UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 1-SA

[x] SEMIANNUAL REPORT PURSUANT TO REGULATION A
or
[ ] SPECIAL FINANCIAL REPORT PURSUANT TO REGULATION A

For the fiscal semiannual period ended:
June 30, 2020

Flora Growth Corp.
(Exact name of issuer as specified in its charter)

Ontario, Canada
(State or other jurisdiction of incorporation or organization)

N/A
(I.R.S. Employer Identification Number)

65 Queen Street West, Suite 800
Toronto, Ontario M5H 2M5
www.floragrowth.ca
(Full mailing address of principal executive offices)

+1 (416) 861 – 2267
(Issuer's telephone number, including area code)

Item 1. Management's Discussion and Analysis of Financial Condition and Results Of Operations

This Semiannual Report on Form 1-SA contains forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Such forward-looking statements include statements regarding, among others, (a) our growth strategies, (b) our future financing plans, and (c) our anticipated needs for working capital. Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "approximate," "estimate," "believe," "intend," "plan," "budget," "could," "forecast," "might," "predict," "shall" or "project," or the negative of these words or other variations on these words or comparable terminology. This information may involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements. These statements may be found in this Semiannual Report.

The financial statements included herein should be read in conjunction with the audited financial statements and related notes for the period from incorporation on March 13, 2019 to December 31, 2019, contained in the Company's Annual Report Form 1-K, as filed with the Securities and Exchange Commission on April 29, 2020.

This MD&A reports our activities through September 25th , 2020 unless otherwise indicated.

Forward-looking statements are based on our current expectations and assumptions regarding our business, potential target businesses, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements as a result of various factors, including, without limitation, changes in local, regional, national or global political, economic, business, competitive, market (supply and demand) and regulatory conditions.

We caution you therefore that you should not rely on any of these forward-looking statements as statements of historical fact or as guarantees or assurances of future performance. All forward-looking statements speak only as of the date of this Semiannual Report. We undertake no obligation to update any forward-looking statements or other information contained herein.

Overview

Flora Growth Corp. (the "Company") was incorporated under the laws of the Province of Ontario on March 13, 2019. On October 2, 2019, the Company acquired 90% of a company based in Colombia, Cosechemos Ya S.A.S. ("**Cosechemos**"). Cosechemos was established on May 12, 2016. Cosechemos is focused on cultivating, processing and supplying all natural, organic medicinal-grade cannabis oil, cannabis oil extracts and related products to large channel distributors, including pharmacies, medical clinics, and cosmetic companies. We are currently in discussions with such distributors; however, we will require adequate funding to fulfill these business objectives and enter into definitive agreements.

Cosechemos is a licensed and permitted cultivator, producer, and distributor of CBD medical cannabis in Colombia for: (a) use in Colombia; and (b) international export. Cosechemos has (i) one property under lease, the Cosechemos Farm, in Giron, Santander, Colombia, and (ii) the option to lease the Palagua Farms, in Puerto Boyaca, Boyaca, Colombia. Our subsidiary's main operations are currently in Giron, Colombia.

The Cosechemos Farm is a 361 hectare property. The Palagua Farms is comprised of two contiguous farms for a total of 2,132 hectares.

On March 20, 2020, the Company incorporated a wholly owned subsidiary, Flora Growth Corp. Sucursal Colombia in Colombia.

On February 12, 2020, the Company incorporated a Limited Liability Company, Flora Beauty LLC in Colorado, United Sates. The Company has an 80% interest in this company. On August 10, 2020, the Company incorporated a division of Flora Beauty LLC, Flora Beauty LLC Sucursal Colombia in Colombia.

Results of Operations for the three and six months ended June 30, 2020, the three months ended June 30, 2019 and for the period from incorporation (March 13, 2019) to June 30, 2019.

For the three and six months ended June 30, 2020, the Company reported a net loss of $1,664,676 and $2,548,591, respectively or $0.02 and $0.03 per share, respectively. For the three months ended June 30, 2019 and for the period from incorporation (March 13, 2019) to June 30, 2019, the Company reported a net loss of $1,889,714 and $1,899,714, respectively or $0.82 and $0.99 per share, respectively. The Company had a working capital of $7,419,645 as at June 30, 2020 compared to a working capital deficit of $1,707,081 as at December 31, 2019.

The Company has and expects to continue to report negative earnings until the Company's cannabis development program finds and develops producing assets. The Company will continue to utilize proceeds from financing and equity issuances to fund its cannabis program and general and administrative operating costs. As at June 30, 2020, the Company had no operating assets and expects to generate negative cash flow from operations for the foreseeable future.

Revenues

To date, we have not generated any revenues from our planned operations. We are a pre-revenue company with a very limited operating history upon which to base an evaluation of our business and prospects. Our short operating history may hinder our ability to successfully meet our objectives and makes it difficult for potential investors to evaluate our business or prospective operations.

Research and Development Expenses

Our research and development expenses were $24,785 and $53,405 for the three and six month periods ended June 30, 2020, respectively. For the three months ended June 30, 2019 and for the period from incorporation (March 13, 2019) to June 30, 2019, the Company had research and development expenses of $nil and $nil, respectively. Research and development expenses to date consist primarily of contract research fees, manufacturing, consultant fees, and study related costs related to cultivation of cannabis in Colombia.

General and Administrative Operating Expenses

The Company recorded consulting and management fees of $585,422 and $818,866 for the three and six-month periods ended June 30, 2020. The Company recorded consulting and management fees of $1,550,610 and $1,550,610 for the three months ended June 30, 2019 and for the period from incorporation (March 13, 2019) to June 30, 2019, respectively. During the period from incorporation (March 13, 2019) to June 30, 2019, the Company granted bonuses of $1,400,000 to consultants, directors and officers of the Company. The bonuses were settled by the issuance of 70,000,000 common shares at a price of $0.02 per share for a value of $1,400,000 based on the value of services agreed upon by the consultants, directors, officers and the Company.

The Company recorded professional fees of $88,991 and $217,960 for the three and six-month periods ended June 30, 2020. The Company recorded professional fees of $19,309 and $19,309 for the three months ended June 30, 2019 and for the period from incorporation (March 13, 2019) to June 30, 2019, respectively. Most of the fees relate to legal and audit fees to prepare the Regulation A+ Tier 2 materials related to the offering (the "**Offering**") described below.

General office expenses of $476,656 and $662,426 for the three and six-month periods ended June 30, 2020 and were related to filing fees, rent and promotion costs. The Company recorded general office expenses of $24,312 and $24,312 for the three months ended June 30, 2019 and for the period from incorporation (March 13, 2019) to June 30, 2019, respectively.

The Company recorded $206,051 and $233,362 for the three and six-month periods ended June 30, 2020 in travel expenses for various trips related to the property and the Company's promotion. The Company recorded travel expenses of $219,613 and $219,613 for the three months ended June 30, 2019 and for the period from incorporation (March 13, 2019) to June 30, 2019, respectively.

The Company recorded $344,406 for the three and six-month periods ended June 30, 2020 in share-based compensation. On April 23, 2020, the Company granted 750,000 options to officers, employees and consultants of the Company with an exercise price of $0.75 per common share. The options vested immediately. The fair market value of the options was estimated to be $344,406 using the Black Scholes option pricing model based on the following assumptions: risk-free rate of 0.45%, estimated current share price of $0.64, expected volatility of 100% based on comparable companies, an estimated life of 5 years and an expected dividend yield of 0%. The Company recorded $85,870 for the three months ended June 30, 2019 and for the period from incorporation (March 13, 2019) to June 30, 2019, respectively in share-based compensation.

Net Loss

Our net loss was $1,664,676 and $2,548,591 for the three and six-month periods ended June 30, 2020. The net loss was $1,899,714 and $1,899,714 for the three months ended June 30, 2019 and for the period from incorporation (March 13, 2019) to June 30, 2019.

Liquidity and Capital Resources

The Company has a short operating history and, accordingly, the Company does not generate cash from operations. The Company finances its activities through borrowings under loan agreements, raising equity capital from private placements, and continues to acquire public funding from the Offering (defined below). The Company may encounter difficulty sourcing future financing.

Flora is offering up to 40,000,000 (the "**Maximum Offerin**g") units (the "**Units**") of the Company to be sold in the Offering. Each Unit is comprised of one common share in the capital of the Company, with no par value per share (a "**Common Share**"), and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**") to purchase one additional Common Share (a "**Warrant Share**") at an exercise price of $1.00 per Warrant Share, subject to certain adjustments, over an 18-month exercise period following the date of issuance of the Warrant. The Units are being offered at a purchase price of $0.75 per Unit. Flora is selling the Units through a Tier 2 offering pursuant to Regulation A (Regulation A+) under the Securities Act of 1933. There is no assurance the Maximum Offering will be completed. As at September 25, 2020, the Company has received subscriptions totaling approximately $22,900,000 pursuant to the Offering.

The Company entered into a loan agreement in favor of QuestCap Inc. (formerly Copper One Inc.) for an amount up to $500,000 of which $497,514 of principal was drawn down by the Company in borrowings prior to repayment (December 31, 2019 - $497,514). The loan is a United States dollar loan which bears interest at 10% annually, is unsecured, and is payable on demand. As at December 31, 2019, the interest payable on the loan was $15,784. Stan Bharti and Deborah Battiston are the Chairman and Chief Financial Officer, respectively, of the Company and of QuestCap. These funds were sent to provide support to Cosechemos and to provide working capital for the Company. On January 31, 2020, the loan was repaid in the amount of $521,341; $497,514 to principal and $23,827 to interest.

The Company entered into a loan agreement in favor of Sulliden Mining Capital Inc. for an amount up to $525,000 of which $501,941 of principal was drawn down by the Company in borrowings prior to repayment (December 31, 2019 - $495,613). The loan is a United States dollar loan which bears interest at 12% annually, is unsecured, and was due on March 31, 2020. As at December 31, 2019, the interest payable on the loan was $3,681. Stan Bharti and Deborah Battiston are the Chairman and Chief Financial Officer, respectively, of the Company and Interim Chief Executive Officer and former Chief Financial Officer, respectively of Sulliden Mining. These funds were sent to provide support to Cosechemos and to provide working capital for the Company. On January 31, 2020, the loan was repaid in the amount of $510,557; $501,941 to principal and $8,616 to interest.

The Company entered into a loan agreement in favor of Q Gold Resources Ltd. for an amount of $16,667. The loan bears interest at 10% annually, is unsecured, and is payable on demand. As at December 31, 2019, the interest payable on the loan was $895. Deborah Battiston is the Chief Financial Officer and Fred Leigh is a director of the Company. Deborah Battiston is the Chief Financial Officer and Fred Leigh is the former Chief Executive Officer and a former director of Q Gold. These funds were sent to provide support to Cosechemos and to provide working capital for the Company. On March 6, 2020, the loan was repaid in the amount of $17,637; $16,667 to principal and $970 to interest.

The Company has provided funding to Cosechemos for the research and development of producing medicinal CBD oil.

As at June 30, 2020, the Company had working capital of $7,419,645 (December 31, 2019 – deficiency of $1,707,081). The Company's primary cash flow needs are for the development of its cannabis activities, administrative expenses and working capital.

At present, the Company has no cannabis production and consequently no revenue generating assets or operations. The recovery of the amounts expended are dependent on the ability of the Company to obtain necessary financing to complete the development of its cannabis operations and or other potential projects and attain future profitable production. The Company's financial success will depend on its ability to raise financings to develop potential projects. At present, the Company has not established sources of income and the success of its growth and development programs will be contingent upon the Company's ability to raise sufficient equity financing on terms favorable to the Company. The Company does not expect to generate any internal cash flows to help finance the development costs.

Although our business does not presently generate any cash, we believe that if we raise the maximum amount in the Offering we will have sufficient capital to finance our operations for at least the next 24 months; however, if we do not sell the maximum amount of the Offering or if our operating and development costs are higher than expected, we will need to obtain additional financing. We do not have any track record for self-underwritten Regulation A+ offerings, and there can be no assurance we will raise the maximum amount or any other amount other than the amount we have already raised. Further, we expect that after such 24-month period, we will be required to raise additional funds to finance our operations until such time that we can conduct profitable revenue-generating activities. No assurances can be made that we will be successful in obtaining additional equity or debt financing, or that ultimately, we will achieve profitable operations and positive cash flow.

The Company has granted a loan to Kasa Wholefoods Company S.A.S ("Kasa"). The loan accrues interest with an annual interest rate of 5%, is unsecured, and is payable on demand. As at June 30, 2020, the Company has a loan receivable of $218,324 (December 31, 2019 - $91,087) of which $216,000 (December 31, 2019 - $91,000) is principal and $2,324 (December 31, 2019 - $87) is interest.

The Company has granted a loan of $1,000,000 to Newdene Gold Inc. ("Newdene"). The loan accrues interest with an annual interest rate of 6% and is payable six months following the closing date of February 12, 2020. The loan is secured by a securities pledge agreement in favor of the Company creating a security interest of 2,000,000 common shares in the capital of Flora. As at June 30, 2020, the Company has a loan receivable of $1,022,849 (December 31, 2019 - nil) of which $1,000,000 (December 31, 2019 - nil) is principal and $22,849 (December 31, 2019 - nil) is interest. Subsequent to the period end, the loan was extended for another six months on the same terms.

The Company has granted a loan of CAD$100,000 ($70,811) to Consultancies and Consultancies of Latam by GM LLC ("Consultancies"). The loan accrues interest with an annual interest rate of 5% and is payable sixty days following the closing date of April 17, 2020. As at June 30, 2020, the Company has a loan receivable of CAD$100,000 ($73,380) (December 31, 2019 - nil) of which $73,380 (December 31, 2019 - nil) is principal and nil (December 31, 2019 - nil) is interest. Subsequent to the period end, the loan was extended for another four months on the same terms.

The Company does not pay dividends and, other than the debt discussed above, had no long-term debt or bank facilities, other than the lease liability.

Going Concern

Our interim condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going concern is contingent upon its ability to raise additional capital as required. During the period from March 13, 2019 (inception) through June 30, 2020, the Company incurred cumulative net losses of $5,255,032. Initially, we intend to finance our operations through equity and debt financings.

We do not generate any cash on our own. We have funded operations with capital raised from the Offering; however, there is no guarantee of continued funding under the Offering.

We continually evaluate our plan of operations to determine the manner in which we can most effectively utilize our limited cash resources. The timing of completion of any aspect of our plan of operations is highly dependent upon the availability of cash to implement that aspect of the plan and other factors beyond our control. There is no assurance that we will successfully obtain the required capital or revenues, or, if obtained, that the amounts will be sufficient to fund our ongoing operations.

These conditions indicate the existence of material uncertainties which cast substantial doubt about the Company's ability to continue as a going concern, and our financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Capital Expenditures

We do not have any contractual obligations for ongoing capital expenditures at this time.

Off-Balance Sheet Arrangements

We did not have, during the periods presented, and we do not currently have, any off-balance sheet arrangements.

Contractual Obligations, Commitments and Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management, in consultation with its legal counsel as appropriate, assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company, in consultation with legal counsel, evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. We are not aware of any matters which result in a loss contingency.

Trend Information

Because we are still in the startup phase and have only recently commenced operations, we are unable to identify any recent trends in revenue, income or profitability. Other than as set forth below regarding the current pandemic crisis, we are unable to identify any known trends, uncertainties, demands, commitments or events involving our business that are reasonably likely to have a material effect on our revenues, income from operations, profitability, liquidity or capital resources, or that would cause the reported financial information in the Offering to not be indicative of future operating results or financial condition.

NOVEL CORONAVIRUS ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease and other unforeseen events, including the recent outbreak a of respiratory illness caused by COVID-19 and the related economic repercussions. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Agricultural activity has been declared as an essential activity in Colombia. Cosechemos is operating under a protocol authorized by the Colombian government.

At the farm in Santander, all employees receive a new mask and a new set of surgical gloves daily. Hand sanitizer is provided and hand washing protocols are in place. The employees are also provided a transparent face protection mask, which is replaced every 30 days. All employees have their temperature taken three times daily and must report to the Health and Safety office if they are experiencing any symptoms, including diarrhea, cough, runny nose, or headache. If an employee reports any of these symptoms, the employee is sent home to isolate for 14 days, if the symptoms persist for 72 hours, the employee is required to go to a hospital.

The farm is located in a rural area, and there have been no positive cases of COVID-19 reported to date. The province in which the farm is located has reported 475 cases across a population of 2,340,765 to date.

Our staff from the Bogotá office have been working from home since March 25, 2020, and staff from the Toronto office have also been working from home since March 17, 2020.

We have had no reported cases of COVID-19 amongst our staff to date.

Item 2. Other Information

None

Item 3. Financial Statements

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Flora Growth Corp.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2020 and the three months ended June 30, 2019 and the period from incorporation on March 13, 2019 to June 30, 2019

(Expressed in United States Dollars)

Flora Growth Corp.
Interim Condensed Consolidated Statement of Financial Position
(Expressed in US dollars)

As at:	June 30, 2020	December 31, 2019
ASSETS		
Current		
Cash	$ **6,188,072**	$ 159,797
Restricted cash (Note 3)	**516,256**	-
Amounts receivable (Note 4)	**230,958**	20,401
Loans receivable (Note 5)	**1,314,553**	91,087
Prepaid expenses	**53,346**	210,197
Advances (Note 5)	**401,237**	-
Total current assets	**8,704,422**	481,482
Non-current		
Property, plant and equipment (Note 6)	**430,534**	434,520
Intangible asset (Note 8)	**221,310**	247,995
Total assets	$ **9,356,266**	$ 1,163,997
LIABILITIES		
Current		
Trade payables and accrued liabilities (Note 14)	$ **1,232,062**	$ 1,105,637
Loans payable (Note 9)	**-**	1,030,154
Current lease liability (Note 10)	**52,715**	52,772
Total current liabilities	**1,284,777**	2,188,563
Non-current		
Non-current lease liability (Note 10)	**187,431**	245,801
Total liabilities	**1,472,208**	2,434,364
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 11(b))	**11,056,384**	1,400,000
Warrants (Note 13)	**1,657,367**	-
Options (Note 12)	**422,916**	85,870
Non-controlling interest	**(56,596)**	(10,896)
Accumulated other comprehensive loss	**59,019**	6,800
Deficit	**(5,255,032)**	(2,752,141)
Total Shareholders' equity (deficiency)	**7,884,058**	(1,270,367)
Total liabilities and shareholders' equity (deficiency)	$ **9,356,266**	$ 1,163,997

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 15)
Subsequent events (Note 19)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

APPROVED ON BEHALF OF THE BOARD

Signed *"Damian Lopez"*, DIRECTOR

Signed *"Fred Leigh"*, DIRECTOR

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Flora Growth Corp.
Interim Condensed Consolidated Statements of Loss and Comprehensive Los
(Expressed in U.S. Dollars)

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the period from incorporation (March 13, 2019) to June 30, 2019
Expenses				
Consulting and management fees (Note 11(b) and 14)	**$ 585,422**	$ 1,550,610	**$ 818,866**	$ 1,550,610
Professional fees	**88,991**	19,309	**217,960**	19,309
General office expenses	**476,656**	24,312	**662,426**	24,312
Travel expenses	**206,051**	219,613	**233,362**	219,613
Share based compensation (Note 12)	**344,406**	85,870	**344,406**	85,870
Amortization (Notes 6 and 8)	**27,417**	-	**56,617**	-
Research and development	**24,785**	-	**53,405**	-
Foreign exchange (gain)	**(75,430)**	-	**170,041**	-
Loss before interest expense	**1,678,298**	1,899,714	**2,557,083**	1,899,714
Interest expense (Note 9)	**38,749**	-	**72,087**	-
Other income (Note 5)	**(52,371)**	-	**(80,579)**	-
Net loss for the period	**$ 1,664,676**	$ 1,899,714	**$ 2,548,591**	$ 1,899,714
Other comprehensive loss				
Exchange differences on foreign operations	**(100,981)**	-	**(52,219)**	-
Total comprehensive loss for the period	**$ 1,563,695**	$ 1,899,714	**$ 2,496,372**	$ 1,899,714
Net loss attributable to:				
Flora Growth Corp.	**$ 1,648,217**	$ 1,899,714	**$ 2,502,891**	$ 1,899,714
Non-controlling interests	**$ 16,459**	$ -	**$ 45,700**	$ -
Comprehensive loss attributable to:				
Flora Growth Corp.	**$ 1,547,236**	$ 1,899,714	**$ 2,450,672**	$ 1,899,714
Non-controlling interests	**$ 16,459**	$ -	**$ 45,700**	$ -
Basic and diluted loss per share attributable to Flora Growth Corp.	**$ 0.02**	$ 0.82	**$ 0.03**	$ 0.99
Weighted average number of common shares outstanding - basic and diluted (Note 16)	**85,432,654**	2,307,692	**81,126,625**	1,926,606

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Flora Growth Corp.

Interim Condensed Consolidated Statement of Shareholders' Equity

(Expressed in United States dollars)

	Common Shares		Options	Warrants	Accumulated other comprehensive loss	Accumulated Deficit	Non-Controlling interest (Deficiency)	Shareholders' Equity (Deficiency)
	#	$	$	$	$	$		$
Balance, March 13, 2019	-	-	-	-	-	-	-	-
Common shares issued (Note 11(b))	70,000,000	1,400,000	-	-	-	-	-	1,400,000
Options issued (Note 12)	-	-	85,870	-	-	-	-	85,870
Loss and comprehensive loss for the period	-	-	-	-	-	(1,899,714)	-	(1,899,714)
Balance, June 30, 2019	70,000,000	1,400,000	85,870	-	-	(1,899,714)	-	(413,844)
Balance, December 31, 2019	70,000,000	1,400,000	85,870	-	6,800	(2,752,141)	(10,896)	(1,270,367)
Regulation A Offering (Note 11(b))	**17,170,100**	**10,984,300**	**-**	**1,893,275**		**-**	**-**	**12,877,575**
Share issuance costs (Note 11(b))	**-**	**(1,365,276)**		**(235,908)**				**(1,601,184)**
Options exercised	**600,000**	**37,360**	**(7,360)**	**-**	**-**	**-**	**-**	**30,000**
Options issued (Note 12)	**-**	**-**	**344,406**	**-**	**-**	**-**	**-**	**344,406**
Other comprehensive loss - exchange differences on foreign operations	**-**	**-**	**-**	**-**	**52,219**	**-**	**-**	**52,219**
Loss and comprehensive loss for the period	**-**	**-**	**-**	**-**		**(2,502,891)**	**(45,700)**	**(2,548,591)**
Balance, June 30, 2020	**87,770,100**	**11,056,384**	**422,916**	**1,657,367**	**59,019**	**(5,255,032)**	**(56,596)**	**7,884,058**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Flora Growth Corp.
Interim Condensed Consolidated Statement of Cash Flows
(Expressed in US dollars)

	For the six months ended June 30, 2020	For the period from incorportion (March 13, 2019) to June 30, 2019
CASH FROM OPERATING ACTIVITIES:		
Net loss for the period	**$ (2,548,591)**	$ (1,899,714)
Items not involving cash:		
Share-based compensation (Note 12)	**344,406**	85,870
Bonus paid in shares (Note 11(b))	**-**	1,400,000
Amortization (Notes 6 and 8)	**56,617**	-
Accrued interest on loans receivable (Note 5)	**(25,086)**	-
Accrued interest on loans payable (Note 9)	**13,053**	-
	(2,159,601)	(413,844)
Net change in non-cash working capital (Note 3)	**(443,537)**	413,844
Net cash flows from operating activities	**(2,603,138)**	-
CASH FROM FINANCING ACTIVITIES:		
Regulation A Offering (Note 11(b))	**12,877,575**	-
Unit issue costs (Note 11(b))	**(1,601,184)**	-
Exercise of options (Note 11(b))	**30,000**	-
Repayment of lease liability (Note 10)	**(20,531)**	-
Loan received (Note 9)	**6,328**	-
Loan repayments (Note 9)	**(1,049,535)**	-
Net cash flows from financing activities	**10,242,653**	-
CASH FROM INVESTING ACTIVITIES:		
Loans provided (Note 5)	**(1,195,811)**	-
Advances (Note 5)	**(401,237)**	-
Acquisition of equipment (Note 6)	**(83,416)**	-
Net cash flow from investing activities	**(1,680,464)**	-
Effect of exchange rate change	**69,224**	-
CHANGE IN CASH DURING THE PERIOD	**6,028,275**	-
CASH, beginning of the period	**159,797**	-
CASH, end of the period	**$ 6,188,072**	$ -

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Flora Growth Corp. (the "Company" or "Flora") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation, on March 13, 2019. The Company is focused on developing business for the purpose of cultivating, processing and supplying all natural, medicinal-grade cannabis oil, cannabis oil extracts and related products to large channel distributors, including pharmacies, medical clinics, and cosmetic companies. The Company's head office is located at 65 Queen Street West, Suite 800, Toronto, Ontario, M5H 2M5, Canada.

Going concern

These interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. It will need to raise additional capital in the near term to fund its ongoing operations and business activities. While the Company has engaged in an offering of units (Notes 11(b) and 19), there is no assurance of the amount of financing that will be received. There is also no assurance that other financings will be available on terms acceptable to the Company or at all.

These interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and classifications in the interim condensed consolidated statement of financial position that may be necessary were the Company unable to continue as a going concern and these adjustments could be material.

The business of cannabis growth and development of Cannabidiol ("CBD") oils involves a high degree of risk and there can be no assurance that current business development programs will result in profitable cannabis operations. The Company's continued existence is dependent upon the acquisition of assets, preservation of its interest in the underlying assets, acquisition of various licenses, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its assets and operations on an advantageous basis.

The Company does not have any operating assets that generate revenues and incurred a net loss of $2,548,591 during the six months ended June 30, 2020 (net loss of $1,899,714 for the period from March 13, 2019 to June 30, 2019). These conditions indicate the existence of material uncertainties which cast substantial doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

These interim condensed consolidated financial statements have been prepared by management in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These financial statements do not include all notes of the type normally included within the annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Company for the period from March 13, 2019 (incorporation) to December 31, 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

These interim condensed consolidated interim financial statements have been prepared following the same accounting policies used in the preparation of the audited financial statements of the Company for the period from March 13, 2019 (incorporation) to December 31, 2019, with the exception of the adoption of amendments to accounting standards as described below.

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on September 25, 2020.

Basis of consolidation

These interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries, Cosechemos YA S.A.S. (90% owned) and Flora Growth Corp. Sucursal Colombia (100% owned), which was incorporated on March 20, 2020. All significant intercompany balances and transactions were eliminated on consolidation. Subsidiaries are entities the Company controls when it is exposed, or has rights, to variable returns from its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(expressed in United States dollars)

Basis of measurement

The interim condensed consolidated financial statements of the Company have been prepared on an accrual basis, and are based on historical cost.

Foreign currency translation

The presentation currency and functional currency of the Company is the United States dollar. The functional currency of Cosechemos YA S.A.S. and Flora Growth Corp. Sucursal Colombia is the Colombian Peso.

New accounting standards

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2020 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The adoption of IAS 1 on January 1, 2020 did not have a material impact on the Company's interim condensed consolidated financial statements.

3. RESTRICTED CASH

Restricted cash consists of cash held by the Company's escrow agent in relation to the investments made by the potential investors that have not passed clearance requirements for the subscription of the Company's capital as of June 30, 2020. The corresponding amount has been recorded in accounts payable, and represents a non-cash transaction. See Note 19 for units issued subsequent to June 30, 2020.

4. AMOUNTS RECEIVABLE

The amounts receivable balance as at June 30, 2020 and December 31, 2019 consists of amounts receivable from the Government of Canada for Harmonized Sales Taxes ("HST") and sundry receivables.

	June 30, 2020	December 31, 2019
HST receivable	$ 223,477	$ 18,840
Sundry receivables	7,481	1,561
Total	$ 230,958	$ 20,401

5. LOANS RECEIVABLE AND ADVANCES

Loans Receivable

The Company has granted a loan to Kasa Wholefoods Company S.A.S ("Kasa"). The loan accrues interest with an annual interest rate of 5%, is unsecured, and is payable on demand. As at June 30, 2020, the Company has a loan receivable of $218,324 (December 31, 2019 - $91,087) of which $216,000 (December 31, 2019 - $91,000) is principal and $2,324 (December 31, 2019 - $87) is interest.

The Company has granted a loan of $1,000,000 to Newdene Gold Inc. ("Newdene"). The loan accrues interest with an annual interest rate of 6%, and is payable six months following the closing date of February 12, 2020. The loan is secured by a securities pledge agreement in favor of the Company creating a security interest of 2,000,000 common shares in the capital of Flora. As at June 30, 2020, the Company has a loan receivable of $1,022,849 (December 31, 2019 - nil) of which $1,000,000 (December 31, 2019 - nil) is principal and $22,849 (December 31, 2019 - nil) is interest. Subsequent to the period end, the loan was extended for another six months on the same terms.

The Company has granted a loan of CAD$100,000 ($70,811) to Consultancies and Consultancies of Latam by GM LLC ("Consultancies"). The loan accrues interest with an annual interest rate of 5%, and is payable sixty days following the closing date of April 17, 2020. As at June 30, 2020, the Company has a loan receivable of CAD$100,000 ($73,380) (December 31, 2019 - nil) of which $73,380 (December 31, 2019 - nil) is principal and nil (December 31, 2019 - nil) is interest. Subsequent to the period end, the loan was extended for another four months on the same terms.

(expressed in United States dollars)

5. LOANS RECEIVABLE AND ADVANCES (CONTINUED)

Advances

During the six-month period ended June 30, 2020, the Company made the following advances:

- $55,734 to Flora Beauty LLC ("Beauty");
- $131,579 to Grupo Farmaceutico Cronomed S.A.S. ("Cronomed")**;**
- $189,484 to Breeze Laboratory S.A.S. ("Breeze")**;**
- $24,440 to Kasa.

These advances are non-interest bearing, are unsecured, and due on demand.

6. PROPERTY, PLANT AND EQUIPMENT

Cost	Construction in progress	Office equipment	Vehicle	Right of use asset (land)	Total
As at March 13, 2019	$ -	$ -	$ -	$ -	$ -
Additions	99,556	715	39,903	-	140,174
Asset acquisition (Note 7)	-	609	-	288,111	288,720
Foreign exchange translation	3,602	249	1,444	17,537	22,832
Cost as at December 31, 2019	**$ 103,158**	**$ 1,573**	**$ 41,347**	**$ 305,648**	**$ 451,726**
Additions	35,007	48,409	-	-	83,416
Foreign exchange translation	(13,956)	(1,549)	(5,299)	(39,174)	(59,978)
Cost as at June 30, 2020	**$ 124,209**	**$ 48,433**	**$ 36,048**	**$ 266,474**	**$ 475,164**
Accumulated depreciation					
As at March 13, 2019	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Depreciation	-	(1,370)	(333)	(13,133)	(14,836)
Foreign exchange translation	-	(22)	(12)	(2,336)	(2,370)
Accumulated depreciation as at December 31, 2019	**$ -**	**$ (1,392)**	**$ (345)**	**$ (15,469)**	**$ (17,206)**
Depreciation	-	(7,975)	(1,027)	(21,147)	(30,149)
Foreign exchange translation	-	1,447	(731)	2,009	2,725
Accumulated depreciation as at June 30, 2020	**$ -**	**$ (7,920)**	**$ (2,103)**	**$ (34,607)**	**$ (44,630)**
Net book value					
As at December 31, 2019	**$ 103,158**	**$ 181**	**$ 41,002**	**$ 290,179**	**$ 434,520**
As at June 30, 2020	**$ 124,209**	**$ 40,513**	**$ 33,945**	**$ 231,867**	**$ 430,534**

The Company is constructing greenhouses in Colombia, the expenditures for which are recorded as construction in progress which is not currently being depreciated. Depreciation will commence when construction is complete, and the facility is available for its intended use. All of the Company's property, plant and equipment is domiciled in Colombia.

(expressed in United States dollars)

7. ASSET ACQUISITION

Acquisition of Cosechemos YA S.A.S (the "Acquisition")

On July 16, 2019, the Company signed a share purchase agreement with Guillermo Andres Ramirez Martinez, Guillermo Ramirez Cabrales and Oscar Mauricio Franco Ulloa, collectively, the "Vendors", to purchase 90% of Cosechemos. Pursuant to the share purchase agreement, Flora acquired 4,500 shares of Cosechemos on October 15, 2019. As consideration for the Cosechemos shares, Flora agreed to (i) pay $80,000 to the Vendors, and (ii) grant the Vendors a 10% non-dilutive, free carried interest in Cosechemos, the ("Free Carry"). Pursuant to the agreement, Flora is required to pay the Vendors, as a one-time payment, $750,000 within 60 days of Cosechemos earning a net income of $10,000,000. On October 15, 2019, $80,000 was paid to the Vendors for the purchase of 90% of Cosechemos.

The Free Carry will terminate upon Flora investing an aggregate of $25,000,000 in Cosechemos.

The asset acquisition was recorded at 100% of the fair value of the net assets acquired with 10% attributable to the non-controlling interest.

The allocation of the consideration to the fair value of 100% of the net assets acquired at the date of acquisition is as follows:

	$
Current assets	233,288
Property and equipment	609
Right of use asset	288,111
Intangible asset	259,019
Trade and other payables	(102,892)
Loans payable	(299,022)
Lease liability	(290,224)
Non-controlling interest	(8,889)
Total consideration paid	80,000

8. INTANGIBLE ASSET

A continuity of the intangible assets for the period ended June 30, 2020 is as follows:

	$
Balance, March 13, 2019	-
Acquisition of license (Note 9)	259,019
Amortization	(11,029)
Foreign currency translation	5
Balance, December 31, 2019	**247,995**
Amortization	**(26,468)**
Foreign currency translation	**(217)**
Balance, June 30, 2020	**221,310**

The Company's license is for the production of non-psychoactive cannabis products on its property located in Colombia. See Note 10.

(expressed in United States dollars)

9. LOANS PAYABLE

The Company entered into a loan agreement with QuestCap Inc. (formerly Copper One Inc.) for an amount up to $500,000 of which $497,514 of principal was drawn down prior repayment (December 31, 2019 - $497,514). The loan was a United States dollar loan which bore interest at 10% annually, was unsecured, and was payable on demand. As at December 31, 2019, the interest payable on the loan was $15,784. Stan Bharti and Deborah Battiston are the Chairman and Chief Financial Officer, respectively, of the Company and of QuestCap. These funds were sent to provide support to Cosechemos and to provide working capital for the Company. On January 31, 2020, the loan was repaid in the amount of $521,341; $497,514 to principal and $23,827 to interest.

The Company entered into a loan agreement with Sulliden Mining Capital Inc. for an amount up to $525,000 of which $501,941 of principal was drawn down prior to repayment (December 31, 2019 - $495,613). The loan was a United States dollar loan which bore interest at 12% annually, was unsecured, and was due on March 31, 2020. As at December 31, 2019, the interest payable on the loan was $3,681. Stan Bharti and Deborah Battiston are the Chairman and Chief Financial Officer, respectively, of the Company and Interim Chief Executive Officer and Chief Financial Officer, respectively of Sulliden Mining. These funds were sent to provide support to Cosechemos and to provide working capital for the Company. On January 31, 2020, the loan was repaid in the amount of $510,557; $501,941 to principal and $8,616 to interest.

The Company entered into a loan agreement with Q Gold Resources Ltd. for an amount of $16,667. The loan bore interest at 10% annually, was unsecured, and was payable on demand. As at December 31, 2019, the interest payable on the loan was $895. Deborah Battiston is the Chief Financial Officer and Fred Leigh is a director of the Company. Deborah Battiston is the Chief Financial Officer and Fred Leigh is the Chief Executive Officer and a director of Q Gold. These funds were sent to provide support to Cosechemos and to provide working capital for the Company. On March 6, 2020, the loan was repaid in the amount of $17,637; $16,667 to principal and $970 to interest.

10. LEASE LIABILITY

The Company entered into a land lease for 361 hectares of property in the municipality of Giron, in Santander, Colombia. The land is subject to a 6-year lease and is recorded as a right of use asset in property, plant and equipment. The discount rate used to calculate the lease liability is 5.2%.

A continuity of lease liability for the period ended June 30, 2020 is as follows:

As at December 31, 2019	**$298,573**
Lease payments	(27,094)
Interest expense on lease liability	6,563
Foreign currency translation	(37,896)
As at June 30, 2020	**$240,146**

The maturity analysis of the undiscounted contractual balances of the lease liability is as follows:

Less than one year	$ 63,920
One to five years	202,870
Potential exposure on extension option (over 5 years) (i)	320,322
	$587,112

(i) There is an option to extend the lease in the event that neither the lessee nor the lessor terminates the lease, for an additional five years.

11. CAPITAL STOCK

a. Authorized

Unlimited number of common shares, without par value

(expressed in United States dollars)

11. CAPITAL STOCK (CONTINUED)

b. Common shares issued

	Number of shares	Stated value $
Balance, March 13, 2019	-	$ -
Bonus shares	70,000,000	1,400,000
Balance, June 30, 2019 and December 31, 2019	70,000,000	$ 1,400,000
Regulation A Offering	17,170,100	10,984,300
Share issuance costs	-	(1,365,276)
Stock options exercised	600,000	37,360
Balance, June 30, 2020	**87,770,100**	**$11,056,384**

On June 27, 2019, the Company granted bonuses of $1,400,000 to consultants, directors and officers of the Company. The bonuses were settled by the issuance of 70,000,000 common shares at a price of $0.02 per share for a value of $1,400,000 based on the value of services agreed upon by the consultants, directors, officers and the Company. Of the 70,000,000 common shares issued, a total of 14,950,000 common shares with a value of $299,000 were granted to the directors and officers of the Company (See Note 14).

REGULATION A OFFERING

During the six months ended June 30, 2020, the Company announced an offering up to 40,000,000 (the "Maximum Offering") units (the "Units") of the Company to be sold in a Regulation A offering circular under the Securities Act of 1933 (the "Offering"). Each Unit is comprised of one common share in the capital of the Company, with no par value per share (a "Common Share"), and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant") to purchase one additional Common Share (a "Warrant Share") at an exercise price of $1.00 per Warrant Share, subject to certain adjustments, over an 18-month exercise period following the date of issuance of the Warrant. The Units are being offered at a purchase price of $0.75 per Unit. Flora is selling the Units through a Tier 2 offering pursuant to Regulation A (Regulation A+) under the Securities Act of 1933. There is no assurance the Maximum Offering will be completed. During the six months ended June 30, 2020, the Company has issued 17,170,100 units of the Company at a price of $0.75 per unit. In connection with the closing, the Company has paid unit issuance costs of $1,601,184 in cash. The issue date fair value of the warrants was estimated at $1,893,275 using the Black Scholes option pricing model with the following weighted average assumptions: expected dividend yield of 0%; expected volatility of 100% based comparable companies; risk-free interest rate of 0.96% and an expected life of 1.5 years.

On March 9, 2020, 600,000 stock options were exercised for gross proceeds of $30,000.

12. OPTIONS

The Company has a stock option plan whereby it may grant options for the purchase of common shares to any director, consultant, employee or officer of the Company or its subsidiaries. The aggregate number of shares that may be issuable pursuant to options granted under the Company's stock option plan will not exceed 10% of the issued common shares of the Company (the "Shares") at the date of grant. The options are non-transferable and non-assignable and may be granted for a term not exceeding five years. The exercise price of the options will be determined by the board at the time of grant, but in the event that the Shares are traded on any stock exchange (the "Exchange"), may not be less than the closing price of the Shares on the Exchange on the trading date immediately preceding the date of grant, subject to all applicable regulatory requirements.

Information relating to share options outstanding and exercisable as at June 30, 2020 and December 31, 2019 is as follows:

	Number of options	Weighted average exercise price
Balance, March 13, 2019	-	$ -
Granted	7,000,000	0.05
Balance, June 30, 2019 and December 31, 2019	**7,000,000**	**$ 0.05**
Granted	**750,000**	**0.75**
Exercised	**(600,000)**	**0.05**
Balance, June 30, 2020	**7,150,000**	**$ 0.12**

(expressed in United States dollars)

12. OPTIONS (CONTINUED)

Date of expiry	Options outstanding	Options exercisable	Exercise price	Grant date fair value		Remaining life in years
June 28, 2024	6,400,000	6,400,000	$0.05	$	78,510	4.00
April 23,2025	750,000	750,000	$0.75		344,406	4.82
	7,150,000	7,150,000	$0.12	$	422,916	4.08

On June 28, 2019, the Company granted 7,000,000 options to directors, officers and consultants of the Company with an exercise price of $0.05 per common share. The options vested immediately. The fair market value of the options was estimated to be $85,870 using the Black Scholes option pricing model based on the following assumptions: risk-free rate of 1.39%, estimated current stock price of $0.02, expected volatility of 100% based on comparable companies, an estimated life of 5 years and an expected dividend yield of 0%. Of the 7,000,000 options granted, 3,800,000 options with a value of $46,615 were granted to the directors and officers of the Company (See Note 14).

On April 23, 2020, the Company granted 750,000 options to officers, employees and consultants of the Company with an exercise price of $0.75 per common share. The options vested immediately. The fair market value of the options was estimated to be $344,406 using the Black Scholes option pricing model based on the following assumptions: risk-free rate of 0.45%, estimated current stock price of $0.64, expected volatility of 100% based on comparable companies, an estimated life of 5 years and an expected dividend yield of 0%.

13. WARRANTS

On March 15, 2019, the Company granted 7,000,000 founder warrants of the Company with an exercise price of $0.05 per common share. The fair market value of the warrants was estimated to be $Nil using the Black Scholes option pricing model based on the following assumptions: risk-free rate of 1.63%, estimated current stock price of $Nil, expected volatility of 100%, based on comparable companies, an estimated life of 3 years and an expected dividend yield of 0%. A total of 7,000,000 warrants with a value of $Nil were granted to the directors and officers of the Company (See Note 14).

See Note 11(b) for warrants issued under Regulation A offering.

	Number of warrants	Weighted average exercise price
Balance, March 13, 2019	-	$ -
Granted	7,000,000	0.05
Balance, June 30, 2019 and December 31, 2019	**7,000,000**	**$ 0.05**
Granted (Note 11(b))	**8,585,050**	**1.00**
Balance, June 30, 2020	**15,585,050**	**$ 0.57**

(expressed in United States dollars)

13. WARRANTS (CONTINUED)

The following table shows all warrants outstanding as at June 30, 2020:

Date of expiry	Warrants outstanding	Exercise price	Grant date fair value	Remaining life in years
March 15, 2022	7,000,000	$ 0.05	$ -	1.71
July 23, 2021	1,232,600	1.00	272,397	1.06
July 28, 2021	1,155,050	1.00	255,259	1.08
August 3, 2021	216,400	1.00	47,823	1.09
August 5, 2021	428,200	1.00	94,629	1.10
August 7, 2021	92,800	1.00	20,508	1.10
August 11, 2021	660,000	1.00	145,856	1.12
August 14, 2021	304,000	1.00	67,182	1.12
August 19, 2021	213,600	1.00	47,204	1.14
August 24, 2021	560,000	1.00	123,756	1.15
August 26, 2021	381,600	1.00	84,331	1.16
September 3, 2021	265,400	1.00	58,652	1.18
September 5, 2021	112,000	1.00	24,751	1.18
September 9, 2021	25,600	1.00	5,657	1.19
September 10, 2021	56,400	1.00	12,464	1.20
September 11, 2021	68,200	1.00	15,072	1.20
September 16, 2021	58,800	1.00	12,994	1.21
September 18, 2021	59,200	1.00	13,083	1.22
September 20, 2021	226,400	1.00	50,033	1.22
September 23, 2021	69,200	1.00	15,293	1.23
September 24, 2021	18,800	1.00	4,155	1.24
September 30, 2021	111,400	1.00	24,619	1.25
October 2, 2021	60,400	1.00	13,242	1.26
October 6, 2021	43,200	1.00	9,471	1.27
October 7, 2021	35,800	1.00	7,849	1.27
October 14, 2021	83,400	1.00	18,285	1.29
October 20, 2021	220,200	1.00	48,278	1.31
October 27, 2021	225,000	1.00	49,330	1.33
November 1, 2021	184,600	1.00	40,473	1.34
November 12, 2021	158,000	1.00	34,641	1.37
November 15, 2021	247,600	1.00	54,285	1.38
November 22, 2021	154,400	1.00	33,852	1.40
December 1, 2021	172,800	1.00	37,886	1.42
December 3, 2021	140,800	1.00	30,870	1.43
December 10, 2021	166,000	1.00	36,395	1.45
December 16, 2021	160,200	1.00	35,123	1.46
December 24, 2021	165,800	1.00	36,351	1.48
December 29, 2021	51,200	1.00	11,225	1.50
	15,585,050	$ 0.57	$ 1,893,275	1.42

(expressed in United States dollars)

14. RELATED PARTY DISCLOSURES

Key management personnel compensation

In addition to their contracted fees, directors and officers also participate in the Company's stock option program. Certain executive officers are subject to termination notices of twenty-four months to thirty-six months and change of control contingent provisions (Note 15). Key management personnel compensation is comprised of the following, see Notes 11(b), 12, 13.

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Period from incorporation on March 13, 2019 to June 30, 2019
Directors & officers' compensation	$ 81,347	$ 80,231	$ 157,638	$ 95,759
Share-based payments	-	345,615	-	345,615
	$ 81,347	$ 425,846	$ 157,638	$ 441,374

As at June 30, 2020, nil of the above directors' and officers' compensation was included in the trade payables and accrued liabilities (December 31, 2019 - $557,165). These amounts are unsecured, non-interest bearing and due on demand.

During the six months period ended June 30, 2020, the Company incurred expenses for consulting, rent and promotion services in the amount of $65,988 (period from March 13, 2019 to June 30, 2019 - $43,105) from 2227929 Ontario Inc.

During the three months period ended June 30, 2020, the Company incurred expenses for consulting, rent and promotion services in the amount of $33,493 from 2227929 Ontario Inc.

During the three months period ended June 30, 2020, the Company incurred expenses for consulting, rent and promotion services in the amount of $33,493 (June 30, 2019 - $41,039) from 2227929 Ontario Inc.

As at June 30, 2020, nil (December 31, 2019 - $143,710) was owing to 2227929 Ontario Inc. and nil (December 31, 2019 - $119,758) was owing to Forbes and Manhattan and was included in trade payables and accrued liabilities, and are unsecured, non-interest bearing and due on demand. Fred Leigh is a director of the Company and is also a director and officer of 2227929 Ontario Inc. Stan Bharti is a director of the Company and is also a director of Forbes and Manhattan.

See Note 9 for loans payable to related parties.

15. COMMITMENTS AND CONTINGENCIES

Management contracts

The Company is party to certain management contracts. Currently, these contracts require payments of CAD$2,232,000 (approximately $1,638,000 USD) to be made upon the occurrence of a change in control to the officers of the Company. The Company is also committed to payments upon termination of approximately CAD$1,639,000 (approximately $1,203,000 USD) pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these interim condensed consolidated financial statements.

Shared services and space commitment

The Company has an agreement to share general and administrative, promotion, corporate development, consulting services, and office space with other companies at a cost of CAD$15,000 per month, with a minimum commitment of CAD$45,000. This agreement may be terminated by either party giving at least 90 days' prior written notice (or such shorter period as the parties may mutually agree upon) to the other party of termination. These services are provided by 2227929 Ontario Inc. (Note 14).

(expressed in United States dollars)

16. LOSS PER SHARE

The following securities were not included in the computation of diluted shares outstanding because the effect would be anti-dilutive:

June 30, 2020	
Stock options (Note 12)	7,150,000
Warrants (Note 13)	15,585,050
	22,735,050

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Environmental

The Company's growth and development activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Fair value

The Company's financial instruments measured at amortized cost as at June 30, 2020 and December 31, 2019, consist of cash and restricted cash, amounts receivable, loans receivable, advances, trade payables and accrued liabilities, and loans payable. The amounts reflected in the interim condensed consolidated statements of financial position approximate fair value due to the short term maturity of these instruments.

Financial instruments recorded at the reporting date at fair value are classified into one of three levels based upon the fair value hierarchy. Items are categorized based on inputs used to derive fair value based on:

Level 1 - quoted prices that are unadjusted in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in level 1 that are observable for the asset/liability either directly or indirectly; and
Level 3 - inputs for the instruments are not based on any observable market data.

The Company had no financial instruments recorded at fair value in the interim condensed consolidated statement of financial position at June 30, 2020 or December 31, 2019.

Fair value estimates are made at the relevant transaction date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Risk management overview

The Company has exposure to credit, liquidity and market risks from its use of financial instruments. This note provides information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these interim condensed consolidated financial statements.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loan receivable, advances, and cash and restricted cash held with banks and other financial intermediaries.

The carrying amount of the cash and restricted cash, advances, and loan receivable represents the maximum credit exposure which amounted to $8,420,118 as at June 30, 2020 (December 31, 2019 - $250,884).

(expressed in United States dollars)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

The Company has assessed that there has been no significant increase in credit risk of the loans receivable and advances from initial recognition based on the financial position of the borrowers, and the regulatory and economic environment of the borrowers. As a result, the loss allowance recognized during the period was limited to 12 months expected credit losses. Based on historical information, and adjusted for forward-looking expectations, the Company has assessed an insignificant loss allowance on the loans receivable and advances as at June 30, 2020 and December 31, 2019.

The Company held cash and restricted cash of $6,704,328 at June 30, 2020 (December 31, 2019 - $159,797), of which, $5,876,002 (December 31, 2019 – nil) is held with central banks and financial institution counterparties that are highly rated. $516,256 (December 31, 2019 – nil) is held in a trust account. The remaining amount of $312,070 (December 31, 2019 - $159,797) is held with a financial intermediary in Colombia. The Company has assessed no significant increase in credit risk from initial recognition based on the availability of funds, and the regulatory and economic environment of the financial intermediary. As a result, the loss allowance recognized during the period was limited to 12 months expected credit losses. Based on historical information, and adjusted for forward-looking expectations, the Company has assessed an insignificant loss allowance on this cash balance as at June 30, 2020 and December 31, 2019.

Market risk

Market risk is the risk that changes in market conditions, such as commodity prices, foreign exchange rates, and interest rates, will affect the Company's net income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing the Company's returns.

Foreign exchange risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company does not currently use foreign exchange contracts to hedge its exposure to currency rate risk as management has determined that this risk is not significant at this point in time. As such, the Company's financial position and financial results may be adversely affected by the unfavorable fluctuations in currency exchange rates.

As at June 30, 2020, the Company had the following monetary assets and liabilities denominated in foreign currencies:

June 30, 2020	**CAD**	**COP**
Cash	$ 223,350	1,173,041,789
Loans receivable	100,000	1,326,496,036
Amounts receivable	302,767	28,120,092
Trade payables	(826,639)	(262,919,485)
Accrued liabilities	182,201	-
Lease liability	-	(902,689,236)
	$ (18,321)	1,362,049,196

As at December 31, 2019, the Company had the following monetary assets and liabilities denominated in foreign currencies:

December 31, 2019	**CAD**	**COP**
Cash	$ -	523,676,716
Amounts receivable	18,518	5,115,000
Trade payables	(384,767)	(247,758,338)
Accrued liabilities	(791,485)	-
Lease liability	-	(978,464,861)
	$(1,157,734)	(697,431,483)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market risk (Continued)

Monetary assets and liabilities denominated in Canadian dollars and Colombian pesos are subject to foreign currency risk. As at June 30, 2020, had the United States dollar weakened/strengthened by 5% against the Canadian dollar with all other variables held constant, there would have been a change of approximately $1,000 (December 31, 2019 - $45,000) in the Company's net loss. As at June 30, 2020, had the United States dollar weakened/strengthened by 5% against the Colombian peso with all other variables held constant, there would have been a change of approximately $500 (December 31, 2019 - $8,000) in the Company's other comprehensive income.

It is management's opinion that the Company is not subject to significant commodity or interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's financial liabilities consist of trade payables and accrued liabilities of $1,232,062 and lease liability of $240,146 as at June 30, 2020. The Company had cash and restricted cash of $6,704,328 as at June 30, 2020. The Company's policy is to review liquidity resources and ensure that sufficient funds are available to meet financial obligations as they become due. Further, the Company's management is responsible for ensuring funds exist and are readily accessible to support business opportunities as they arise.

Trade payables and accrued liabilities consist of invoices payable to trade suppliers for administration and professional expenditures. The Company processes invoices within a normal payment period. Trade payables have contractual maturities of less than 90 days.

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

18. CAPITAL MANAGEMENT

The Company considers the aggregate of its common shares, options, warrants and deficit as capital. The Company's objective, when managing capital, is to ensure sufficient resources are available to meet day to day operating requirements and to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

At June 30, 2020 and December 31, 2019, the Company has no cash-generating operations; therefore, the only source of cash flow is generated from financing activities. The Company's officers and senior management are in the process of searching for additional business opportunities. Potential business activities are appropriately evaluated by senior management and a formal review and approval process has been established at the Board of Directors' level. The Company may enter into new financing arrangements to meet its objectives for managing capital, until such time as a viable business activity is operational and the Company can thereby internally generate sufficient capital to cover its operational requirements.

The Company's officers and senior management take full responsibility for managing the Company's capital and do so through quarterly meetings and regular review of financial information. The Company's Board of Directors is responsible for overseeing this process.

19. SUBSEQUENT EVENTS

REGULATION A OFFERING

Subsequent to June 30, 2020, the Company issued 7,441,760 units of the Company at a price of $0.75 per unit for gross proceeds of $5,581,320. Each Unit is comprised of one common share in the capital of the Company, with no par value per share, and one-half of one Common Share purchase warrant to purchase one additional Common Share at an exercise price of $1.00 per Warrant Share, subject to certain adjustments, over an 18-month exercise period following the date of issuance of the Warrant. Flora is selling the Units through a Tier 2 offering pursuant to Regulation A (Regulation A+) under the Securities Act of 1933. As at September 25, 2020, the balance of funds held in the escrow account is $4,175,468.

Subsequent to June 30, 2020, the Company issued 1,050,000 stock options of the Company at a price of $0.75 to employees and consultants of the Company.

Item 4. Exhibits

Exhibit No.	Description
EX1A-2.1#	Certificate of Incorporation of Flora Growth Corp.
EX1A-2.2#	Bylaws of Flora Growth Corp.
EX1A-4.1+	Form of Subscription Agreement.
EX1A-4.2#	Form of Common Share Purchase Warrant.
EX1A-6.1#	Consulting Agreement dated March 14, 2019 between Flora Growth Corp. and Forbes & Manhattan, Inc.
EX1A-6.2#	Consulting Agreement dated March 14, 2019 between Flora Growth Corp. and Stan Bharti.
EX1A-6.3#	Consulting Agreement dated March 14, 2019 between Flora Growth Corp. and Damian Lopez.
EX1A-6.4#	Consulting Agreement dated March 14, 2019 between Flora Growth Corp. and Jadan Consulting Corporation.
EX1A-6.5#	Consulting Agreement dated September 11, 2019 between Flora Growth Corp. and Orlando Bustos.
EX1A-6.6#	Form of Founder Warrant to Purchase Common Shares of Flora Growth Corp.
EXA1-6.7#	Broker-Dealer Agreement dated September 6, 2019 between Flora Growth Corp. and Dalmore Group, LLC.
EX1A-6.8#	Consulting Agreement dated September 6, 2019 between Flora Growth Corp. and DALV Consulting, LLC.
EX1A-6.9#	Shared Costs Services Agreement dated March 14, 2019 between Flora Growth Corp. and 2227929 Ontario Inc.
EX1A-6.10#	Promissory Lease With Option to Sale and Purchase Agreement dated December 27, 2018 between Cosechemos YA S.A.S. and Waldshut C.V.
EX1A-6.11#	Promissory Lease With Option to Sale and Purchase Agreement dated December 27, 2018 between Cosechemos YA S.A.S. and Vicalvaro C.V.
EX1A-6.12#	Lease Agreement dated May 2, 2018 between Cosechemos YA S.A.S. and C.I Gramulaz S.C.A
EX1A-6.13+	Amendment to Lease Agreement dated September 1, 2019 between Cosechemos YA S.A.S. and C.I Gramulaz S.C.A.
EX1A-6.14#	Loan Agreement dated August 6, 2019 between Flora Growth Corp. and Copper One Inc., as amended on September 12, 2019.

Exhibit No.	Description
EX1A-6.15#	Shareholders' Agreement dated October 2, 2019 among Flora Growth Corp., Guillermo Andres Ramirez Martinez, Guillermo Ramirez Cabrales and Oscar Mauricio Franco Ulloa.
EX1A-6.16#	Flora Growth Corp. Stock Option Plan.
EX1A-6.17#	Form of Stock Option Agreement.
EX1A-6.18+	Amendment to Promissory Lease With Option to Sale and Purchase Agreement dated November 1, 2019 between Cosechemos YA S.A.S. and Waldshut C.V.
EX1A-6.19+	Amendment to Promissory Lease With Option to Sale and Purchase Agreement dated November 1, 2019 between Cosechemos YA S.A.S. and Vicalvaro C.V.
EX1A-6.20*	Loan Agreement dated February 12, 2020 between Flora Growth Corp. and Newdene Gold Inc.
EX1A-6.21*	Independent Contractor Agreement dated April 5, 2020 between Flora Growth Corp. and Evan Veryard.
EX1A-6.22*	Independent Contractor Agreement dated January 1, 2020 between Flora Growth Corp. and Pedra da Gavea Co. Ltd.
EX1A-6.23†	Loan Agreement dated November 6, 2019 between Flora Growth Corp. and Sulliden Mining Capital Inc.
EX1A-6.24†	Promissory Note No. 101 dated June 1, 2020 between Flora Growth Corp. and Kasa Wholefoods Company SAS
EX1A-6.25†	Loan Agreement dated April 17, 2020 between Flora Growth Corp. and Consultances and Consultancies of Latam by GM LLC
EX1A-6.26†	Loan Agreement dated June 18, 2019 between Flora Growth Corp. and Q-Gold Resources Ltd.
EX1A-7.1#	Share Purchase Agreement dated July 16, 2019 among Flora Growth Corp., Guillermo Andres Ramirez Martinez, Guillermo Ramirez Cabrales and Oscar Mauricio Franco Ulloa.
EX1A-10.1#	Power of Attorney.
EX1A-11.1+	Consent of McGovern Hurley LLP previously filed as part of Part III of the Form 1-A/A filed with the SEC on November 21, 2019
EX1-A-11.1*	Consent of McGovern Hurley LLP previously filed as an exhibit to the Annual Report on Form 1-K filed with the United States Securities and Exchange Commission on April 29, 2020
EX1A-11.2+	Consent of RSM Colombia SAS.
EX1A-14.1#	Appointment of Agent for Service of Process.

† Filed herewith

\# Previously filed and incorporated by reference to the exhibits filed as part of Part III of the Form 1-A filed with the SEC on October 11, 2019.

\+ Previously filed and incorporated by reference to the exhibits filed as part of Part III of the Form 1-A/A filed with the SEC on November 21, 2019.

* Filed as an exhibit to the Annual Report on Form 1-K filed with the United States Securities and Exchange Commission on April 29, 2020 and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer had duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FLORA GROWTH CORP.

By: */ s/Damian Lopez*

Name: Damian Lopez

Title: Chief Executive Officer

Date: September 28, 2020

Pursuant to the requirements of Regulation A, this report has been signed below by the following persons on behalf of the issuer and in the capacities and on the dates indicated.

By: */s/Damian Lopez*

Name: Damian Lopez

Title: Chief Executive Officer

Date: September 28, 2020

By: */s/Deborah Battiston*

Name: Deborah Battiston

Title: Chief Financial Officer

Date September 28, 2020

LOAN AGREEMENT

FLORA GROWTH CORP., a corporation existing pursuant to the laws of the Province of Ontario (hereinafter referred to as the "**Borrower**")

OF THE FIRST PART

- and -

SULLIDEN MINING CAPITAL INC., a corporation existing pursuant to the laws of the Province of Ontario (hereinafter referred to as the "**Lender**")

OF THE SECOND PART

WHEREAS the Lender has agreed to lend, and the Borrower has agreed to borrow up to US$250,000 (the "**Loan**") subject to the terms and conditions contained in this Loan Agreement;

NOW THEREFORE in consideration of the mutual promises and covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. The Loan

The Lender hereby agrees to lend to the Borrower the principal sum of up to US$250,000 in lawful money of the United States of America (the "**Principal**"). The Borrower agrees that interest shall be calculated and payable at a rate of 12.0% per annum and any accrued interest shall be payable on the maturity date.

2. Repayment

The Borrower shall repay the outstanding Principal and all accrued interest in full by no later than March 31, 2020 (the "**Term**"). The Borrower may repay the Loan at any time prior to the end of the Term.

3. Use of Proceeds

The Borrower shall use the proceeds of the Loan solely for general corporate purposes.

4. Waivers Generally

No waiver of any right or remedy of the Lender hereunder shall be effective unless in writing and signed by the Lender and any waiver granted by the Lender shall be effective only to the extent and in the circumstances specified therein. No failure, delay or omission by the Lender to exercise or enforce any rights or remedies under this Loan Agreement shall constitute a waiver thereof or of any other rights or remedies of the Lender.

5. Events of Default

An event of default ("**Event of Default**") shall occur if:

a. The Borrower shall fail to pay to the Lender any amount of Principal, interest or any other amount when due and payable hereunder;

b. The Borrower shall fail to use the proceeds of the Loan exactly in accordance with the requirements set out in Section 3 hereunder;

c. The Borrower shall sell or attempt to sell all or substantially all its assets;

d. A creditor shall take or purport to take possession or to assert a prior claim, hypothec or lien in respect of any substantial part of the property of the Borrower and such procedure is not contested in good faith by the Borrower immediately upon such event, or if a lien, execution, distress or any process of any court be levied or enforced against any of the foregoing and remain unsatisfied for such period as would permit such property or such part thereof to be sold thereunder;

e. A resolution is passed or a petition filed for the wind-up or liquidation of the Borrower or if the Borrower institutes proceedings under any bankruptcy, insolvency or analogous law or is adjudicated as bankrupt or insolvent, or consents to (or fails to contest in good faith) the institution of bankruptcy or insolvency proceedings against it or makes (or serves notice of intention to make) any proposal under any bankruptcy, insolvency or analogous laws, or consents (or fails to contest in good faith) to the filing of any such petition or to the appointment of a receiver of, or of any substantial part of, the property of the Borrower or makes a general assignment for the benefit of creditors, or makes or agrees to make any bulk sale without complying with the provisions of any applicable bulk sale provision, or admits (in writing or otherwise) its inability to pay its debts generally as they become due, or ceases or threatens to cease to carry on business as a going concern, or takes corporate action in furtherance of any of the aforesaid purposes; or

f. In the event of any breach or default by the Borrower of its obligations, undertakings, covenants, representations and warranties pursuant to this Loan Agreement.

In each and every such Event of Default the Lender may, at its option, by written notice to the Borrower declare the Principal advanced pursuant to this Loan Agreement outstanding hereunder, together with all other amounts payable hereunder (including any interest thereon accrued and unpaid), to be due and payable and the same shall forthwith become immediately due and payable to the Lender, anything therein or herein to the contrary notwithstanding, and the Borrower shall pay forthwith to the Lender the amount of the Principal then outstanding and all other amounts payable hereunder, from the date of the said declaration until payment is received by the Lender.

Should an Event of Default occur, the Lender may, at its option, exercise its rights by any act, proceeding, recourse or procedure authorized or permitted by law and may file its proof and any other documents necessary or desirable so that the request of the Lender may be considered in any liquidation or other proceeding with respect to the Borrower.

6. Miscellaneous

No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

The delay or omission of the Lender to exercise any recourse mentioned above shall not invalidate any such recourse nor be interpreted as a waiver of any default hereunder.

The Borrower shall assume and pay all reasonable costs, charges and expenses including reasonable solicitors' costs, charges and expenses as between solicitor and his own client that may be incurred by the Lender in respect of any proceedings taken or things done by the Lender or on its behalf in connection with this Loan Agreement to collect all amounts due hereunder, and the Borrower shall consent to those costs, charges and expenses being charged.

7. Assigns, Successors and Governing Law

This Loan Agreement shall not be assignable by the Borrower without the prior written consent of the Lender. This Loan Agreement shall enure to the benefit of and be binding upon the respective successors of the Borrower and the Lender and the assigns of the Lender and the permitted assigns of the Borrower. This Loan Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

Dated as of the 6th day of November, 2019

FLORA GROWTH CORP.

By: /s/Damian Lopez
Authorized Signing Officer

SULLIDEN MINING CAPITAL INC.

By: /s/Deborah Battiston
Authorized Signing Officer

PAGARE No. 101

SANTIAGO MORA BAHAMON, mayor de edad, identificado con C.C. 1.020.727.140, actuando en calidad de representante legal de la empresa **KASA WHOLEFOODS COMPANY SAS,** una compañía regida por las leyes de la República de Colombia, constituida por documento privado No. 1 de asamblea de accionistas del 27 de junio de 2013, inscrita el 02 de julio de 2013 bajo el número 01744035 en la Cámara de Comercio de Bogotá, identificada con NIT. 900.636.525-1 (en adelante denominada en este documento como "KASA"), por medio del presente escrito manifiesto:

PRIMERA: Que debo y pagaré, incondicional y solidariamente a la orden de **FLORA GROWTH CORP. SUCURSAL COLOMBIA**, regida por las leyes de Colombia e identificada bajo el NIT 901.379.188-1, representada en este documento por el señor **JOSÉ REINALDO CASTELLANOS BERNAL** Ciudadano Colombiano domiciliado en la ciudad de Bogotá e identificado con la cedula de ciudadanía No. 19.158.484 de Bogotá. o, a la persona natural o jurídica a quien el mencionado acreedor ceda o endose sus derechos sobre este pagaré, la suma cierta de CIENTO VEINTICINCO MIL DÓLARES (US$125.000).

SEGUNDA: Que el pago total de la mencionada obligación se efectuará en un solo pago, el día _______ del mes de ___________ del año ________, en la calle 93B No. 13 – 50, oficina 101, ubicada en la ciudad de Bogotá D.C.

TERCERA: Que en caso de mora pagaré a **FLORA GROWTH CORP. SUCURSAL COLOMBIA**, o a la persona natural o jurídica a quien el mencionado acreedor ceda o endose sus derechos, intereses de mora a la más alta tasa permitida por la Ley, desde el día siguiente a la fecha de exigibilidad del presente pagare, y hasta cuando su pago total se efectúe.

PROMISSORY NOTE No. 101

SANTIAGO MORA BAHAMON, of legal age, identified with C.C. 1,136,880,358, acting as the legal representative of the company **KASA WHOLEFOODS COMPANY SAS**, a company governed by the laws of the Republic of Colombia, constituted by private document No. 1 of the shareholders' meeting of June 27, 2013, registered on July 02, 2013 under number 01744035 in the Chamber of Commerce of Bogotá, identified with NIT. 900.636.525-1, (hereinafter referred to in this document as "KASA"), by means of this manifest document:

FIRST: That I owe and will pay, unconditionally and in solidarity to the order of **FLORA GROWTH CORP. BRANCH COLOMBIA**, governed by the laws of Colombia and identified under NIT 901.379.188-1, represented in this document by **JOSÉ REINALDO CASTELLANOS BERNAL** Colombian citizen domiciled in the city of Bogotá and identified with citizenship ID No. 19.158. 484 from Bogotá. or, to the natural or legal person to whom the aforementioned creditor assigns or endorses his rights to this promissory note, the certain amount of ONE HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS (US$ 125,000).

SECOND: That the total payment of the aforementioned obligation will be made in a single payment, on the day _______________ of the month ___________________ of the year _______________, at Calle 93B No. 13 - 50, office 101, located in the city of Bogotá D.C.

THIRD: That in case of default I will pay **FLORA GROWTH CORP. BRANCH COLOMBIA**, or to the natural or legal person to whom the aforementioned creditor transfers or endorses his rights, default interest at the highest rate allowed by Law, from the day following the date of payment of this payable, and until when your full payment is made.

CUARTA: Expresamente declaro excusado el protesto del presente pagaré y los requerimientos judiciales o extrajudiciales para la constitución en mora.

En constancia de lo anterior, firmo el presente documento, el 1 de junio del año 2020.

FOURTH: I expressly declare excused the protest of the present promissory note and the judicial or extrajudicial requirements for the constitution in default.

In proof of the foregoing, I sign this document on June 1, 2020.

/s/ Santiago Mora Bahamon
SANTIAGO MORA BAHAMON
C.C. 1.020.727.140
Representante Legal /Legal Representative KASA WHOLEFOODS COMPANY SAS
NIT. / ID. 900.751.809-8
DEUDOR / DEBTOR

CARTA DE INSTRUCCIONES

Señores:
FLORA GROWTH CORP. SUCURSAL COLOMBIA
Bogotá- Colombia

REFERENCIA: AUTORIZACIÓN PARA LLENAR ESPACIOS EN BLANCO DEL PAGARE No. 101

SANTIAGO MORA BAHAMON, mayor de edad, identificado con C.C. 1.020.727.140, mayor de edad, actuando en representación de **KASA WHOLEFOODS COMPANY SAS**, una compañía regida por las leyes de la República de Colombia, constituida por documento privado No. 1 de asamblea de accionistas del 27 de junio de 2013, inscrita el 02 de julio de 2013 bajo el número 01744035 en la Cámara de Comercio de Bogotá, identificada con NIT. 900.636.525-1, por medio del presente escrito manifiesto que lo faculto a usted, de manera permanente e irrevocable para que, en caso de incumplimiento en el pago oportuno de alguna de las obligaciones que en mi calidad de deudor de **FLORA GROWTH CORP. SUCURSAL COLOMBIA**, regida por las leyes de Colombia e identificada bajo el NIT 901.379.188-1, representada en este documento por el señor **JOSÉ REINALDO CASTELLANOS BERNAL**, o, a la persona natural o jurídica a quien el mencionado acreedor ceda o endose sus derechos sobre este pagaré; sin previo aviso, proceda a llenar los espacios en blanco del pagaré No. 101, que he suscrito en la fecha a su favor y que se anexa, con el fin de convertir el pagaré, en un documento que presta mérito ejecutivo y que está sujeto a los parámetros legales del Artículo 622 del Código de Comercio, conforme con la siguiente precisión:

1. El espacio correspondiente a la fecha en que se debe hacer el pago se llenará con la fecha correspondiente al día en que sea llenado el pagaré, fecha que se entiende

INSTRUCTION LETTER

FLORA GROWTH CORP. BRANCH COLOMBIA
Bogota - Colombia

REFERENCE: AUTHORIZATION TO FILL IN BLANK SPACES OF PROMISSORY NOTE No. 101

SANTIAGO MORA BAHAMON, of legal age, identified with C.C. 1.020.727.140, of legal age, acting on behalf of **KASA WHOLEFOODS COMPANY SAS**, a company governed by the laws of the Republic of Colombia, constituted by private document No. 1 of the shareholders' meeting of June 27, 2013, registered on July 02, 2013 under number 01744035 in the Chamber of Commerce of Bogotá, identified with NIT. 900.636.525-1, by means of this manifest document that I empower you, permanently and irrevocably so that, in the event of failure to timely pay any of the obligations that in my capacity as debtor of **FLORA GROWTH CORP. BRANCH COLOMBIA**, governed by the laws of Colombia and identified under NIT 901.379.188-1, represented in this document by **JOSÉ REINALDO CASTELLANOS BERNAL**, or, to the natural or legal person to whom the aforementioned creditor assigns or endorses his rights on this promissory note; without prior notice, proceed to fill in the blanks of the promissory note No. 101, which I have signed on the date in your favor and which is attached, in order to convert the promissory note, into a document that provides executive merit and is subject to the legal parameters of Article 622 of the Commercial Code, in accordance with the following precision:

1. The space corresponding to the date on which the payment must be made will be filled with the date corresponding to the day

que es la de su vencimiento.

on which the promissory note is filled, which date is understood to be the due date.

En constancia de lo anterior, firmo el presente documento, el 1 de junio del año 2020.

In proof of the foregoing, I sign this document on June 1, 2020.

/s/ Santiago Mora Bahamon
SANTIAGO MORA BAHAMON
C.C. 1.020.727.140
Representante Legal / Legal Representative **KASA WHOLEFOODS COMPANY SAS**
NIT. 900.751.809-8
DEUDOR / DEBTOR

LOAN AGREEMENT

THIS LOAN AGREEMENT is dated as of April 17, 2020.

BETWEEN:

CONSULTANCES AND CONSULTANCIES OF LATAM BY GM LLC, a corporation existing pursuant to the laws of Delaware (the "**Borrower**")

AND:

FLORA GROWTH CORP., a corporation existing pursuant to the laws of the Provinces of Ontario

(the "**Lender**")

WHEREAS the Borrower has requested, and the Lender has agreed to provide a non-revolving term loan facility to the Borrower in a maximum principal amount of CAD$100,000 (the "**Loan**") on the terms and conditions of this Loan Agreement.

NOW THEREFORE this Loan Agreement witnesses that in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereto covenant and agree as follows:

1. Definitions

In this Loan Agreement, unless something in the subject matter or context is inconsistent therewith: "**Advance**" has the meaning ascribed to it in Section 2 below.

"**Business Day**" means a day on which banks are open for business in Toronto, Ontario but does not in any event include a Saturday or a Sunday.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ability to exercise voting power, by contract or otherwise.

"**Event of Default**" shall have the meaning ascribed to such term in Section 11.

"**Maturity Date**" has the meaning ascribed to it in Section 4 herein.

2. Availability

2.1 Unless otherwise agreed to by the Lender and the Borrower, and subject to the terms and conditions of this Loan Agreement, the Loan shall be advanced by way of one single advance (the "**Advance**") on the date hereof from the Borrower to the Lender, in an amount equal to CAD$100,000 to the following account:

Bank: [redacted]
Beneficiary: [redacted]
Account Number: [redacted]
Swift: [redacted]
Routing [redacted]
Address of Beneficiary: [redacted]
Address of the Bank: [redacted]

3. Principal and Interest

3.1 The Borrower shall pay to the Lender interest on all amounts outstanding under the Loan at the rate of 5.0% per annum calculated in arrears and payable on the Maturity Date (as defined below).

3.2 All amounts outstanding under the Loan shall be repaid in full on the Maturity Date.

4. Maturity

The outstanding amount of all obligations of the Borrower to the Lender hereunder shall become due and payable in full on the date which is sixty (60) days following the date hereof (the "**Maturity Date**").

5. Prepayment

The Borrower may prepay the whole, or from time to time, any part of the amounts outstanding under the Loan at any time without penalty.

6. Representations and Warranties

To induce the Lender to advance the Loan to the Borrower on the terms herein contained, the Borrower hereby represents and covenants to the Lender that:

(a) the Borrower is a validly existing company under the laws of the Province of Ontario and has all requisite power and authority to own its assets and to carry on its business as such business is presently carried on;

(b) the Borrower has full power, capacity, authority and legal right to borrow in the manner and on the terms and conditions set out in this Loan Agreement, and has full power, capacity, authority and legal right to execute and deliver this Loan Agreement and to do all such acts and things as are required to be done, observed and performed in accordance with the terms of this Loan Agreement;

(c) all corporate acts and proceedings on the part of the Borrower, necessary to authorize the execution, delivery and performance of this Loan Agreement has been duly taken by the Borrower, and this Loan Agreement have been or will be duly executed and delivered by the Borrower, and constitute or will constitute valid and legally binding agreements of the Borrower, enforceable against it in accordance with the terms thereof;

(d) the execution and delivery of this Loan Agreement and the performance of or compliance with their terms will not result in a breach or constitute a default under, or require any consent under the terms or conditions of any agreement or instrument to which the Borrower is a party or by which the Borrower is bound;

(e) the Borrower is not in default under any agreement or instrument to which it is a party and which default would materially adversely affect the ability of the Borrower to observe and perform its obligations hereunder; and

(f) there are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting it or any of its undertakings and assets, at law, in equity or before any arbitrator or before or by any governmental department, body, commission, board, bureau, agency or instrumentality having jurisdiction in the premises in respect of which there is a reasonable possibility of a determination adverse to the Borrower and which could, if determined adversely, materially and adversely affect the ability of the Borrower to perform any of its obligations under this Loan Agreement and the Borrower is not in default with respect to any law, regulation, order, writ, judgment, injunction or award of any competent government, commission, board, agency, court, arbitrator or instrumentality which would have such an effect.

7. Payment Dates

If the date upon which any payment hereunder is required to be done or made falls on a day which is not a Business Day, then such act or payment shall be performed or made on the following Business Day. All payments required to be made hereunder which are received by the Lender after 11:59 p.m. (Toronto time) will be deemed for all purposes of this Loan Agreement to have been received by the Lender on the next Business Day.

8. Conditions Precedent

The obligation of the Lender to advance the Loan to the Borrower is subject to the following, it being understood that these conditions precedent are for the exclusive benefit of the Lender:

(a) the Borrower shall have executed and delivered this Loan Agreement to the Lender; and

(b) the Borrower shall have delivered to the Lender such other information and documents as the Lender may reasonably request.

9. Affirmative Covenants

So long as any amount payable hereunder is outstanding, the Borrower covenants and agrees with the Lender that, unless the Lender otherwise consents in writing:

(a) the Borrower shall duly and punctually pay the Loan and all interest in the manner specified hereunder;

(b) the Borrower shall maintain its existence, as applicable, in good standing and do or cause to be done all things necessary to keep in full force and effect all properties, rights, franchises, licences and qualifications to carry on business in any jurisdiction in which it carries on business and it shall maintain all of its properties and assets consistent with industry standards;

(c) the Borrower shall do or cause to be done all acts necessary or desirable to comply with all material applicable federal, provincial, regulatory and municipal laws, requirements or standards, and to preserve and keep in full force and effect all material regulatory requirements, franchises, licences, rights, privileges and permits necessary to enable the Borrower to operate and conduct its business in accordance with standard industry practice and to advise the Lender of any anticipated changes, loss or sale of such material franchises, licences, rights, privileges and permits; and

(d) the Borrower shall deliver to the Lender, forthwith upon becoming aware of any default in the performance of any covenant, agreement or condition contained in this Loan Agreement or the occurrence of an Event of Default, a certificate of an officer of the Borrower, specifying such default or defaults or such event.

10. Negative Covenants

So long as any amount payable hereunder is outstanding, the Borrower covenants and agrees with the Lender that, unless the Lender otherwise consents in writing:

(a) the Borrower shall not pay distributions or dividends on any shares or pay any amount to redeem, reduce, purchase or retire in any manner any shares;

(b) the Borrower shall not repay any shareholder or related party loans or make any payments to management, other than in the ordinary course of business;

(c) the Borrower shall not pledge or dispose of its assets other than in the ordinary course of business;

(d) the Borrower shall not liquidate, dissolve or wind-up; or

(e) the Borrower shall not permit Control of the Borrower to change from the persons that Controls the Borrower as at the date hereof.

11. Events of Default

Any one or more of the following events shall constitute an event of default of this Loan Agreement (an "**Event of Default**"):

(a) if the Borrower defaults in payment of:

(i) the principal of the Loan when due;

(ii) any interest or fee payable herein when due and payable; or

(iii) any other amount not specifically referred to herein payable by the Borrower hereunder when due and payable; provided that the Borrower shall have ten (10) Business Days to cure any such failure to pay;

(b) failure by the Borrower to perform or observe any of its covenants, conditions or agreements to be performed by it in or breach of any term of this Loan Agreement, provided that the Borrower shall have thirty (30) Business Days to cure any such default

(c) if any representation or warranty made by the Borrower in this Loan Agreement or in any certificate or other document at the time of the Advance hereunder shall prove to have been incorrect or misleading in any material respect on and as of the date thereof, provided that the Borrower has thirty (30) days to cure any such default;

(d) if a decree or order of a court of competent jurisdiction is entered adjudging the Borrower a bankrupt or insolvent or approving as properly filed a petition seeking the winding-up of the Borrower under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against, or against any substantial part of the assets of the Borrower or ordering the winding up or liquidation of its affairs;

(e) if the Borrower becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition; and

(f) if proceedings are commenced for the dissolution, liquidation or winding-up of the Borrower for the suspension of the operations of the Borrower unless such proceedings are being actively and diligently contested in good faith.

12. <u>Remedies Upon Default</u>

Upon the occurrence of an Event of Default and at any time thereafter, provided that the Borrower has not remedied any such outstanding Event of Default, as applicable, the Lender may, in its discretion, by notice to the Borrower, declare this Loan Agreement to be in default. At any time thereafter, while the Borrower has not remedied all outstanding Events of Default, the Lender may, in its discretion, declare the then outstanding balance of the Loan, interest, costs and all moneys owing by the Borrower and all liabilities of the Borrower hereunder to be immediately due and payable and such moneys and liabilities shall forthwith become due and payable without presentment, demand, protest or other notice of any kind to the Borrower, all of which are hereby expressly waived.

No remedy herein conferred on the Lender is intended to be exclusive and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

13. Currency

All payments hereunder shall be made in lawful money of Canada and may be made by bank draft, certified cheque or any other form of payment acceptable to the Lender payable at par at Toronto, Ontario on or before 12:00 p.m. on the due date.

14. Assignment

The Borrower will not, without the prior written consent of the Lender, assign any of its rights under this Loan Agreement. The Lender may assign, in whole or in part, its rights under this Loan Agreement upon notice to the Borrower and without the consent of the Borrower.

15. Enurement

This Loan Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

16. Further Assurances

Each of the parties hereto hereby covenants and agrees to execute such further and other documents and instruments and to do such further and other things as may be reasonably necessary to implement and carry out the intent of this Loan Agreement.

17. Governing Law

This Loan Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario which shall be deemed to be the proper law hereof. The parties hereby irrevocably attorn to the non-exclusive jurisdictions of the courts of the Province of Ontario sitting in the city of Toronto.

18. Notice

Any notice or communication to be given hereunder may be effectively given by delivering the same at the addresses hereinafter set forth or by sending the same by electronic mail to the parties at the email addresses noted below. Any email notice shall be deemed to have been received on the date sent (unless the sender receives a delivery failure message) if sent during business hours on a Business Day and, if not, on the Business Day following the date sent (unless the sender receives a delivery failure message). The delivery and email addresses of the parties for the purposes hereof shall be as follows:

if to Borrower:

Consultances and consultancies of Latam by GM LLC
888 Biscayne Blv Suite 1909
Miami, Florida 33132

Attention: Gabriel Morales
Email: nuevo999@gmail.com

if to the Lender:

Flora Growth Corp.
65 Queen Street West, Suite 800
Toronto, Ontario M5H 2M5

Attention: Damian Lopez
Email: damian.lopez@floragrowth.ca

19. <u>Maximum Rate</u>

The Borrower acknowledges and agrees that the payment of interest and any bonus and further consideration to the Lender is a fair payment based on the business terms of the Loan. The Borrower and the Lender acknowledge and agree that it is their express intention and desire that in no event shall the total payment to the Lender whether for interest, fees, additional consideration or otherwise exceed the maximum payment permitted under Section 347 of the *Criminal Code*, R.S.C., 1985 c. C-46, as amended, and the parties further acknowledge and agree that notwithstanding any other terms or conditions of this Loan Agreement, the interest payable on the credit advanced under this Loan Agreement (as "interest" and "credit advanced" are defined in Section 347 of the *Criminal Code*, R.S.C., 1985 c.C-46, as amended) shall not exceed an effective annual rate of interest of 60.0% calculated in accordance with generally accepted actuarial practices and principles. If the Borrower would, but for this clause, be obligated to pay interest on the credit advanced under this Loan Agreement at a criminal rate (as "interest" "credit advanced" and "criminal rate" are defined in Section 347 of the *Criminal Code*, R.S.C., 1985 c. C-46, as amended), the interest payable on the credit advanced under this Loan Agreement shall be reduced to an effective annual rate of 60.0%, calculated in accordance with generally accepted actuarial practices and principles, firstly by reducing the amount of interest payable to the Lender, secondly (if required) by crediting any remaining excess that has been paid towards prepayment of the Loan, and thirdly (if required) by returning to the Borrower upon demand therefor any overpayment that may remain after such crediting.

20. <u>Severability</u>

Should any part of this Loan Agreement be declared or held invalid for any reason, such invalidity shall not affect the validity of the remainder which shall continue in force and effect and be construed as if this Loan Agreement had been executed without the invalid portion and it is hereby declared the intention of the parties hereto that this Loan Agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held invalid.

[***signature page follows***]

IN WITNESS WHEREOF the parties hereto have executed this Loan Agreement as of the day first set out above.

BORROWER

CONSULTANCES AND CONSULTANCIES
OF LATAM BY GM LLC, by its authorized signatory:

Per: /s/Gabriel Morales

LENDER

FLORA GROWTH CORP., by its authorized signatory:

Per: /s/Deborah Battiston

LOAN AGREEMENT

BETWEEN:

Q-GOLD RESOURCES LTD., a corporation continued under the laws of the Province of Ontario and having an office at 65 Queen Street West, Suite 800, Toronto, Ontario, M5H 2M5 (hereinafter called the "Company" or the "Lender")

OF THE FIRST PART

-and-

COSECHEMOS YA S.A.S., a corporation existing pursuant to the laws of Colombia
(hereinafter referred to as the "Borrower")

OF THE SECOND PART

WHEREAS the Lender and the Borrower have agreed to enter into an arrangement whereby the Lender has agreed to lend and the Borrower has agreed to borrow USD$16,667 (the "Loan") subject to the terms and conditions contained herein;

AND WHEREAS the Borrower requires the Loan on a short-term basis to cover working capital needs;

NOW THEREFORE in consideration of the mutual promises and covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. The Loan

The Lender hereby agrees to lend to the Borrower the principal sum of USD$16,667 in lawful money of the United States of America (the "Principal") . Interest shall be payable on the Principal, as well as interest on interest accrued and unpaid when due and shall be calculated and payable at a rate of 10.0% per annum {the "Interest Rate") and in accordance with the terms of this Loan Agreement.

2. Repayment

The Borrower shall repay the Loan (including the Principal and accrued interest) in cash on demand by the Lender. The Borrower and the Lender may negotiate repayment of the Loan via the transfer of securities or other investment products but any arrangement for repayment other than cash remains subject to a subsequent written agreement.

3. Conditions of Advance

The Lender agrees to advance the Loan in whole (being USD$ l6,667) upon the execution of this Agreement by the Lender, solely on the condition that the Loan is used by the Borrower towards working capital needs.

4. Waiver of Formalities

The Lender hereby waives presentment, notice of dishonour and protest.

5. Waivers Generally

No waiver of any right or remedy of the Lender hereunder shall be effective unless in writing and signed by the Lender and any waiver granted by the Lender shall be effective only to the extent and in the circumstances specified therein. No failure, delay or omission by the Lender to exercise or enforce any rights or remedies under this note or any security collateral hereto shall constitute a waiver thereof or of any other rights or remedies of the Lender.

6. Assigns, Successors and Governing Law

This note shall not be assignable by the Borrower without the prior written consent of the Lender. This note shall enure to the benefit of and be binding upon the respective successors of the Borrower and the Lender and the assigns of the Lender and the permitted assigns of the Borrower. This note shall be governed by and construed in accordance with the laws of the Province of Ontario.

[signature page follows]

Dated as of the 18th day of June 2019

Q-GOLD RESOURCES LTD.

By: /s/Fred Leigh
Authorized Signing Officer

COSECHEMOS YA S.A.S.

By: /s/Damian Lopez
Authorized Signing Officer