon and subject to the assumptions, qualifications, explanations and limitations set forth therein, the Proposed Transaction is fair, from a financial point of view, to the Corporation.

Who is 2707031 Ontario Inc.?

2707031 Ontario Inc. currently owns approximately 35.2% of the outstanding Common Shares and is an indirect wholly-owned subsidiary of Alimentation Couche-Tard Inc. Alimentation Couche-Tard Inc. is a global leader in convenience and fuel retail, operating in 24 countries and territories, with almost 14,100 stores, of which approximately 10,700 offer road transportation fuel. With its well-known Couche-Tard and Circle K banners, it is one of the largest independent convenience store operators in the United States and it is a leader in the convenience store industry and road transportation fuel retail in Canada, Scandinavia, the Baltics, as well as in Ireland. It also has an important presence in Poland and Hong Kong Special Administrative Region of the People's Republic of China. Approximately 122,000 people are employed throughout its network.

Why is now the right time for the Proposed Transaction?

The Board, including the Special Committee, discussed and considered a number of potential financing options and alternatives, and believes that the Proposed Transaction will provide additional capital required by the Corporation to achieve its business milestones and objectives and satisfy its near-term financial commitments.

Did the Special Committee receive a fairness opinion in regard to the Proposed Transaction?

Yes. The Special Committee received a fairness opinion from Canaccord Genuity, which states that, as of the date thereof, and based upon and subject to the assumptions, qualifications, explanations and limitations set forth therein, the Proposed Transaction is fair, from a financial point of view, to the Corporation (the "**Fairness Opinion**").

See "*Notice of Special Meeting of Shareholders – Fairness Opinion*" and *Appendix B* – "*Fairness Opinion*".

What is required to complete the Proposed Transaction?

To be effective, the Proposed Transaction must: (a) be approved by a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting, after excluding any votes cast by ACT and its affiliates and any other persons whose votes may not be included: (i) in order to obtain "minority approval" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"); and (ii) pursuant to the policies of the TSX; and (b) receive TSX approval.

See "*Related Party Transaction – MI 61-101 Approval Requirements*" and "*Related Party Transaction – TSX Approval Requirements*".

When does the Corporation expect the Proposed Transaction to become effective?

Subject to the approval of the Shareholders and the TSX, completion of the Proposed Transaction is anticipated to occur in December 2022.

See "*Effective D*ate".

What will happen if the Transaction Resolution is not approved or the Proposed Transaction is not completed for any reason?

If the Transaction Resolution is not approved on or before December 31, 2022, either party may terminate the Amendment Agreement and/or the Subscription Agreement. If the Proposed Transaction is not completed, the Private Placement will not close and the Series C Warrants will continue unamended pursuant to their current terms.

How do I vote?

Registered Shareholders can vote in one of the following ways:

Internet: go to www.investorvote.com. Enter the 15-digit Control Number printed on the form of proxy and follow the instructions on the screen.

Fax: Enter voting instructions, sign and date the form of proxy and send your completed form of proxy to: Computershare Investor Services Inc., Attention: Proxy Department, (416) 263-9524 or 1 (866) 249-7775.

Mail: Enter voting instructions, sign and date the form of proxy and return your completed form of proxy in the enclosed postage paid envelope to:

Computershare Investor Services Inc.
Attention: Proxy Department
8th floor, 100 University
Toronto, ON M5J 2Y1

If my Common Shares are held by an Intermediary, will they vote my Common Shares for me?

No. An Intermediary will vote the Common Shares held by you only if you provide instructions to such Intermediary on how to vote. If you are a Non-registered Shareholder, your Intermediary will send you a VIF or proxy form with this Circular. If you fail to give proper instructions, those Common Shares will not be voted on your behalf. Non-registered Shareholders should instruct their Intermediaries to vote their Common Shares on their behalf by following the directions on the VIF or proxy form provided to them by their Intermediaries. Unless your Intermediary gives you its proxy to vote the Common Shares at the Meeting, you cannot vote those Common Shares beneficially owned by you at the Meeting.

Who is soliciting my proxy?

The Circular is being sent to Shareholders in connection with the solicitation of proxies by or on behalf of management of the Corporation for use at the Meeting and at any adjournment or postponement thereof. It is expected that this solicitation of proxies will be made primarily by mail, but it may also involve solicitation by telephone, email or other means by the directors, officers, employees or agents of the Corporation.

See "*General Proxy Information – Solicitation of Proxies*".

Who is eligible to vote?

Shareholders at the close of business on the Record Date, being October 31, 2022, or their duly appointed proxyholders are eligible to vote at the Meeting.

Does any Shareholder beneficially own 10% or more of the Common Shares?

Yes. ACT owns approximately 35.2% of the outstanding Common Shares.

See "*Voting Securities and Principal Holders of Voting Securities*".

What if I acquire ownership of the Common Shares after the Record Date?

You will not be entitled to vote the Common Shares acquired after the Record Date at the Meeting. Only persons owning Common Shares as of the Record Date are entitled to vote at the Meeting.

Should I send in my proxy now?

Yes. Once you have carefully read and considered the information in this Circular, you should complete and submit the enclosed VIF or form of proxy. You are encouraged to vote well in advance of the proxy cut-off time at 10:00 a.m. (EST) on December 14, 2022 to ensure your Common Shares are voted at the Meeting. If the Meeting is adjourned or postponed, your proxy must be received not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the province in Ontario) prior to the time of the reconvened Meeting.

To be valid, completed forms of proxy must be dated, completed, signed and returned to Computershare Investor Services Inc. ("**Computershare**"), the Corporation's registrar and transfer agent: (a) by mail or personal delivery at 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario M5J 2Y1, Attention: Proxy Department; (b) by facsimile to (416) 263-9524 or 1 (866) 249-7775; or (c) through the internet at www.investorvote.com, not later than 48 hours (excluding Saturdays, Sundays, and statutory holidays in the Province of Ontario) prior to the time of such adjourned or postponed Meeting.

Can I revoke my vote after I have voted by proxy?

If you are a Registered Shareholders and submitted a form of proxy, you may revoke it at any time before the Meeting by doing any one of the following:

- by an instrument in writing executed by the Shareholder or by his, her or its attorney authorized in writing and either delivered to the attention of the Corporate Secretary of the Corporation c/o Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof;

- By delivering written notice of such revocation to the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) thereof, or

- You may revoke your form of proxy in any other manner permitted by law.

Who can I contact if I have additional questions or need assistance?

If you require assistance, consult your financial, legal, tax or other professional advisors. If you have any questions or require more information with respect to voting your Common Shares, please contact Computershare by telephone at 1-800-564- 6253 (toll free in North America) or +1-514-982-7555 (outside North America) or by email at service@computershare.com.

SUMMARY OF CIRCULAR

The following is a summary of the principal features of the Proposed Transaction and certain other matters and should be read together with more detailed information contained elsewhere in the Circular, including the Appendices hereto. Capitalized terms in this summary have the meanings given to them in this Circular. This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere herein.

The Meeting

The Meeting will be held on December 16, 2022 at 10:00 a.m. (EST) at the offices of Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1.

In order to ensure that all Shareholders are able to cast their votes, the Corporation strongly encourages Shareholders to vote in advance of the Meeting following the information on the form of proxy or voting instruction form provided in connection with this Circular.

Record Date

Only Shareholders of record at the close of business on October 31, 2022 will be entitled to receive notice of and vote at the Meeting, or any adjournment(s) or postponement(s) thereof.

Purpose of the Meeting

The purpose of the Meeting is for Shareholders to consider and, if deemed advisable, pass the Transaction Resolution. To be effective, the Proposed Transaction must: (a) be approved by a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting, after excluding any votes cast by ACT and its affiliates and any other persons whose votes may not be included: (i) in order to obtain "minority approval" pursuant to MI 61-101; and (ii) pursuant to the policies of the TSX; and (b) receive TSX approval.

Description of the Proposed Transaction

The Proposed Transaction contemplates both the Series C Amendments and the Private Placement. The Series C Amendments are being proposed pursuant to the terms of the Amendment Agreement. Upon giving effect to the Series C Amendments:

(a) the Series C Warrants shall be divided into two equal tranches: Series C-1 Warrants and Series C-2 Warrants;

(b) the Series C-1 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between the date the Series C Amendments come into effect and the Series C-1 Expiry Date;

(c) the Series C-2 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between December 1, 2023 and August 31, 2024 (subject to extension pursuant to the terms of the Series C-2 Warrants);

(d) the number of Series C-1 Warrants shall be reduced by the number of Common Shares issued to ACT in the Private Placement; provided, however, that the aggregate number of

Series C-1 Warrants and Series C-2 Warrants shall, upon the closing of the Private Placement, entitle ACT to acquire that number of Common Shares, which together with Common Shares then held and as-converted Common Shares underlying the convertible debentures of the Corporation held by ACT and its affiliates, would represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis (as defined in the 2020 IRA);

(e) any subsequent Series C Warrants to be issued to ACT pursuant to its Participation Right and Top-up Right (each as defined in the 2020 IRA) shall have an exercise price equal to the greater of:

(i) with respect to the Participation Right, the Proposed Series C Exercise Price and the price per security issued in the offering giving rise to the Participation Right; and

(ii) with respect to the Top-up Right, the Proposed Series C Exercise Price and the market price of the Common Shares on the date ACT delivers its notice to exercise its Top-up Right; and

(f) in the event the Series C-1 Warrants are not exercised in full on or prior to the Series C-1 Expiry Date, all Series C-2 Warrants then outstanding shall immediately be cancelled.

In connection with the foregoing, certain amendments shall also be made to the 2020 IRA upon the Series C Amendments coming into effect in order to reflect the Series C Amendments.

Pursuant to the terms of the Subscription Agreement, the Corporation proposes to complete a non-brokered private placement offering of 3,034,017 Common Shares to ACT at a price of $1.64798 per Common Share, for aggregate proceeds to the Corporation of approximately $5,000,000. Certain proceeds from the Private Placement may be used to repay indebtedness owing by the Corporation.

Shareholders will not be able to vote for one part of the Proposed Transaction and against the other. The Series C Amendments and Private Placement will be voted on in the same resolution.

See "*The Proposed Transaction*".

Purpose of the Proposed Transaction

The Proposed Transaction will provide the Corporation with additional and immediate financing to help fund the Corporation's operations and business. The Series C Amendments may also increase the likelihood that ACT will exercise some or all of the Series C Warrants prior to their expiry by (a) extending the expiry date of the Series C-2 Warrants until August 31, 2024; and (b) reducing the price at which the Series C Warrants may be exercised.

Background to the Proposed Transaction

The provisions of the Amendment Agreement and Subscription Agreement are the result of negotiations conducted between representatives of the Corporation and ACT. A summary of the material events leading up to the negotiation of the Amendment Agreement and Subscription Agreement and the material meetings, negotiations and discussions between the parties that preceded the execution and public announcement

of the Proposed Transaction is included in this Circular under the heading "*The Proposed Transaction – Background to the Proposed Transaction*".

Recommendation of the Special Committee

After careful consideration, including a thorough review of the Amendment Agreement, the Subscription Agreement, the Fairness Opinion and certain other matters, and following consultation with its financial and legal advisors, the Special Committee unanimously determined that the Proposed Transaction is in the best interests of the Corporation. Accordingly, the Special Committee unanimously recommended that the Board approve the Proposed Transaction.

Recommendation of the Board

After careful consideration, including a thorough review of the Amendment Agreement, the Subscription Agreement, the Fairness Opinion and certain other matters and upon the recommendation of the Special Committee, the Board (excluding conflicted directors) unanimously determined that the Proposed Transaction is fair, from a financial point of view, to the Corporation and is in the best interests of the Corporation. Accordingly, the Board (excluding conflicted directors) unanimously recommends that Shareholders vote **FOR** the Transaction Resolution.

Stéphane Trudel, Chief Executive Officer and a director of the Corporation, is a former officer of Alimentation Couche-Tard Inc. and continues to provide consulting services to Alimentation Couche-Tard Inc. following his cessation of full time services to Alimentation Couche-Tard. Additionally, Suzanne Poirier is a senior vice-president of Alimentation Couche-Tard Inc. and ACT's nominee to the Board (pursuant to the 2020 IRA). As such, each of Mr. Trudel and Ms. Poirier disclosed their respective interests to the Board and abstained from voting on all matters related to the Proposed Transaction.

Reasons for the Proposed Transaction

In the course of its evaluation of the Proposed Transaction, the Board and the Special Committee consulted with management, their financial and legal advisors, and after considering the alternatives available to the Corporation, the Special Committee unanimously determined that the Proposed Transaction represented the best financing option as it will allow the Corporation to have immediate access to capital, has a high likelihood of being completed (subject to receipt of Shareholder and TSX approval), will take place in a reasonable time period, may increase the likelihood that ACT will exercise some or all of the Series C Warrants prior to their expiry and provides the Corporation with the ability to take certain actions in respect of an unsolicited acquisition or financing proposal that constitutes or would reasonably be expected to constitute or lead to a superior proposal.

Fairness Opinion

The Special Committee engaged Canaccord Genuity to provide advice and assistance to the Special Committee, including its opinion in respect of the fairness to the Corporation, from a financial point of view, of the Proposed Transaction. Canaccord Genuity has delivered the Fairness Opinion, which states that, as of the date thereof, and based upon and subject to the assumptions, qualifications, explanations and limitations set forth therein, the Proposed Transaction is fair, from a financial point of view, to the Corporation. The Fairness Opinion does not constitute a recommendation to Shareholders with respect to the Transaction Resolution.

A copy of the Fairness Opinion is included as Appendix B to the Circular. Shareholders are urged to read the Fairness Opinion in its entirety. The summary of the Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of such Fairness Opinion.

Completion of the Proposed Transaction

Subject to the satisfaction of all conditions precedent to completion of the Proposed Transaction, including receipt of Shareholder approval of the Transaction Resolution and TSX approval of the Proposed Transaction, completion of the Proposed Transaction is anticipated to occur in December 2022.

Shareholder Approval of the Proposed Transaction

To be effective, the Proposed Transaction must: (a) be approved by a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting, after excluding any votes cast by ACT and its affiliates and any other persons whose votes may not be included: (i) in order to obtain "minority approval" pursuant to MI 61-101; and (ii) pursuant to the policies of the TSX; and (b) receive TSX approval.

See "*Related Party Transaction – MI 61-101 Approval Requirements*" and "*Related Party Transaction – TSX Approval Requirements*".

GENERAL PROXY INFORMATION

Appointment and Revocation of Proxyholders

Registered Shareholders may vote in person at the Meeting or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof are requested to date, sign and return the form of proxy prepared for use at the Meeting or any adjournment(s) or postponement(s) thereof (the "**Proxy**"). Shareholders may appoint as proxyholder a person or company (who need not be a Shareholder) other than the management designees specified in the accompanying Proxy (the "**Management Designees**") to attend and act on the Shareholder's behalf at the Meeting or at any adjournment(s) or postponement(s) thereof. Such right may be exercised by inserting the name of the person or company in the blank space provided in the enclosed Proxy or by completing another proper form of proxy.

To be valid, completed Proxies must be dated, completed, signed and returned to Computershare, the Corporation's registrar and transfer agent: (a) by mail or personal delivery at 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario M5J 2Y1, Attention: Proxy Department; (b) by facsimile to (416) 263-9524 or 1-866-249-7775; or (c) through the internet at www.investorvote.com, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof. If you vote through the internet you will require your 15-digit control number found on the form of proxy. The Proxy must be executed by the registered holder of Common Shares or the holder's attorney authorized in writing or, if the holder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. Persons signing as executors, administrators, trustees or in any other representative capacity should so indicate and give their full title as such.

A Shareholder who has given a proxy pursuant to this solicitation may revoke it:

(a) by an instrument in writing executed by the Shareholder or by his, her or its attorney authorized in writing and either delivered to the attention of the Corporate Secretary of the Corporation c/o Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof;

(b) by delivering written notice of such revocation to the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) thereof, or

(c) in any other manner permitted by law.

Solicitation of Proxies

This solicitation is made on behalf of management. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors, officers or regular employees of the Corporation (but not for additional compensation). None of the directors of the Corporation have informed management in writing that he or she intends to oppose any action intended to be taken by the Management Designees at the Meeting.

As permitted by Canadian securities regulators, the Corporation will use the notice-and-access procedures for the delivery of the meeting materials to Shareholders. These procedures allow issuers to post meeting materials online rather than mailing paper copies to shareholders. Instead of receiving this Circular, Shareholders will receive a notice (the "**Notice-and-Access Letter**") with instructions on how to access the Circular and the other proxy-related materials online. The Notice-and-Access Letter and Proxy or voting instruction form have been sent to both registered Shareholders and Non-registered Shareholders (as defined herein). This Circular and other relevant materials are available on the Corporation's website at https://investors.fireandflower.com/governance/shareholder_materials/ and on SEDAR at www.sedar.com.

In some instances, the Corporation has distributed copies of the Notice-and-Access-Letter to clearing agencies, securities dealers, banks and trust companies, or their nominees (collectively "**Intermediaries**", and each an "**Intermediary**") for onward distribution to Shareholders whose Common Shares are held by or in the custody of those Intermediaries ("**Non-registered Shareholders**"). The Intermediaries are required to forward the Notice-and-Access-Letter to Non-registered Shareholders.

Solicitation of proxies from Non-registered Shareholders will be carried out by Intermediaries, or by the Corporation if the names and addresses of Non-registered Shareholders are provided by the Intermediaries.

Exercise of Discretion by Proxyholder

The Management Designees will vote or withhold from voting the Common Shares represented thereby in accordance with the instructions of the Shareholders appointing such persons as proxy. If a Shareholder specifies a choice with respect to any matter to be acted upon, such Shareholder's Common Shares will be voted accordingly. In respect of a matter for which a choice is not specified in the Proxy, the Management Designee will vote in favour of each matter identified on the Proxy. The Proxy confers discretionary authority upon the person or persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As at the date of this Circular, management of the Corporation knows of no such amendment, variation or other matters to come before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly come before the Meeting, the Common Shares represented by the proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the Common Shares represented by such proxy.

Advice to Non-registered Shareholders

The information set forth in this section is of significant importance to Shareholders who do not hold their Common Shares in their own name. Shareholders who do not hold Common Shares in their own names are referred to throughout this Circular as "Non-registered Shareholders". Only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting or any adjournment(s) or postponement(s) thereof. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on our records. Such Common Shares will likely be registered under the name of your Intermediary. In Canada, the vast majority of shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Common Shares held by your Intermediary can only be voted upon your instructions. Without specific instructions, your Intermediary is prohibited from voting your Common Shares. We do not know for whose benefit the

Common Shares registered in the name of CDS & Co. are held. **Therefore, each Non-registered Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting**.

Non-registered Shareholders of Common Shares who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners ("**NOBOs**"). Those Non-registered Shareholders of Common Shares who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners ("**OBOs**").

The Corporation is not sending Meeting materials directly to NOBOs in connection with the Meeting but rather has delivered copies of the Meeting materials to the Intermediaries for distribution to NOBOs. The Corporation will pay for an Intermediary to deliver the Notice-and-Access Letter and voting instruction forms to OBOs.

Applicable regulatory policy requires your Intermediary to seek voting instructions from you in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your Common Shares are voted at the Meeting.

Often, the form of proxy supplied by your Intermediary is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Non-registered Shareholder.

The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications, Canada ("**Broadridge**") which mails a scannable voting instruction form in lieu of the form of proxy. You are asked to complete and return the voting instruction form to them by mail or facsimile. Alternately, you can call their toll-free telephone number or access the internet to vote your shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of such shares to be represented at the Meeting. If you receive a voting instruction form from Broadridge, it cannot be used as a proxy to vote Common Shares directly at the Meeting as the proxy must be returned to them well in advance of the Meeting in order to have the Common Shares voted.

Although you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you may attend the Meeting as a proxyholder for the registered holder and vote your Common Shares in that capacity. If you wish to attend the Meeting and vote your own Common Shares, you must do so as proxyholder for the registered holder. To do this, you should enter your own name in the blank space on the form of proxy provided to you and return the document to your Intermediary in accordance with the instructions provided by such Intermediary well in advance of the Meeting.

Voting of Proxies and Discretion Thereof

Common Shares represented by properly executed proxies in favour of persons designated in the printed portion of the Proxy **WILL, UNLESS OTHERWISE INDICATED, BE VOTED FOR THE TRANSACTION RESOLUTION (as defined herein)**. The Common Shares represented by the Proxy will be voted for or against any motion at the Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice or other matters

which may properly come before the Meeting. At the date of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if other matters properly come before the Meeting, it is the intention of the persons named in the Proxy to vote such proxy according to their best judgment.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Common Shares. As at October 31, 2022 (the "**Record Date**"), an aggregate of 45,518,025 Common Shares were issued and outstanding.

Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein will be entitled to vote at the Meeting, unless that Shareholder has transferred any Common Shares subsequent to that date and the transferee shareholder, not later than ten (10) days before the Meeting, establishes ownership of such Common Shares and demands that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting.

Pursuant to the by-laws of the Corporation, a quorum for the transaction of business at the Meeting shall be two persons holding not less than 10% of the votes entitled to be cast at the Meeting.

To the knowledge of the Corporation, ACT is the only Shareholder to beneficially own, or control or direct, directly or indirectly, more than 10% of the Common Shares as at the Record Date. As at the Record Date, ACT holds: (a) 16,034,501 Common Shares representing approximately 35.2% of the outstanding Common Shares: (b) 17,796,284 Series C Warrants; and (c) $2,407,415.15 principal amount of 8.0% unsecured convertible debentures of the Corporation.

On November 26, 2021, the Corporation filed articles of amendment to consolidate its share capital on the basis of ten (10) pre-consolidation Common Shares for one (1) post-consolidation Common Share (the "**Share Consolidation**"). All references to the Corporation's share capital herein (including all per share amounts) are on a post-Share Consolidation basis notwithstanding that the applicable event may have occurred prior to November 26, 2021.

THE PROPOSED TRANSACTION

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in Appendix A to this Circular, authorizing and approving the Proposed Transaction pursuant to MI 61-101 and the policies of the TSX, as applicable (the "**Transaction Resolution**"). The Series C Amendments and Private Placement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Amendment Agreement and Subscription Agreement, each of which has been filed by the Corporation under its profile on SEDAR at www.sedar.com.

The Series C Amendments and Private Placement will be considered in the same resolution and therefore Shareholders may only vote FOR or AGAINST the Transaction Resolution. **Shareholders will not be able to vote for one part of the Proposed Transaction and against the other. The Series C Amendments and Private Placement will be voted on in the same resolution**.

Series C Amendments

The Series C Amendments are being proposed pursuant to the terms of the Amendment Agreement. Upon giving effect to the Series C Amendments:

(a) the Series C Warrants shall be divided into two equal tranches: Series C-1 Warrants and Series C-2 Warrants;

(b) the Series C-1 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between the date the Series C Amendments come into effect and the Series C-1 Expiry Date;

(c) the Series C-2 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between December 1, 2023 and August 31, 2024 (subject to extension pursuant to the terms of the Series C-2 Warrants);

(d) the number of Series C-1 Warrants shall be reduced by the number of Common Shares issued to ACT in the Private Placement; provided, however, that the aggregate number of Series C-1 Warrants and Series C-2 Warrants shall, upon the closing of the Private Placement, entitle ACT to acquire that number of Common Shares, which together with Common Shares then held and as-converted Common Shares underlying the convertible debentures of the Corporation held by ACT and its affiliates, would represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis (as defined in the 2020 IRA);

(e) any subsequent Series C Warrants to be issued to ACT pursuant to its Participation Right and Top-up Right (each as defined in the 2020 IRA) shall have an exercise price equal to the greater of:

  (i) with respect to the Participation Right, the Proposed Series C Exercise Price and the price per security issued in the offering giving rise to the Participation Right; and

  (ii) with respect to the Top-up Right, the Proposed Series C Exercise Price and the market price of the Common Shares on the date ACT delivers its notice to exercise its Top-up Right; and

(f) in the event the Series C-1 Warrants are not exercised in full on or prior to the Series C-1 Expiry Date, all Series C-2 Warrants then outstanding shall immediately be cancelled.

In connection with the foregoing, certain amendments shall also be made to the 2020 IRA upon the Series C Amendments coming into effect in order to reflect the Series C Amendments.

The Amendment Agreement also amends the Current Top-up Notice (as defined herein) such that the period for ACT to exercise its Top-up Right thereunder was extended from February 4, 2023 to August 31, 2024, subject to the Current Top-up Notice being cancelled if immediately following the closing of the Private Placement the number of Common Shares held by ACT and its affiliates, together with the Common Shares underlying (a) the convertible debentures of the Corporation held by ACT; and (b) the Series C Warrants, represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis.

For a complete description of the proposed Series C Amendments and the amendments to the 2020 IRA contemplated by the Amendment Agreement, reference should be made to the Amendment Agreement, a copy of which has been filed on SEDAR at www.sedar.com.

Private Placement

Pursuant to the terms of the Subscription Agreement, the Corporation proposes to complete a non-brokered private placement offering of 3,034,017 Common Shares to ACT at a price of $1.64798 per Common Share, for aggregate proceeds to the Corporation of approximately $5,000,000. Certain proceeds from the Private Placement may be used to repay indebtedness owing by the Corporation.

For a complete description of the proposed Private Placement contemplated by the Subscription Agreement, reference should be made to the Subscription Agreement, a copy of which has been filed on SEDAR at www.sedar.com.

Assuming completion of the Private Placement, ACT will hold 19,068,518 Common Shares representing approximately 39.27% of the outstanding Common Shares (assuming that following the date hereof, other than in connection with the Private Placement: (a) there is no issuance or redemption of Common Shares; and (b) ACT does not acquire or dispose of any additional Common Shares, prior to such time). On November 4, 2022, the Corporation entered into an asset purchase agreement to acquire two cannabis retail stores located in Kingston, Ontario from an affiliate of ACT (the "**Kingston Purchase Agreement**"). Pursuant to the Kingston Purchase Agreement and subject to the closing conditions set forth therein, the Corporation will issue (i) 804,548 Common Shares on closing, and (ii) up to an additional 804,548 Common Shares upon the achievement of financial milestones, to an affiliate of ACT. For certainty, the foregoing calculations do not include any Common Shares that may be issued to an affiliate of ACT pursuant to the Kingston Purchase Agreement.

Recommendation

Unless otherwise directed, the Management Designees intend to vote **FOR** the Transaction Resolution. If you do not specify how you want your Common Shares voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting **FOR** the Transaction Resolution.

If the Proposed Transaction is approved at the Meeting and the applicable conditions to the completion of the Proposed Transaction are satisfied or waived, the Series C Amendments will take effect and the Private Placement will be completed in December 2022.

Background to the Proposed Transaction

The terms and conditions of the Proposed Transaction are the result of negotiations conducted between the Corporation, ACT and their respective representatives and advisors. The following is a summary of the material events, negotiations, discussions and actions leading up to the execution of the Amendment Agreement and Subscription Agreement and their public announcement on October 18, 2022.

On August 7, 2019, the Corporation issued to ACT:

(a) $25,989,985.42 principal amount of 8.0% convertible unsecured debentures (the "**ACT Debentures**") maturing on June 30, 2021 (the "**ACT Maturity Date**") that were convertible into Common Shares at a price of $10.70 per Common Share (the "**ACT Conversion Price**").

(b) 3,063,432 series A Common Share purchase warrants (the "**Series A Warrants**") with each Series A Warrant entitling ACT to acquire one (1) additional Common Share at a price of $14.00 per Common Share;

(c) 5,612,689 series B Common Share purchase warrants (the "**Series B Warrants**" together with the ACT Debentures, the Series A Warrants and the Series C Warrants, referred to herein collectively as the "**ACT Securities**") with each Series B Warrant entitling ACT to acquire one (1) additional Common Share at a price of $18.75 per Common Share; and

(d) 11,070,392 Series C Warrants with each Series C Warrant entitling ACT to acquire one (1) additional Common Share at a price per Common Share equal to the lesser of (i) $60.00; and (ii) the greater of (A) $20.00; and (B) the 20-day VWAP of the Common Shares on the exchange on which the Common Shares are then principally traded (the "**Exchange**") on the last business day prior to the exercise of the Series C Warrants. The Series C Warrants initially expired on the earlier of: (i) the date that is one (1) year from the date all of the Series B Warrants have been exercised; and (ii) August 7, 2023 (noting that the Series C Warrants expired if the Series B Warrants expired unexercised),

(collectively, the "**Initial Investment**").

The conversion and exercise, as applicable, in full of all of the ACT Securities entitled ACT to own approximately 50.1% of the Common Shares on a Fully-diluted Basis.

Concurrent with completion of the Initial Investment, the Corporation completed the listing of the Common Shares on the TSX, up-listing from the TSX Venture Exchange, and appointed Jeremy Bergeron as a director of the Corporation as ACT's nominee director in accordance with its nomination rights under the investor rights agreement between the Corporation and ACT dated August 7, 2019 (the "**Original IRA**"). Mr. Bergeron was subsequently elected by the Shareholders to continue serving as a director at the annual and special meeting of the Shareholders held on November 19, 2019.

The Corporation issued an aggregate of 437,608 Common Shares to ACT as payment of interest owing to ACT under the ACT Debentures on December 31, 2019, June 30, 2020, December 31, 2020, June 30, 2021, December 1, 2021 and June 30, 2022.

On April 2020, pursuant to ACT's Participation Rights (as defined in the Original IRA) and ACT's subscription of $2,475,000 principal amount of secured convertible debentures of the Corporation (the "**April 2020 Debentures**") (in connection with the Corporation's $28,000,000 non-brokered private placement of April 2020 Debentures and subscription receipts which were subsequently converted into April 2020 Debentures), the Corporation issued ACT an additional: (a) 352,370 Series A Warrants; (b) 1,104,865 Series B Warrants; and (c) 2,268,686 Series C Warrants.

On June 8, 2020, the Board accepted the resignation of Jeremy Bergeron as a director of the Corporation and appointed Stéphane Trudel as ACT's replacement nominee director in accordance with its nomination rights under the Original IRA. Mr. Trudel was subsequently elected by the Shareholders to continue serving as a director at the annual and special meetings of Shareholders held on June 15, 2020, June 9, 2021 and July 25, 2022.

On September 16, 2020, the Corporation and ACT amended the terms of the ACT Securities, whereby, *inter alia*:

(a) the ACT Conversion Price became the lesser of: (i) the 20-day VWAP of the Common Shares on the Exchange on the last trading day prior to ACT delivering a notice of its intention to convert; and (ii) $9.00, with the ACT Maturity Date being amended to June 30, 2023. The ACT Debentures were also amended to allow for the Corporation to force the conversion of all or a portion of the ACT Debentures under certain circumstances;

(b) the Series A Warrants were separated into three tranches:

(i) Series A-1 Warrants with an exercise price of $7.80;

(ii) Series A-2 Warrants with an exercise price of $8.30; and

(iii) Series A-3 Warrants with an exercise price of $9.30;

The Series A-1 Warrants and Series A-2 Warrants also required ACT to exercise such securities in full on or before certain agreed upon dates;

(c) the exercise price of the Series B Warrants was amended to the lesser of: (i) $18.75; and (ii) the 20-day VWAP of the Common Shares on the Exchange on the last trading day prior to the date on which the Series B Warrants are exercised (the "**2020 Amended Series B Exercise Price**");

(d) the exercise price of the Series C Warrants was amended to the lesser of: (i) $30.00; and (ii) 125% of the 20-day VWAP of the Common Shares on the Exchange on the last trading day prior to the date on which the Series C Warrants are exercised (the "**2020 Amended Series C Exercise Price**"). Additionally, the Series C Warrants became exercisable at any time after October 1, 2022 and the expiry date of the Series C Warrants was amended to June 30, 2023; and

(e) conforming changes were made to the Original IRA to give effect to the foregoing in addition to other amendments agreed to by the Corporation and ACT.

On September 18, 2020, ACT exercised all of the 1,314,646 Series A-1 Warrants for an aggregate exercise price of approximately $10,250,000 thereby increasing ACT's aggregate ownership of Common Shares outstanding at that time to approximately 9.7%.

On December 21, 2020, ACT exercised all of the 1,050,577 Series A-2 Warrants for an aggregate exercise price of approximately $8,200,000 thereby increasing ACT's aggregate ownership of Common Shares outstanding at that time to approximately 12.5%.

On January 21, 2021, the Corporation gave notice to ACT of its Top-up Right (as defined in the 2020 IRA) whereby ACT held Common Shares and securities convertible into Common Shares equalling less than 49.1% of the Common Shares on a Fully-diluted Basis (as defined in the 2020 IRA).

On February 16, 2021, the Corporation announced submission of its application to list the Common Shares on the Nasdaq stock exchange (the "**NASDAQ**"). Between February 2021 and June 2022, the Corporation took steps to list the Common Shares on the NASDAQ, including effecting the Share Consolidation, filing a form 40-F with the U.S. Securities and Exchange Commission and making the Common Shares eligible for electronic clearing and settlement in the United States through the Depositary Trust Company. In June

2022, the Corporation decided to postpone the proposed NASDAQ listing to focus capital on business growth and taking into account the challenging public and capital market conditions.

On March 3, 2021, the Corporation forced the conversion of $2,608,650 principal amount of April 2020 Debentures held by ACT (and interest thereon) resulting in the issuance of 542,599 Common Shares and on March 10, 2021, the Corporation forced the conversion of $23,582,570.27 principal amount of ACT Debentures (and interest thereon) resulting in the issuance of 3,193,254 Common Shares and increasing ACT's aggregate ownership of Common Shares outstanding at that time to approximately 19.9%.

On June 30, 2021, ACT exercised all of the 1,050,577 Series A-3 Warrants for an aggregate exercise price of approximately $9,770,000 thereby increasing ACT's aggregate ownership of Common Shares outstanding at that time to approximately 22.4%.

As part of the ongoing evaluation of the Corporation's business, the Corporation's senior management and Board have regularly reviewed, considered and assessed the Corporation's operations, growth opportunities, financial performance and industry conditions, and considered potential opportunities for alternative financings. On July 7, 2021, a special committee of the Board (the "**2021 Committee**") was formed and comprised of Donald Wright (Chair), Norman Inkster, Sharon Ranson and Avininder Grewal with a mandate of assisting the Board in reviewing and assessing, to the extent received, incoming takeover bids and other offers to acquire significant interests in the Corporation and, if necessary, presenting to the Board recommendations regarding negotiation of, or strategic alternatives to, any such potential transactions. The 2021 Committee was disbanded in December 2021.

On September 30, 2021, the Corporation delivered to ACT a Consultation Notice, as defined in and pursuant to the 2020 IRA, with respect to its intention to complete an equity financing.

On December 13, 2021, the Corporation and ACT entered into a loan agreement (the "**2021 Loan Agreement**") pursuant to which ACT agreed to loan the Corporation a maximum aggregate principal amount of $30,000,000, drawable in three tranches of $10,000,000, at an annual interest rate of 8.0% payable quarterly and maturing October 1, 2022. The 2021 Loan Agreement contemplated prepayment of amounts drawn from the net proceeds received by the Corporation upon the exercise of Series B Warrants. All amounts borrowed by the Corporation pursuant to the 2021 Loan Agreement have been repaid in full.

On January 18, 2022, ACT delivered to the Corporation its notice of exercise of its Top-up Right. In connection therewith, ACT was issued an additional 1,570,513 Series B Warrants and 4,457,206 Series C Warrants. Pursuant to the terms of the 2020 IRA, the exercise price of each of:

(a) the 1,570,513 Series B Warrants was equal to the greater of (i) $4.7732; and (ii) the 2020 Amended Series B Exercise Price; and

(b) the 4,457,206 Series C Warrants was equal to the greater of (i) $4.7732; and (ii) the 2020 Amended Series C Exercise Price.

On February 4, 2022, the Corporation gave an additional notice to ACT in respect of its Top-up Right (the "**Current Top-up Notice**") as ACT held Common Shares and securities convertible into Common Shares equalling less than 49.1% of the Common Shares on a Fully-diluted Basis. Pursuant to the terms of the 2020 IRA, ACT has the right to exercise its Top-up Right under the Current Top-up Notice until February 4, 2023.

On April 28, 2022, ACT exercised all of the 8,288,067 Series B Warrants for an aggregate exercise price of $37,794,556, of which $20,460,274 was used to repay all principal and accrued interest owing by the Corporation to ACT pursuant to the 2021 Loan Agreement. Immediately following the exercise of the Series B Warrants, ACT's aggregate ownership of Common Shares outstanding increased to 35.3%.

On June 1, 2022, Stéphane Trudel was appointed Chief Executive Officer of the Corporation, replacing Trevor Fencott, the former Chief Executive Officer and co-founder of the Corporation. Mr. Trudel was previously an officer of ACT and a director of the Corporation as ACT's nominee to the Board in accordance with its director nomination rights under the 2020 IRA.

On June 9, 2022, the Corporate Governance and Compensation Committee of the Board recommended a slate of five directors to be proposed for election by the shareholders at the 2022 annual general meeting of the shareholders of the Corporation, including Guillaume Léger as ACT's replacement nominee in accordance with its director nomination rights under the 2020 IRA, all of whom were duly elected as proposed at the annual general meeting of the shareholders of the Corporation held on July 25, 2022.

On July 5, 2022, the Corporation filed a final base shelf prospectus in all of the provinces and territories of Canada with respect to the potential public offering by the Corporation of up to an aggregate of $100,000,000 of securities.

On August 11, 2022, the Board accepted the resignation of Guillaume Léger as a director of the Corporation and appointed Suzanne Poirier as ACT's replacement nominee director in accordance with its nomination rights under the 2020 IRA.

On August 15, 2022, the Corporation delivered to ACT a Consultation Notice, as defined in and pursuant to the 2020 IRA, with respect to its intention to complete an equity financing.

In late August 2022, the Corporation's management and Chair of the Board commenced discussions with several parties, including ACT and other strategic partners, in respect of potential strategic transactions, including financing alternatives. As part of this process, the Corporation also initiated discussions with a leading Canadian investment bank in connection with a proposed public equity offering (the "**Potential Public Offering**").

In early September 2022, the Corporation and its advisors commenced work on the Potential Public Offering.

On September 9, 2022, the Board met to discuss, *inter alia*, the Corporation's financial condition and financing requirements. Following discussions with senior management, the Board discussed the Corporation needing to obtain additional financing in the near term.

On September 10, 2022, ACT delivered to the Corporation a non-binding term sheet in respect of a proposed financing transaction comprised of a combination of debt and equity financing, together with certain amendments to the Series C Warrants. The Corporation considered the proposed financing transaction and compared it against other alternatives reasonably expected to be available to the Corporation. The Board directed management to continue exploring the proposed financing transaction with ACT.

On September 11, 2022, representatives from Dentons Canada LLP, counsel to the Corporation, conducted a phone call with representatives from Davies Ward Phillips & Vineberg LLP, counsel to ACT, to clarify

certain terms of the term sheet received by the Corporation. Following this discussion, ACT delivered a revised term sheet to the Corporation.

On September 11, 2022, the Special Committee was formed and comprised of Donald Wright (Chair), Sharon Ranson and Avininder Grewal with a mandate of assisting the Board in reviewing and negotiating matters related to the Corporation's existing strategic investments and financing arrangements. Each of Messrs. Wright and Grewal and Ms. Ranson were considered independent of any "interested party" (as defined under MI 61-101) in a transaction whereby the terms of the Series C Warrants were to be amended. Following its formation, the Special Committee held a meeting with senior management of the Corporation and legal counsel to discuss the term sheet received from ACT and the Corporation's proposed revisions to the terms and conditions thereof.

On September 12 and 13, 2022, legal counsel to each of the Corporation and ACT held several discussions in respect of the term sheet received by the Corporation from ACT, including conducting analysis of the requirements of the TSX and MI 61-101 with respect to any potential transaction to be entered into by the Corporation and ACT.

Between September 13 and 26, 2022, representatives of the Corporation's senior management and the Special Committee engaged in negotiations with representatives from ACT in respect of the proposed terms of a financing transaction. Given the Corporation's short term financing requirements, the negotiations were focused on structuring a transaction which would result in the Corporation receiving immediate funding, with additional funding being deferred until such time as any requisite shareholder approval was obtained. Concurrently with these discussions, legal counsel to each of the Corporation and ACT held additional calls to discuss the application and requirements of MI 61-101 in respect of any potential transaction to be entered into by the Corporation and ACT. During this period, the Special Committee continued to canvass and assess the availability of alternative financing transactions, including conducting ongoing discussions with strategic partners and investment banks. During this period the Board also determined that the Potential Public Offering was unlikely to result in the Corporation receiving sufficient proceeds to satisfy its short term cash requirements and ceased working thereon.

On September 21, 2022, the Special Committee commenced discussions with Canaccord Genuity regarding a potential engagement to act as independent financial advisor to the Special Committee and to provide a fairness opinion in respect of the Proposed Transaction.

On September 27, 2022, counsel to the Corporation circulated an initial draft of the Amendment Agreement to counsel to ACT.

On September 29, 2022, a meeting of the Special Committee was convened to further consider the proposed terms of the Proposed Transaction and a proposed loan by ACT to the Corporation in the amount of $11,000,000 principal amount (the "**Loan**"). During this meeting, counsel to the Corporation led a discussion in respect of the application and requirements of MI 61-101 in respect of any potential transaction to be entered into by the Corporation and ACT, including the various exemptions that may be available in respect of the valuation and the minority approval requirements. During the course of the meeting, the Special Committee also considered the proposed terms to be included in the Subscription Agreement and the amended and restated certificate representing the Series C Warrants to reflect the Series C Amendments (the "**A&R Series C Warrant Certificate**"). The Special Committee also considered the proposed engagement of Canaccord Genuity as independent financial advisor to the Special Committee, including discussing the terms of the draft engagement letter delivered to the Special Committee by Canaccord Genuity.

On September 30, 2022, counsel to ACT circulated a revised draft of the Amendment Agreement and an initial draft of a loan agreement (the "**Loan Agreement**") in respect of the Loan.

Between September 30 and October 3, 2022, representatives of the Corporation's senior management and the Special Committee engaged in negotiations with representatives from ACT in respect of the proposed terms of the Proposed Transaction and the Loan.

On October 3, 2022, counsel to the Corporation circulated an initial draft of the Subscription Agreement to counsel to ACT.

On October 4, 2022, a meeting of the Special Committee was convened to discuss the status of the negotiations with ACT and to review the draft Loan Agreement provided by ACT and provide instructions to the Corporation's legal counsel in respect of the drafting of the A&R Series C Warrant Certificate and amended and restated investor rights agreement (the "**Proposed IRA**").

On October 5, 2022, legal counsel to the Corporation circulated drafts of the A&R Series C Warrant Certificate, Proposed IRA and Loan Agreement to the Special Committee and the Corporation's senior management. Between October 5 and 6, 2022, representatives of the Special Committee and senior management of the Corporation held several discussions with legal counsel to provide comments on the most recent drafts of the transaction documents.

On October 6, 2022, legal counsel to the Corporation delivered drafts of the A&R Series C Warrant Certificate and Proposed IRA and a revised draft of the Loan Agreement to legal counsel to ACT. Legal counsel to ACT circulated a revised draft of the Subscription Agreement to legal counsel to the Corporation.

On October 6, 2022, the Special Committee formally engaged Canaccord Genuity as independent financial advisor in connection with the Proposed Transaction.

On October 7, 2022, legal counsel to ACT circulated revised drafts of the Amendment Agreement, A&R Series C Warrant Certificate, Proposed IRA and Loan Agreement to legal counsel to the Corporation.

On October 11, 2022, a meeting of the Special Committee was convened to discuss the most recently circulated draft transaction documents and the ongoing negotiations between representatives of the Corporation and representatives of ACT. The Corporation's senior management also attended the meeting and provided the Special Committee with an update on the Corporation's financial condition.

Between October 12 and 13, 2022, the Special Committee, ACT and their respective advisors continued to negotiate the terms of the Loan and the Proposed Transaction and exchanged multiple drafts of the proposed transaction documents.

On October 13, 2022, a meeting of the Special Committee was convened to review the most recent drafts of the Loan Agreement and the documents to be entered into in connection with the Proposed Transaction. The Special Committee was joined by legal counsel to the Corporation, Canaccord Genuity and members of senior management. Canaccord Genuity provided a presentation to the Special Committee regarding the Proposed Transaction.

Between October 14 and October 17, 2022, the Special Committee, ACT and their respective advisors continued to negotiate the terms of the Loan and the Proposed Transaction and exchanged further drafts of the proposed transaction documents.

On October 17, 2022, a meeting of the Special Committee was convened to consider the Loan Agreement and the Proposed Transaction. The Special Committee was joined by legal counsel to the Corporation, Canaccord Genuity and, for a portion of the meeting, members of senior management. During the course of the meeting, legal counsel to the Corporation provided an overview of the terms and conditions of the Loan Agreement and the Proposed Transaction and answered questions from the Special Committee. Canaccord Genuity also delivered its oral fairness opinion that, as of the date thereof, and based upon and subject to the assumptions, qualifications, explanations and limitations to be set forth in the Fairness Opinion, the Proposed Transaction is fair, from a financial point of view, to the Corporation.

In considering the Loan and the Proposed Transaction, the Special Committee considered the alternative of maintaining the status quo and other available debt or equity financing alternatives, taking into account the Corporation's current financial position, the timing for funding under the Loan, the likelihood and timing for completion of the Proposed Transaction and the potential benefits that the Loan and the Proposed Transaction would provide to the Corporation, including increasing the likelihood that ACT will exercise the Series C Warrants. The Special Committee also considered that the terms and conditions of the Proposed Transaction permit the Corporation to take certain actions in respect of an unsolicited acquisition or financing proposal that constitutes or would reasonably be expected to constitute or lead to a superior proposal. After duly considering the financial aspects and other considerations relating to the Loan and the Proposed Transaction (including those discussed immediately above), the potential impact on the Shareholders and other stakeholders of the Corporation, legal and financial advice (including the Fairness Opinion), and other matters considered relevant, including without limitation, matters relating to related party transactions and any existing or potential conflicts of interest, the Special Committee unanimously determined that the Loan and the Proposed Transaction are in the best interests of the Corporation and that the Loan Agreement and Proposed Transaction are fair, from a financial point of view, to the Corporation, and determined to recommend to the Board that the Corporation approve the Loan Agreement and the Proposed Transaction.

Following the meeting of the Special Committee, a meeting of the disinterested members of the Board was convened. Stéphane Trudel and Suzanne Poirier, each having previously declared a conflict of interest with respect to the Loan and the Proposed Transaction, did not vote on any of the matters. The disinterested members of the Board received the recommendation of the Special Committee. After careful consideration and having considered, among other things, the recommendation of the Special Committee (including the Fairness Opinion), advice from its legal counsel with respect to fiduciary duties, the impact of the Loan and the Proposed Transaction on the Shareholders and other stakeholders, legal and financial advice and other matters considered relevant, the disinterested members of the Board unanimously determined that the Loan and Proposed Transaction were in the best interests of the Corporation and that the Corporation be authorized to enter into the Loan Agreement, the Amendment Agreement and the Subscription Agreement.

On the evening of October 17, 2022, following the meetings of the Special Committee and the disinterested members of the Board, the Corporation and ACT entered into the Loan Agreement, the Amendment Agreement and the Subscription Agreement. Before the opening of markets on the morning of October 18, 2022, the Corporation issued a news release announcing the entering into of the Loan Agreement, the Amendment Agreement and the Subscription Agreement.

Between October 18 and 20, 2022, the Corporation obtained the conditional approval of the TSX in respect of the Loan and the transactions contemplated by the Amendment Agreement and the Subscription Agreement.

On October 21, 2022, following the delivery by the Corporation of a drawdown notice, ACT funded the Corporation with $11,000,000 principal amount of debt in accordance with the terms of the Loan Agreement.

On November 4, 2022 the Board approved the contents and mailing of this Circular to the Shareholders.

Related Party Transaction

ACT holds greater than 10% of the outstanding voting securities of the Corporation. As such, the Proposed Transaction constitutes a related-party transaction under MI 61-101.

MI 61-101 Approval Requirements

Pursuant to MI 61-101, the Transaction Resolution must be passed by a majority of its minority Shareholders ("**Minority Approval**") in accordance with the requirements set out under MI 61-101.

TSX Approval Requirements

Pursuant to Section 607(g)(i) of the TSX Company Manual (the "**Company Manual**"), the TSX requires securityholder approval as a condition of acceptance of a notice of an issuance of securities if the aggregate number of listed securities issuable under a private placement is greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction and the price per security is less than the market price. Although the issuance of the Series C Warrants was approved by Shareholders at the time of issuance, Section 610(c) of the Company Manual provides that a decrease in the exercise price of a previously issued convertible security must be submitted to the TSX for approval and will be treated by the TSX as a new private placement.

Additionally, pursuant to Section 607(i) of the Company Manual, the TSX requires securityholder approval as a condition of acceptance of a notice of an issuance of securities if warrants to purchase listed securities have an exercise price that is less than the market price of the underlying security at either the date of the binding agreement obligating the listed issuer to issue the warrants or some future date provided for in the binding agreement. Pursuant to Section 608(a)(ii) of the Company Manual securityholder approval will be required for amendments to warrants: (a) held by insiders (such as ACT in this case); or (b) that result in an exercise price which is less than the market price of the securities determined on the date of the agreement that gives effect to the amendments.

The number of Series C Warrants is greater than 25% of the issued and outstanding Common Shares. Additionally the Series C Amendments are held by an insider of the Corporation and may result in an exercise price of the Series C Warrants that is less that the market price of the Common Shares as of the date of the Amendment Agreement. Accordingly, securityholder approval is required for the Series C Amendments.

The TSX has conditionally approved the Series C Amendments and the Private Placement (the latter of which does not require Shareholder approval under the Company Manual), subject to the satisfaction of certain conditions, including with respect to the Series C Amendments receiving the requisite Shareholder approval.

MI 61-101 Disclosure

In addition to the disclosure presented elsewhere in this Circular, the following disclosure is required pursuant to subsection 5.3(3) of MI 61-101:

Minority Approval

With respect to Minority Approval under MI 61-101, the following person(s) will be excluded from voting on the Transaction Resolution (to the extent that they may hold Common Shares and are otherwise eligible to vote such Common Shares at the Meeting):

(a) the Corporation;

(b) ACT;

(c) any "related party" of ACT (as such term is defined in, and determined in accordance with, MI 61-101); and

(d) any joint actor with person referred to in paragraph (b) or (c) in respect of the Series C Amendments and Private Placement.

In light of the foregoing, to the Corporation's knowledge after reasonable enquiry, an aggregate of 16,055,401 Common Shares will be excluded from determining the approval of the Transaction Resolution by Minority Approval. To the Corporation's knowledge after reasonable inquiry, these Common Shares are held as follows:

Name of Shareholder	Number of Common Shares
2707031 Ontario Inc.	16,034,501
Richard Fortin (director of Alimentation Couche-Tard Inc.)	10,900
Réal Plourde (director of Alimentation Couche-Tard Inc.)	10,000

Trading in Securities of the Corporation

The Common Shares are traded on the TSX under the trading symbol "FAF". The Proposed Transaction was announced by the Corporation on October 18, 2022. On October 17, 2022, being the last trading day prior to the date of this announcement, the closing price of the Common Shares on the TSX was $2.08. The following chart sets out the volume of trading and price range of the Common Shares for the 6 months preceding the date of this Circular.

Period	High Trading Price	Low Trading Price	Aggregate Volume
May 2022	3.48	2.51	1,716,076
June 2022	3.75	2.15	1,379,841
July 2022	2.56	1.97	1,096,897
August 2022	2.99	2.24	1,004,060
September 2022	2.78	1.49	1,325,609
October 2022	2.21	1.51	724,206
November 1-3, 2022	1.96	1.80	29,864

Prior Valuations

The Corporation is not aware of any prior valuations (as defined in MI 61-101) that relates to the subject matter of the Proposed Transaction or is otherwise relevant to the Proposed Transaction.

Valuation Exemptions

MI 61-101 requires that a formal valuation be obtained in respect of any related party transaction unless an exemption to the formal valuation requirement is available under MI 61-101. The Corporation is relying upon the exemption to the formal valuation requirement set forth in section 5.5(c) of MI 61-101 in respect of the Private Placement as the Common Shares to be issued are being distributed for cash consideration, neither the Corporation nor ACT had knowledge of any material information concerning the Corporation that was not generally disclosed at the time of entering into the Subscription Agreement and this Circular contains a description of the effect of the Private Placement on the direct or indirect voting interest of ACT (see "*The Proposed Transaction – Private Placement*"). Additionally, the Series C Amendments are not subject to the formal valuation requirements of MI 61-101.

Board Review and Approval

The Board recommends that you vote FOR the Transaction Resolution.

The Board (excluding conflicted directors), based on a unanimous recommendation of the Special Committee and after consultation with its legal and financial advisors, has unanimously determined that the Proposed Transaction is in the best interests of the Corporation.

The Special Committee was established by the Board with a mandate of assisting the Board in reviewing and negotiating matters related to the Corporation's existing strategic capital investments and financing arrangements and, if necessary, present the Board with alternative strategic capital investments and financing arrangements. Following comprehensive negotiations and the evaluation of alternatives available to the Corporation, the Special Committee unanimously recommended that the Board approve the Loan Agreement and the Proposed Transaction. The Board (excluding conflicted directors), having received the unanimous recommendation of the Special Committee, unanimously determined that the Loan Agreement and the Proposed Transaction are in the best interests of the Corporation and recommends that the shareholders of the Corporation, other than ACT and its affiliates, vote in favour of the Transaction Resolution.

In connection with its review of the Proposed Transaction, the Special Committee retained Canaccord Genuity as financial advisor. Canaccord Genuity delivered the Fairness Opinion to the Special Committee, which states that, as of October 17, 2022, and based upon and subject to the assumptions, qualifications, explanations and limitations set forth therein, the Proposed Transaction is fair, from a financial point of view, to the Corporation. The Fairness Opinion was provided solely for the use of the Special Committee in connection with its consideration of the Proposed Transaction, and is not, and should not be construed as, a recommendation as to how Shareholders should vote in respect of the Transaction Resolution. The full text of the Fairness Opinion, including a description of its scope of review and assumptions and limitations is attached as Appendix B to this Circular.

See "*The Proposed Transaction – Background to the Proposed Transaction*".

The Management Designees intend to vote FOR the Transaction Resolution, unless otherwise instructed on a properly executed and validly deposited proxy.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS AND MATTERS TO BE ACTED UPON AT THE MEETING

Other than as disclosed in this Circular, no director or executive officer of the Corporation and no person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares (collectively, an "**Informed Person**") and no associate or affiliate of any Informed Person, had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction that materially affects or would materially affect the Corporation, including any matter to be acted upon at the Meeting.

Stéphane Trudel, Chief Executive Officer and a director of the Corporation, is a former officer of Alimentation Couche-Tard Inc. and continues to provide services to Alimentation Couche-Tard Inc. during a transition period following his cessation of full time services to Alimentation Couche-Tard Inc. Suzanne Poirier is a senior vice-president of Alimentation Couche-Tard Inc. and ACT's nominee to the Board (pursuant to the 2020 IRA).

The Corporation also notes that it continues to pursue additional opportunities to further its strategic relationship with ACT through the opening of additional cannabis retail stores adjacent to Circle K stores in new markets across Canada through various operating models in an asset-light manner, including franchises, technology licensing and direct leasing and store acquisition arrangements.

AUDITOR

PricewaterhouseCoopers LLP, Chartered Professional Accountants, is the auditor of the Corporation. PricewaterhouseCoopers LLP was initially appointed by the Board as auditor of the Corporation effective July 25, 2019.

EFFECTIVE DATE

Except as otherwise specified herein, the information set forth in this Circular is provided as of November 4, 2022.

ADDITIONAL INFORMATION

Additional information relating to the Corporation including, the Corporation's annual information form for the year ended January 29, 2022, annual financial statements together with the auditor's report thereon and the associated management's discussion and analysis for the 52 weeks ended January 29, 2022, interim financial statements and the associated management's discussion and analysis for subsequent periods, and this Circular are available upon request to the Corporation at 77 King Street West, Suite 400, Toronto, Ontario, M5K 0A1, telephone number: 780-540-7518. This information may also be accessed at www.sedar.com or the Corporation's website at www.fireandflower.com.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the Board.

DATED at Toronto, Ontario this 4th day of November, 2022.

(signed) "*Donald Wright*"
Chair of the Board of Directors

Appendix A – Transaction Resolution

"**BE IT RESOLVED THAT**:

1. Fire & Flower Holdings Corp. (the "**Corporation**") is hereby authorized to amend the terms of the Series C Warrants (as such term is defined in the information circular of the Corporation dated November 4, 2022 (the "**Circular**")) such that, pursuant to the terms of the Amendment Agreement (as defined in the Circular):

   (a) the Series C Warrants shall be divided into two equal tranches: Series C-1 warrants (the "**Series C-1 Warrants**") and Series C-2 warrants (the "**Series C-2 Warrants**");

   (b) the Series C-1 Warrants shall be exercisable at a price equal to 85% of the 20-day volume weighted average price of the common shares of the Corporation (the "**Common Shares**") (as of the date of exercise) (the "**Proposed Series C Exercise Price**") at any time between the date the Series C Amendments (as defined in the Circular) come into effect and June 30, 2023 (subject to extension pursuant to the terms of the Series C-1 Warrants) (the "**Series C-1 Expiry Date**");

   (c) the Series C-2 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between December 1, 2023 and August 31, 2024 (subject to extension pursuant to the terms of the Series C-2 Warrants);

   (d) the number of Series C-1 Warrants shall be reduced by the number of Common Shares issued to ACT (as defined herein) in the Private Placement (as defined herein); provided, however, that the aggregate number of Series C-1 Warrants and Series C-2 Warrants shall, upon the closing of the Private Placement, entitle 2707031 Ontario Inc., an indirect wholly-owned subsidiary of Alimentation Couche-Tard Inc. ("**ACT**") to acquire that number of Common Shares, which together with Common Shares then held and as-converted Common Shares underlying the convertible debentures of the Corporation held by ACT and its affiliates, would represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis (as defined in the amended and restated investor rights agreement between the Corporation and ACT dated September 16, 2020, as may be amended, supplemented or restated from time to time (the "**2020 IRA**"));

   (e) any subsequent Series C Warrants to be issued to ACT pursuant to its Participation Right and Top-up Right (each as defined in the 2020 IRA) shall have an exercise price equal to the greater of:

      (i) with respect to the Participation Right, the Proposed Series C Exercise Price and the price per security issued in the offering giving rise to the Participation Right; and

      (ii) with resect to the Top-up Right, the Proposed Series C Exercise Price and the market price of the Common Shares on the date ACT delivers its notice to exercise its Top-up Right; and

   (f) in the event the Series C-1 Warrants are not exercised in full on or prior to the Series C-1 Expiry Date, all Series C-2 Warrants then outstanding shall immediately be cancelled.

2. Pursuant to the terms of the Amendment Agreement, the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to amend such other terms of the Series C Warrants and give effect to the Series C Amendments pursuant to the terms of the Amendment Agreement and to finalize, sign and deliver all documents, to enter into any agreements and to do and perform all acts and things as any one (1) director or officer of the Corporation, in his or her discretion, deems necessary or advisable in order to give effect to the transactions contemplated by the Amendment Agreement.

3. Pursuant to the terms of the Subscription Agreement (as defined in the Circular), the Corporation is hereby authorized to issue and sell on a non-brokered private placement up to 3,034,017 Common Shares to ACT at a price of $1.64798 per Common Share and for aggregate proceeds to the Corporation of approximately $5,000,000 (the "**Private Placement**").

4. Any one (1) director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to finalize, sign and deliver all documents, to enter into any agreements and to do and perform all acts and things as such individual, in his or her discretion, deems necessary or advisable in order to give effect to the intent of this resolution and the matters authorized hereby, including compliance with all securities laws and regulations and the rules and requirements of the Toronto Stock Exchange, such determination to be conclusively evidenced by the finalizing, signing or delivery of such document or agreement or the performing of such act or thing."

Appendix B – Fairness Opinion

(see attached)

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October 17, 2022

Fire & Flower Holdings Corp.
As represented by
The Special Committee of the Board of Directors
130 King Street West, Suite 2500
Toronto, Ontario M5X 1C8
Canada

To the Special Committee of the Board of Directors:

Canaccord Genuity Corp. ("**Canaccord Genuity**" or "**we**") understands that Fire & Flower Holdings Corp. (the "**Company**") intends to enter into an amendment agreement (the "**Amendment Agreement**") with respect to certain amendments (the "**Amendments**") to the Series C common share purchase warrants of the Company (the "**Series C Warrants**") issued to an indirect wholly-owned subsidiary of Alimentation Couche-Tard Inc. ("**ACT**"). Canaccord Genuity further understands that in connection with the Amendment Agreement, ACT and the Company intend to enter into: (a) a loan agreement (the "**Loan Agreement**") in respect of an $11,000,000 principal amount loan from ACT to the Company with an interest rate of 11.0% per annum; and (b) a subscription agreement (the "**Subscription Agreement**") whereby ACT will subscribe for 3,034,017 common shares of the Company (the "**Common Shares**") at a price of $1.64798 per Common Share, for aggregate proceeds of approximately $5,000,000 (the "**Private Placement**" and collectively with the Amendments, the "**Transaction**").

Canaccord Genuity also understands that ACT is currently the holder of 17,796,284 Series C Warrants: (a) 13,339,078 of which each entitle ACT to acquire one (1) Common Share at a price per Common Share equal to the lesser of (i) $30.00; and (ii) a 125% premium to the 20-day volume weighted average price ("**VWAP**") of the Common Shares on the last business day prior to the exercise of the Series C Warrants (collectively, the "**Initial Exercise Price**"); and (b) 4,457,206 of which each entitle ACT to acquire one (1) Common Share at a price per Common Share equal to the greater of (i) $4.7732; and (ii) the Initial Exercise Price. Canaccord Genuity further understands that the Series C Warrants are currently exercisable at any time following October 1, 2022 and expire on June 30, 2023, subject to the terms of the Series C Warrants.

Canaccord Genuity understands that pursuant to the terms of the Amendment Agreement, the Company and ACT propose to amend the terms of the Series C Warrants, which amendments include, but are not limited to, the following: (a) the Series C Warrants shall be divided into two equal tranches: Series C-1 warrants (the "**Series C-1 Warrants**") and Series C-2 warrants (the "**Series C-2 Warrants**"); (b) the Series C-1 Warrants shall be exercisable at a price equal to 85% of the 20-day VWAP of the Common Shares (as of the date of exercise) (the "**Amended Series C Exercise Price**") at any time between the date the Amendments come into effect and June 30, 2023 (subject to extension pursuant to the terms of the Series C-1 Warrants) (the "**Series C-1 Expiry Date**"); (c) the Series C-2 Warrants shall be exercisable at a price equal to the Amended Series C Exercise Price (as of the date of exercise) at any time between December 1, 2023 and August 31, 2024 (subject to extension pursuant to the terms of the Series C-2 Warrants); (d) the number of Series C-1 Warrants shall be reduced by the number of Common Shares issued to ACT in the Private Placement; provided, however, that the aggregate number of Series C-1 Warrants and Series C-2 Warrants shall, upon the closing of the Private Placement, entitle ACT to acquire that number of Common Shares, which together with Common Shares then held and as-converted Common Shares underlying the debentures held by ACT and its affiliates, would represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis (as defined in the amended and restated investor rights agreement between the Company and ACT dated September 16, 2020 (the "**IRA**")); (e) any subsequent Series C Warrants to be issued to ACT pursuant to its Participation Right and Top-up Right (each as defined in the IRA) shall have an exercise price equal to the greater of: (i) with respect to the Participation Right, (ix) the Amended Series C Exercise Price (as of the date of exercise of the warrants); and (iy) the price per security issued in the offering giving rise to the Participation Right; and (ii) with respect to the Top-up Right, (iix) the Amended Series C Exercise Price (as of the date of exercise of the warrants); and (iiy) the market price of the Common Shares on the date ACT delivers its notice to exercise its Top-up Right; and (f) in the event the Series C-1 Warrants are not exercised in full on or prior to the Series C-1 Expiry Date, all Series C-2 Warrants shall immediately

be cancelled. Canaccord Genuity also understands that the IRA would be amended to reflect the aforementioned Amendments to the Series C Warrants.

The terms and conditions of the Transaction will be summarized in the Company's management information circular to be mailed to holders of the Common Shares (the "**Company Shareholders**") in connection with a special meeting of Company Shareholders to be held for the purpose of obtaining the requisite Company Shareholder approval for the Transaction, consisting of a simple majority of the votes cast on the Transaction resolution by Company Shareholders excluding the votes attached to Common Shares that are required to be excluded ("**Minority Approval**") pursuant to the Canadian Securities Administrators' Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* ("**MI 61-101**").

Canaccord Genuity also understands that the Loan Agreement does not require Minority Approval.

The special committee (the "**Special Committee**") of the board of directors (the "**Board of Directors**") of the Company has retained Canaccord Genuity to provide advice and assistance to the Special Committee, including the preparation and delivery to the Special Committee of Canaccord Genuity's opinion (the "**Opinion**") as to the fairness to the Company, from a financial point of view, of the Transaction. Canaccord Genuity understands that the Opinion will be for the use of the Special Committee and will be one factor, among others, that the Special Committee will consider in determining whether to approve or recommend the Transaction.

All dollar amounts herein are expressed in Canadian dollars, unless otherwise indicated.

Engagement

Canaccord Genuity was formally engaged by the Special Committee through an agreement between the Special Committee and Canaccord Genuity (the "**Engagement Agreement**") dated October 6, 2022. The Engagement Agreement provides the terms upon which Canaccord Genuity has agreed to act as a financial advisor to the Special Committee in connection with the Transaction during the term of the Engagement Agreement. The terms of the Engagement Agreement provide that Canaccord Genuity is to be paid certain fees for its services as financial advisor, including a fee due upon delivery of the Opinion, no part of which is contingent upon the Opinion being favourable or upon the successful completion of the Transaction. In addition, the Company has agreed to reimburse Canaccord Genuity for its reasonable out-of-pocket expenses and to indemnify Canaccord Genuity in respect of certain liabilities that might arise in connection with its engagement.

Relationship with Interested Parties

Neither Canaccord Genuity nor any of its affiliates (as such term is defined in the S*ecurities Act* (Ontario)) is an insider, associate, or affiliate of the Company or ACT. Canaccord Genuity and its affiliates have not been engaged to provide any financial advisory services, have not acted as lead or co-lead manager on any offering of securities of the Company, ACT, or their respective affiliates during the 24 months preceding the date on which Canaccord Genuity was first contacted by the Company in respect of the Transaction, other than services provided pursuant to the Engagement Agreement or as otherwise described herein.

In addition, Canaccord Genuity and its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have long or short positions in the securities of the Company, ACT, or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it receives or may receive commission(s). As an investment dealer, Canaccord Genuity and its affiliates conduct research on securities and may, in the ordinary course of their business, provide research reports and investment advice to their clients on investment matters, including with respect to the Company, ACT, and the Transaction. In addition, Canaccord Genuity and its affiliates may, in the ordinary course of their business, provide other financial services to the Company, ACT, or any of their respective associates or affiliates, including financial advisory, investment banking and capital market activities such as raising debt or equity capital. In addition, Canaccord Genuity and / or certain employees of Canaccord Genuity may currently own or may have owned securities of the Company and / or ACT.

Credentials of Canaccord Genuity

Canaccord Genuity is an independent investment bank which provides a full range of corporate finance, merger and acquisition, financial restructuring, sales and trading, and equity research services. Canaccord Genuity operates in North America, the United Kingdom, Europe, Asia, Australia and the Middle East.

The Opinion expressed herein represents the views and opinions of Canaccord Genuity, and the form and content of the Opinion have been approved for release by a committee of Canaccord Genuity's managing directors, each of whom is experienced in merger, acquisition, divestiture, fairness opinion, and capital markets matters.

Scope of Review

In arriving at its Opinion, Canaccord Genuity has reviewed, analysed, considered and relied upon (without attempting to independently verify the completeness or accuracy thereof) or carried out, among other things, the following:

1. draft copy of the Amendment Agreement (including accompanying schedules), dated October 17, 2022;
2. draft copy of the second amended and restated investor rights agreement (including accompanying schedules), dated October 17, 2022;
3. draft copy of the third amended and restated Series C Warrant certificate dated October 17, 2022;
4. draft copy of the Loan Agreement dated October 17, 2022;
5. draft copy of the Subscription Agreement (including accompanying schedules), dated October 17, 2022;
6. the IRA;
7. the investor rights agreement dated August 7, 2019 between the Company and ACT;
8. the Company's unaudited condensed interim consolidated financial statements and associated management's discussion and analysis as at and for the periods ended July 30, 2022 and April 30, 2022;
9. the Company's audited consolidated financial statements and associated management's discussion and analysis as at and for the periods ended January 29, 2022 and January 30, 2021;
10. the Company's final short form base shelf prospectus dated July 5, 2022;
11. the Company's management information circular dated June 16, 2022, for the annual general and special meeting of its shareholders held on July 25, 2022;
12. the Company's annual information form for the fiscal year ended January 29, 2022, dated April 26, 2022;
13. recent press releases, material change reports and other public documents filed by the Company on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com;
14. discussions with the Company's management concerning the Company's financial condition, the industry and its future business prospects;
15. discussions with the Company's executive team and its board of directors as it relates to the Transaction;
16. discussions with the Company's external legal counsel relating to legal matters, including with respect to the Transaction and the Transaction Agreements (as defined below);
17. certain other internal financial, operational and corporate information prepared or provided by the Company's senior management;
18. selected public market trading statistics and other public / non-public relevant financial information in respect of the Company, as well as other comparable public entities considered by Canaccord Genuity to be relevant;
19. representations contained in a certificate, addressed to Canaccord Genuity and dated as of the date hereof, from senior officers of the Company, as to the completeness and accuracy of the information upon which this Opinion is based and certain other matters; and
20. such other corporate, industry and financial market information, investigations and analyses as Canaccord Genuity considered necessary or appropriate at the time and in the circumstances.

Canaccord Genuity has not, to the best of its knowledge, been denied access by the Company to any information requested by Canaccord Genuity. Canaccord Genuity did not meet with the auditors of the Company and has assumed the accuracy and fair presentation of, and has relied upon, without independent verification, the audited consolidated financial statements of the Company, and the reports of the auditors thereon.

Prior Valuations

The Company has represented to Canaccord Genuity that, except as otherwise disclosed to Canaccord Genuity, to the best of its knowledge, information and belief, there have not been any prior valuations (as defined in MI 61-101) of the Company or any of its affiliates or any of their respective material assets, securities or liabilities in the past two years.

Assumptions and Limitations

The Opinion is subject to the assumptions, qualifications, explanations and limitations set forth herein.

Canaccord Genuity has not prepared a formal valuation or appraisal of the Company or any of its securities or assets and the Opinion should not be construed as such. Canaccord Genuity has, however, conducted such analyses as it considered necessary and appropriate at the time and in the circumstances. In addition, the Opinion is not, and should not be construed as, advice as to the price at which any securities of the Company may trade at any future date. We are not legal, tax or accounting experts, have not been engaged to review any legal, tax or accounting aspects of the Transaction and express no opinion concerning any legal, tax or accounting matters concerning the Transaction. Without limiting the generality of the foregoing, Canaccord Genuity has not reviewed and is not opining upon the tax treatment pursuant to the Transaction.

As provided for in the Engagement Agreement, Canaccord Genuity has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, documents, advice, opinions, representations and other materials, whether in written, electronic, graphic, oral or any other form or medium, including as it relates to the Company and any of its affiliates, obtained by it from public sources, or provided to it by the Company and its associates, affiliates, agents, consultants and advisors (collectively, the "**Information**"), and we have assumed that this Information did not omit to state any material fact or any fact necessary to be stated to make such Information not misleading. The Opinion is conditional upon the completeness, accuracy and fair presentation of such Information. Subject to the exercise of our professional judgment, we have not attempted to verify independently the completeness, accuracy and fair presentation of any of the Information. With respect to the financial projections provided to Canaccord Genuity used in the analysis supporting the Opinion, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgements of management of the Company as to the matters covered thereby and which, in the opinion of the Company are (and were at the time of preparation and continue to be) reasonable in the circumstances. By rendering the Opinion, we express no view as to the reasonableness of such forecasts, projections, estimates or the assumptions on which they are based.

In preparing the Opinion, Canaccord Genuity has made several assumptions, including that all of the conditions required to implement the Transaction will be met, that the final versions of the Amendment Agreement, Subscription Agreement and Loan Agreement (collectively, the "**Transaction Agreements**") will be identical to the most recent drafts thereof reviewed by us, that all of the representations and warranties contained in the Transaction Agreements are true and correct as of the date hereof, that the Transaction will be completed substantially in accordance with its terms and all applicable laws, and that the accompanying circular(s) in connection with the Transaction will disclose all material facts relating to the Transaction and will satisfy all applicable legal requirements.

Senior officers of the Company have represented to Canaccord Genuity in a certificate delivered as of the date hereof, among other things, that (i) with the exception of FOFI (as defined below), the Information provided to Canaccord Genuity by the Company or its affiliates or its or their representatives, agents or advisors, for the purpose of preparing the Opinion, was, at the date the information was provided to Canaccord Genuity, and is at the date hereof, complete, true and correct in all material respects and did not and does not contain any untrue statement of a material fact in respect of the Company or its affiliates or the Transaction; (ii) the Information did not and does not omit to state a material fact in relation to the Company or its affiliates or the Transaction necessary to make the Information not misleading in light of the circumstances under which the Information was provided; (iii) since the dates on which the Information was provided to Canaccord Genuity, there has been no material change or change in material facts, financial or otherwise, in or relating to the financial condition, assets, liabilities (whether accrued, absolute, contingent

or otherwise), business, operations or prospects of the Company or any of its affiliates, and no material change or change in material facts has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion; (iv) since the dates on which the Information was provided to Canaccord Genuity, except for the Transaction, no material transaction has been entered into by the Company or any of its affiliates which has not been publicly disclosed; (v) the certifying officers have no knowledge of any facts or circumstances, public or otherwise, not contained in or referred to in the Information provided to Canaccord Genuity by the Company or its affiliates which would reasonably be expected to affect the Opinion, including the assumptions used, the procedures adopted, the scope of the review undertaken or the conclusion reached; (vi) the Company has not filed any confidential material change reports or any confidential filings pursuant to the *Securities Act* (Ontario), or analogous legislation in any jurisdiction in which it is a reporting issuer or the equivalent, that remain confidential; (vii) other than as disclosed in the Information, the Company's public record available on SEDAR or the Transaction Agreements, neither the Company nor any of its affiliates has any material contingent liabilities (either on a consolidated or non-consolidated basis) and there are no actions, suits, claims, arbitrations, proceedings, investigations or inquiries pending or (to the best of the knowledge of the certifying officers) threatened against or affecting the Transaction, the Company or any of its affiliates, at law or in equity or before or by any international, multi-national, national, federal, provincial, state, municipal or other governmental department, commission, bureau, board, agency or instrumentality or stock exchange which may in any way materially affect the Company or its affiliates or the Transaction; (viii) all financial material, documentation and other data concerning the Transaction or the Company and its affiliates, excluding any projections, budgets, strategic plans, financial forecasts, models, estimates and other future-oriented financial information concerning the Company and its affiliates (collectively, "**FOFI**"), provided to Canaccord Genuity were prepared on a basis consistent in all material respects with the accounting policies applied in the most recent audited consolidated financial statements of the Company and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such financial material, documentation or other data not misleading in light of the circumstances in which such financial material, documentation and other data were provided to Canaccord Genuity; (ix) all FOFI provided to Canaccord Genuity (a) was reasonably prepared on bases reflecting reasonable estimates, assumptions, and judgements of the Company; (b) was prepared using assumptions which are (and were at the time of preparation) and continue to be, reasonable in the circumstances, having regard to the Company's industry, business, financial condition, plans and prospects; and (c) does not contain any untrue statement of a material fact or omit to state any material fact necessary to make such FOFI (as of the date of preparation thereof) not misleading in light of the assumptions used at the time, any developments since the time of their preparation, or the circumstances in which such FOFI was provided to Canaccord Genuity; (x) to the best of the knowledge of the certifying officers, no verbal or written offers or serious negotiations for, at any one time, all or a material part of the properties and assets owned by or the securities of the Company or any of its affiliates have been received, made or occurred within the two years preceding the date hereof and which have not been disclosed to Canaccord Genuity; (xi) there are no agreements, undertakings, commitments or understandings (written or oral, formal or informal) materially relating to the Transaction, except as have been disclosed in writing and in complete detail to Canaccord Genuity; (xii) the contents of any and all documents prepared or to be prepared in connection with the Transaction by the Company for filing with regulatory authorities or delivery or communication to securityholders of the Company (collectively, the "**Disclosure Documents**") have been, are and will be true and correct in all material respects and do not and will not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) and the Disclosure Documents have complied, comply and will comply with all requirements under applicable laws; (xiii) to the best of the knowledge of the certifying officers (a) the Company has no information or knowledge of any facts, public or otherwise, not specifically provided to Canaccord Genuity relating to the Company or any of its affiliates which would reasonably be expected to materially affect the Opinion; (b) with the exception of financial forecasts, budgets, models, projections or estimates referred to in (d), below, the Information provided by or on behalf of the Company to Canaccord Genuity, in connection with the Transaction is, or in the case of Disclosure Documents or data, was, at the date of preparation, true, correct and accurate in all material respects, and no additional material, data or information would be required to make the data provided to Canaccord Genuity by or on behalf of the Company not misleading in light of the circumstances in which it was prepared; (c) to the extent that any of the information in the Disclosure Documents identified in (b), above, is historical, there have been no changes in material facts or new material facts since the respective dates thereof which have not been disclosed to Canaccord Genuity or updated by more current Disclosure Documents that has been disclosed; and (d) any portions of the information in the Disclosure Documents provided to Canaccord Genuity which constitute financial forecasts, budgets, models, projections or estimates were prepared using the assumptions identified therein, which, in the reasonable opinion of the Company, are (and were at the time of preparation) reasonable in the circumstances.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the conditions and prospects, financial and otherwise, of the Company and its subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to Canaccord Genuity in discussions with management of the Company. In its analyses and in preparing the Opinion, Canaccord Genuity made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, which Canaccord Genuity believes to be reasonable and appropriate in the exercise of its professional judgement, many of which are beyond the control of Canaccord Genuity or any party involved in the Transaction.

The Opinion has been provided to the Special Committee (solely in its capacity as such) for its sole use and benefit and only addresses the fairness to the Company, from a financial point of view, of the Transaction. The Opinion may not be relied upon by any other person or entity (including, without limitation, securityholders, creditors or other constituencies of the Company) or used for any other purpose or published without the prior written consent of Canaccord Genuity, provided that Canaccord Genuity consents to the inclusion of the Opinion in its entirety and a summary thereof (provided such summary is in a form acceptable to Canaccord Genuity) in the notice of meeting and accompanying management information circular of the Company to be mailed to Company Shareholders in connection with seeking their approval of the Transaction and to the filing thereof, as necessary, by the Company on SEDAR, in accordance with applicable securities laws in Canada.

Canaccord Genuity has not been asked to, nor does Canaccord Genuity offer an opinion as to the terms of the Transaction (other than in respect of the fairness to the Company, from a financial point of view, of the Transaction) or the forms of agreements or documents related to the Transaction. The Opinion does not constitute a recommendation as to how the Special Committee (or any member of the Special Committee), management or any securityholder should vote or otherwise act with respect to any matters relating to the Transaction, or whether to proceed with the Transaction or any related transaction. The Opinion does not address the relative merits of the Transaction as compared to other transactions or business strategies that might be available to the Company. The Opinion is given as of the date hereof, and Canaccord Genuity disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come, or be brought, to the attention of Canaccord Genuity after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, including, without limitation, the terms and conditions of the Transaction, or if Canaccord Genuity learns that the Information relied upon in rendering the Opinion was inaccurate, incomplete or misleading in any material respect, Canaccord Genuity reserves the right to change, modify or withdraw the Opinion after the date hereof.

Canaccord Genuity believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an Opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Approach to Financial Fairness

In connection with the Opinion, Canaccord Genuity performed a variety of financial and comparative analyses. In arriving at the Opinion, Canaccord Genuity has not attributed any particular weight to any specific analysis or factor, but rather has made qualitative and quantitative judgments based on its professional experience in rendering such opinions and on the circumstances and Information as a whole.

Conclusion

Based upon and subject to the foregoing, and such other matters as Canaccord Genuity considered relevant, Canaccord Genuity is of the opinion that, as of the date hereof, the Transaction is fair, from a financial point of view, to the Company.

Yours truly,

Canaccord Genuity Corp.

CANACCORD GENUITY CORP.

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Canaccord Genuity