

ACQUISITION AGREEMENT

THIS AGREEMENT made effective as of the 26th day of August, 2019

AMONG:

ADMIRAL BAY RESOURCES INC.,
a corporation continued under the laws of the Province of British Columbia

("Admiral Bay")

- and -

CULTIVAR HOLDINGS LTD.,
a corporation incorporated under the laws of the Province of Ontario

("Cultivar")

- and -

2693980 ONTARIO INC.,
a corporation incorporated under the laws of the Province of Ontario

("Cultivar Subco")

RECITALS

- A. Admiral Bay is a reporting issuer under applicable securities legislation in the Provinces of Alberta and British Columbia; and
- B. Admiral Bay has identified Cultivar as a target company with which to complete a reverse takeover transaction and wishes to acquire all of the issued and outstanding securities of Cultivar in exchange for securities of Admiral Bay by way of an amalgamation between Cultivar and Cultivar Subco, upon the terms and conditions herein set forth such that upon completion of the Amalgamation, the amalgamated corporation shall be a wholly-owned subsidiary of Admiral Bay.

AGREEMENT

THIS AGREEMENT WITNESSES that in consideration of the covenants, agreements, warranties and payments herein set forth and provided for, the parties hereto respectively covenant and agree as set forth below.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals, unless otherwise stated or unless there is something in the subject matter or context inconsistent therewith:

- (a) "**Admiral Bay**" means Admiral Bay Resources Inc., a corporation incorporated under the laws of the Province of Ontario on September 3, 1987 and continued under the laws of the Province of British Columbia on February 24, 2006;
- (b) "**Admiral Bay Assets**" means all of Admiral Bay's right, title, estate and interest in and to its property and assets, real and personal, moveable and immoveable, of whatsoever nature and kind and wheresoever situate, including but without limitation, the assets as more particularly set forth and described in the Admiral Bay Financial Statements;
- (c) "**Admiral Bay Documents**" means all contracts, agreements, documents, permits, licenses, leases, appraisals, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, financial statements, budgets, market surveys, minute books, corporate records, and any other documents or information of whatsoever nature relating to Admiral Bay, the Admiral Bay Assets or its business and any and all rights in relation thereto;
- (d) "**Admiral Bay Financial Statements**" means the audited financial statements of Admiral Bay for years ended July 31, 2018 and 2017 and the unaudited interim financial statements for the three and nine month period ended April 30, 2019;
- (e) "**Admiral Bay Material Contracts**" means any contract, agreement (written or oral) commitment, indenture, or other instrument to which Admiral Bay is bound and which is material to Admiral Bay;
- (f) "**Admiral Bay Option Plan**" means the stock option plan of Admiral Bay;
- (g) "**Admiral Bay Shares**" means the common shares of Admiral Bay;
- (h) "**Agreement**" means this agreement and includes any agreement amending this agreement or any agreement or instrument which is supplemental or ancillary thereof, and the expressions "above", "below", "herein", "hereto", "hereof" and similar expressions refer to this Agreement;
- (i) "**Amalco**" means the corporation resulting from the Amalgamation;
- (j) "**Amalgamation**" means the amalgamation of Cultivar and Cultivar Subco pursuant to the Amalgamation Agreement;

- (k) "**Amalgamation Agreement**" means the amalgamation agreement to be entered into between Cultivar and Cultivar Subco in the form attached hereto as Schedule "A";
- (l) "**Business**" means the business of Cultivar;
- (m) "**Closing**" means the closing of the Amalgamation;
- (n) "**Closing Date**" means the day that the Amalgamation closes;
- (o) "**Cultivar**" means Cultivar Holdings Ltd., a corporation incorporated under the laws of the Province of Ontario;
- (p) "**Cultivar Assets**" means all of the right, title, estate and interest Cultivar has in and to its property and assets, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situate, including but without limitation, the assets as more particularly set forth and described in the Cultivar Financial Statements and the Intellectual Property Assets;
- (q) "**Cultivar Documents**" means all contracts, agreements, documents, permits, licenses, leases, appraisals, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, financial statements, budgets, market surveys, minute books, corporate records and any other documents or information of whatsoever nature relating to Cultivar, the Business or the Cultivar Assets and any and all rights in relation thereto;
- (r) "**Cultivar Financial Statements**" means the audited annual consolidated financial statements of Cultivar for the year ended January 31, 2019 which have been prepared in accordance with International Financial Reporting Standards, applied on a consistent basis throughout the periods involved;
- (s) "**Cultivar Material Contracts**" means any contract, agreement (written or oral) commitment, indenture, or other instrument to which Cultivar is bound and which is material to the Business, including those entered into in the ordinary course of business, which could materially affect the Cultivar Assets, or Business or financial condition of Cultivar;
- (t) "**Cultivar Performance Shares**" means, collectively, the 500,000 Cultivar Shares to be issued as a performance fee for the issuance of a final license to Cultivar's Jamaican subsidiary upon the issuance of such a license by the Cannabis License Authority in Jamaica;
- (u) "**Cultivar Securities**" means, collectively, the Cultivar Shares and the Cultivar Warrants and "Cultivar Security" means any such security;
- (v) "**Cultivar Securityholders**" means collectively, the holders of Cultivar Securities and "**Cultivar Securityholder**" means any one of them;

- (w) "**Cultivar Shareholders**" means the holders of Cultivar Shares and "Cultivar Shareholder" means any one of them;
- (x) "**Cultivar Shares**" means all of the shares in the capital of Cultivar outstanding at the Time of Closing;
- (a) "**Cultivar Subco**" means 2693980 Ontario Inc.;
- (b) "**Cultivar Warrants**" means the common share purchase warrants of Cultivar, each Cultivar Warrant exercisable into a Cultivar Share at an exercise price of \$0.50 per share until August 12, 2021;
- (c) "**Encumbrances**" means any charge, mortgage, lien, pledge, claim, embargo, security interest, legal or conventional, moveable or immovable, specific or floating, whether created or arising by agreement, statute or otherwise, attaching to property, interests or rights, and shall be construed in the widest possible terms and principles known under the law;
- (d) "**Governmental Authority**" means any government in Canada, or any foreign government and any agency, or department, tribunal, board, commission, court or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government, as well as any arbitrator, arbitration tribunal or other tribunal or other quasi-governmental or private body exercising any regulatory, expropriation or taxation authority under or for the account of any of the foregoing;
- (e) "**Governmental Charges**" means all fees, levies and charges imposed by a Governmental Authority;
- (f) "**IFRS**" means International Financial Reporting Standards applicable as at the date on which date such calculation is made or required to be made in accordance with generally accepted accounting principles applied on a basis consistent with preceding years;
- (g) "**Intellectual Property Assets**" means all right, title and interest of Cultivar in and to any of the following:
 - (i) all trade secrets, confidential information and confidential know-how in which Cultivar now has or hereafter may have an interest, whether patented or unpatented, published or unpublished;
 - (ii) all trade-marks (both registered and unregistered), design marks, logos, indicia, trade names, domain names, registrations and applications that have been or shall be made or filed at any trade-marks or similar office in any jurisdiction, and all records thereof and reissues, extensions or renewals thereof, and all common law and other rights in the foregoing;

- (iii) all patents and patent applications which Cultivar now owns or may hereafter own that have been or shall be made or filed in any patent or similar office of any jurisdiction; and
- (iv) all copyrights that Cultivar now owns or may hereafter own, including all registrations and applications that have been or shall be made or filed in the copyright or similar office of any jurisdiction, and all common law and other rights in the foregoing;
- (h) "**Orders**" means all material applicable orders, decisions, binding directives, or the like rendered by any Governmental Authority;
- (i) "**Person**" includes any individual, corporation, company, partnership, association or any individual;
- (j) "**Resulting Issuer**" means Admiral Bay upon completion of the Amalgamation;
- (k) "**Resulting Issuer Securities**" means the Resulting Issuer Shares and the Resulting Issuer Warrants;
- (l) "**Resulting Issuer Shares**" means the common shares of the Resulting Issuer;
- (m) "**Resulting Issuer Warrants**" means the warrants to purchase Resulting Issuer Shares to be issued by the Resulting Issuer in exchange for the Cultivar Warrants which remain issued and outstanding on Closing;
- (n) "**Share Exchange Ratio**" shall mean one (1) Admiral Bay Share for each Cultivar Share;
- (o) "**Subsidiary**" means any corporation, partnership or trust of which more than 50% of the outstanding shares or interests of any class carrying voting rights are beneficially owned, directly or indirectly by a Person; and
- (p) "**Time of Closing**" means such time on the Closing Date as the parties hereto may agree.

1.2 Canadian Dollars

All dollar amounts referred to in this Agreement are in Canadian funds, unless otherwise indicated herein.

1.3 Extended Meanings

In this Agreement, words importing the singular number include the plural and vice versa; words importing the masculine gender include the feminine and neuter genders; and references to any statute shall extend to and include orders-in-council or regulations passed under and pursuant thereto, of any amendment or re-enactment of such statute, orders-in-council or regulations, or any statute, order-in-council or regulations substantially in replacement thereof.

1.4 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties, including the letter agreement dated December 12, 2018, between Admiral Bay and Cultivar and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein. No amendment, supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby.

1.5 Headings

Section headings are not to be considered part of this Agreement and are included solely for convenience of reference and are not intended to be full or accurate descriptions of the contents thereof.

1.6 Successors and Assigns

All of the terms and provisions in this Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

ARTICLE 2 **AMALGAMATION, COROLLARY MATTERS**

2.1 Amalgamation

Subject to the terms and conditions herein, on the Closing Date, Cultivar Subco and Cultivar shall complete the Amalgamation pursuant to the terms of the Amalgamation Agreement. Without limiting the foregoing, on closing of the Amalgamation, pursuant to the terms of the Amalgamation Agreement Admiral Bay agrees to issue:

- (a) Admiral Bay Shares to Cultivar Shareholders in exchange for the delivery to Admiral Bay of all of the issued and outstanding Cultivar Shares. The aggregate number of Admiral Bay Shares to be issued in exchange for the issued and outstanding Cultivar Shares shall be determined by multiplying the number of Cultivar Shares issued and outstanding at the time of Closing by the Share Exchange Ratio. No fractional Admiral Bay Shares will be issued. To the extent any Cultivar Shareholder would otherwise be entitled to receive a fractional number of Admiral Bay Shares on Closing of the Amalgamation, the number of Admiral Bay Shares to be issued to such Cultivar Shareholder shall be rounded to the nearest whole Admiral Bay Share;
- (b) The Resulting Issuer Warrants to the holders of Cultivar Warrants which remain outstanding on Closing in exchange for the Cultivar Warrants. The rate of exchange of Resulting Issuer Warrants for Cultivar Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Warrant will be issued. To the extent any holder of Cultivar Warrants would otherwise be entitled to receive

a fractional number of Resulting Issuer Warrants on Closing of the Amalgamation, the number of Resulting Issuer Warrants to be issued to such holder of Cultivar Warrants shall be rounded to the nearest whole Resulting Issuer Warrant. Each Resulting Issuer Warrant will be issued by Admiral Bay on substantially the same terms as the Cultivar Warrant it replaces (subject to appropriate adjustments to the exercise price inversely proportional to the Share Exchange Ratio); and

- (c) if the Cultivar Performance Shares have not been issued by Cultivar as of the Closing Date, the Resulting Issuer agrees that it is contractually obligated to issue Resulting Issuer Shares on the same terms subject to appropriate adjustments proportional to the Share Exchange Ratio.

ARTICLE 3

REPRESENTATIONS, WARRANTIES AND COVENANTS OF CULTIVAR

3.1 Representations, Warranties and Covenants of Cultivar

Cultivar hereby represents and warrants to Admiral Bay as follows, and Cultivar confirms that Admiral Bay is relying upon the accuracy of each of such representations and warranties in connection with the completion of the transactions hereunder:

- (a) **Outstanding Securities:** The outstanding capital of Cultivar as of the date hereof consists of 97,439,900 Cultivar Shares, 1,648,000 Cultivar Warrants and the Cultivar Performance Shares.
- (b) **Authority and Binding Obligation:** Cultivar has good right, full corporate power and absolute authority to enter into this Agreement and to perform all of its obligations under this Agreement. Cultivar, its board of directors and shareholders have taken all necessary or desirable actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of this Agreement.
- (c) **Cultivar Material Contracts:** Cultivar has provided or made available copies of all Cultivar Material Contracts to Admiral Bay. Cultivar is not in default or breach of any Cultivar Material Contract.
- (d) **Contractual and Regulatory Approvals:** Except those consents which will have been obtained on or before Closing and the approval of the Cultivar Shareholders necessary to complete the Amalgamation, Cultivar is under no obligation, contractual or otherwise, to request or obtain the consent of any Persons, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any federal, provincial, state, municipal or local government or governmental agency, board, commission or authority are required to be obtained by Cultivar:
 - (i) in connection with the execution, delivery or performance by Cultivar of this Agreement or the completion of the Amalgamation;

- (ii) to avoid the loss of any permit, licence, certification or other authorization on or as a result of closing of the Amalgamation, or
 - (iii) in order that the authority of Cultivar to carry on the Business in the ordinary course and in the same manner as presently conducted remains in good standing and in full force and effect as of and following the closing of the Amalgamation.
- (e) **Transaction Compliance with Constating Documents, Agreements and Laws:** The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by Cultivar, and the completion of the transactions contemplated hereby, will not constitute or result in a violation or breach of or default under, or cause the acceleration of any obligations of Cultivar under:
- (i) any term or provision of any of the articles, by-laws or other constating documents of Cultivar;
 - (ii) the terms of any agreement (written or oral), indenture, instrument or understanding or other obligation or restriction to which Cultivar is a party or by which it is bound; or
 - (iii) any term or provision of any of the Cultivar Material Contracts or any order of any court, governmental authority or regulatory body made against Cultivar or the Cultivar Assets or any law or regulation of any jurisdiction in which the Business is carried on which is applicable to Cultivar or the Cultivar Assets.
- (f) **Materially Accurate:** All information, records and data furnished by to Admiral Bay, its representatives and counsel by Cultivar in connection with the negotiation of this Agreement and Admiral Bay's due diligence review of Cultivar and the Business, were and are accurate in all material respects.
- (g) **Financial Statements:**
- (i) The Cultivar Financial Statements have been prepared in accordance with IFRS and are true, correct and complete in all material respects and present fairly the financial condition of Cultivar, on a consolidated basis, as of their respective dates; and
 - (ii) There has been no material adverse change in the financial condition of Cultivar since the date of the Cultivar Financial Statements.
- (h) **Liabilities of Cultivar:** There are no material liabilities, contingent or otherwise, of Cultivar of any kind whatsoever, including, without limitation, any bonds, debentures, mortgages, promissory notes, loan agreements, inter-company debt, or liabilities for Governmental Charges and there is no basis for assertion against Cultivar of any liabilities of any kind, other than:

- (A) liabilities disclosed or reflected in or provided for in the Cultivar Financial Statements or this Agreement; and
 - (B) liabilities incurred since the date of the Cultivar Financial Statements which were incurred in the ordinary course or in connection with the completion of the Amalgamation.
- (i) **Absence of Certain Changes or Events:** Since the date of the Cultivar Financial Statements and except for costs incurred and actions taken in connection with the Amalgamation or as otherwise disclosed in writing to Admiral Bay, Cultivar has not:
- (i) incurred any obligation or liability, fixed or contingent, except normal trade or business obligations incurred in the ordinary course of the Business, none of which is materially adverse to Cultivar;
 - (ii) paid or satisfied any obligation or liability, fixed or contingent, except:
 - (A) current liabilities included in the Cultivar Financial Statements,
 - (B) current liabilities incurred since the date of the Cultivar Financial Statements in the ordinary course of the Business,
 - (C) re-scheduled payments pursuant to obligations under loan agreements or other contracts or commitments described in the Cultivar Financial Statements; and
 - (D) as specifically contemplated by this Agreement;
 - (iii) created any material Encumbrance upon any of its properties or the Cultivar Assets;
 - (iv) sold, assigned, transferred, leased or otherwise disposed of any of its material properties or the Cultivar Assets;
 - (v) purchased, leased or otherwise acquired any material properties or assets;
 - (vi) waived, cancelled or written-off any material rights, claims, accounts receivable, or amounts payable to Cultivar;
 - (vii) entered into any transaction, contract, agreement or commitment, except in the ordinary course of the Business or as contemplated by this Agreement;
 - (viii) made any material change with respect to any method of management, operation or accounting in respect of the Business;

- (ix) suffered any damage, destruction or loss (whether or not covered by insurance) which has materially adversely affected or could materially adversely affect the Business or the condition of Cultivar;
 - (x) increased any form of compensation or other benefits payable or to become payable to any of the employees of Cultivar, except increases made in the ordinary course of the Business;
 - (xi) made a declaration of force majeure with respect to its Business; or
 - (xii) authorized, agreed or otherwise become committed to do any of the foregoing.
- (j) **Dividends and Distributions:** Since the date of the Cultivar Financial Statements, Cultivar has not declared or paid any dividend or made any other distribution on any of its shares of any class, or redeemed or purchased or otherwise acquired any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to any of the foregoing.
- (k) **Litigation:** Except as specifically disclosed to Admiral Bay, there are no judgments unsatisfied, consent decrees or injunctions or embargos to which Cultivar is subject to or bound, and there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Cultivar) pending or, to the knowledge of Cultivar, threatened, by or against or affecting Cultivar, at law or in equity, or before or by any court or any federal, provincial, municipal, state or other governmental department, commission, board, bureau, agency or instrumentality which will or may have a material adverse effect upon Cultivar. To the knowledge of Cultivar, there are no grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success, including, without limitation, on the basis of a breach of privacy legislation. Cultivar is not subject to any judgment, order, writ, injunction or decree of any court or government body which would prevent the discharge of the obligations arising pursuant to this Agreement or the consummation of the transactions herein contemplated.

ARTICLE 4

REPRESENTATIONS, WARRANTIES AND COVENANTS OF ADMIRAL BAY

4.1 Representations, Warranties and Covenants of Admiral Bay

Admiral Bay hereby represents and warrants to Cultivar as follows, and Admiral Bay confirms that Cultivar is relying upon the accuracy of each of such representations and warranties in connection with the completion of the transactions hereunder:

- (a) **Incorporation:** Admiral Bay is existing and in good standing under the *Business Corporations Act* (British Columbia). Cultivar Subco is incorporated, existing and in good standing under the *Business Corporations Act* (Ontario).

- (b) **Status, Constatng Documents:** Admiral Bay has all necessary corporate power to own its assets and to carry on its businesses as it is now being conducted. The articles, by laws and other constating documents of each of Admiral Bay and Cultivar Subco as made available to Cultivar are complete and accurate.
- (c) **Authority and Binding Obligation:** Each of Admiral Bay and Cultivar Subco has good right, full corporate power and absolute authority to enter into this Agreement and to perform all of its obligations under this Agreement. Each of Admiral Bay and Cultivar Subco and their respective boards of directors have taken all necessary or desirable actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of this Agreement.
- (d) **Corporate Records:** As of the date hereof, the corporate records and minute books of Admiral Bay and Cultivar Subco, are materially complete and accurate. The share certificate books, registered of security holders, register of transfers and register of directors and any similar corporate records of Admiral Bay and Cultivar Subco are complete and accurate in all material respects.
- (e) **Authorized and Issued Capital:** As of the date hereof, the authorized capital of Admiral Bay consists of an unlimited number of common shares without par value. The issued capital of Admiral Bay consists of 6,514,249 common shares, all of which have been duly issued and are outstanding as fully paid and non-assessable shares. As of the date hereof, the authorized capital of Cultivar Subco consists of an unlimited number of common shares. The issued capital of Cultivar Subco consists of 1 common share which is legally and beneficially owned by Admiral Bay and which has been duly issued and is outstanding as a fully paid and non- assessable share.
- (f) **No Options:** Neither of Admiral Bay nor Cultivar Subco has any outstanding subscriptions, options, rights, warrants or other agreements or commitments obligating Admiral Bay or Cultivar Subco to sell or issue any additional shares or securities of any class of Admiral Bay or Cultivar Subco or any securities convertible into any shares of any class of Admiral Bay or Cultivar Subco.
- (g) **Subsidiaries and Other Interests:** Admiral Bay has no subsidiaries other than Cultivar Subco and does not own any securities issued by, or any equity or ownership interest in, any other Persons. Cultivar Subco has no subsidiaries and does not own any securities issued by, or any equity or ownership interest in, any other Persons. Neither of Admiral Bay nor Cultivar Subco is subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.
- (h) **Title to Admiral Bay Assets by Admiral Bay:** Admiral Bay is the owner of and has good and marketable title to all of the Admiral Bay Assets, including, without limitation, all Admiral Bay Assets reflected in the Admiral Bay Financial

Statements and all Admiral Bay Assets acquired by Admiral Bay after the date of the Admiral Bay Financial Statements.

- (i) **No Orders:** There are no outstanding material orders, notices or similar requirements relating to Admiral Bay, Cultivar Subco or the Admiral Bay Assets issued by any federal, state, provincial or municipal authority including, without limitation, occupational health and safety authorities and to the knowledge of Admiral Bay there are no matters under discussion with any such authorities relating to orders, notices or similar requirements.
- (j) **Restrictions on Doing Business:** Admiral Bay is not a party to or bound by any agreement which would restrict or limit its right to carry on any business or activity or to solicit business from any Person or in any geographical area or otherwise to conduct its business as Admiral Bay may determine. Admiral Bay is not subject to any legislation or any judgment, order or requirement of any court or governmental authority which is not of general application to Persons carrying on a business similar to the business of Admiral Bay or the Business. To the knowledge of Admiral Bay, there are no facts or circumstances which could materially adversely affect the ability of Admiral Bay to continue to operate the Business as presently conducted following the completion of the transactions contemplated by this Agreement.
- (k) **No Guarantees:** Admiral Bay is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Persons.
- (l) **Admiral Bay Material Contracts:** Admiral Bay has provided or made available copies of all Admiral Bay Material Contracts to Cultivar. Admiral Bay is not in default or breach of any Admiral Bay Material Contract.
- (m) **Cultivar Subco:** Other than this Agreement, Cultivar Subco is not party to any agreement or contract of any kind and has no assets or liabilities. Cultivar Subco was incorporated for the sole purpose of executing this Agreement and completing the Amalgamation.
- (n) **Partnerships or Joint Ventures:** Admiral Bay is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not party to any agreement under which Admiral Bay agrees to carry on any activity in such manner or by which Admiral Bay agrees to share any revenue or profit with any other Persons.
- (o) **Contractual and Regulatory Approvals:** Admiral Bay is not under any obligation, contractual or otherwise, to request or obtain the consent of any Persons, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any federal, provincial, state, municipal or local government or governmental agency, board, commission or authority are required to be obtained

by Admiral Bay in connection with the execution, delivery or performance by Admiral Bay of this Agreement or the completion of the Amalgamation.

- (p) **Transaction Compliance with Constatng Documents, Agreements and Laws:** The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by Admiral Bay, and the completion of the transactions contemplated hereby, will not constitute or result in a violation or breach of or default under, or cause the acceleration of any obligations of Admiral Bay under:
- (i) any term or provision of any of the articles, by-laws or other constating documents of Admiral Bay;
 - (ii) the terms of any agreement (written or oral), indenture, instrument or understanding or other obligation or restriction to which Admiral Bay is a party or by which it is bound; or
 - (iii) any term or provision of any of the Admiral Bay Material Contracts or any order of any court, Governmental Authority or regulatory body or any law or regulation to which Admiral Bay is subject.
- (q) **Shareholders' Agreements:** To the best of the knowledge of Admiral Bay, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the shares of Admiral Bay.
- (r) **Materially Accurate:** All information, records and data furnished to Cultivar or its representatives and counsel pursuant to this Agreement, are accurate in all material respects.
- (s) **Admiral Bay Financial Statements:**
- (i) the Admiral Bay Financial Statements have been prepared in accordance with IFRS, are true, correct and complete in all material respects and present fairly the financial condition of Admiral Bay as of the respective dates thereof; and
 - (ii) there has been no material adverse change to the financial condition of Admiral Bay since the date of the Admiral Bay Financial Statements.
- (t) **Liabilities of Admiral Bay:** There are no liabilities, contingent or otherwise, of Admiral Bay of any kind whatsoever, including, without limitation, any bonds, debentures, mortgages, promissory notes, loan agreements, inter-company debt, or liabilities for Governmental Charges and there is no basis for assertion against Admiral Bay of any liabilities of any kind, other than:
- (i) liabilities disclosed or reflected in or provided for in the Admiral Bay Financial Statements; and

- (ii) liabilities incurred since the date of the Admiral Bay Financial Statements which were incurred in the ordinary course or in connection with the completion of the Amalgamation.
- (u) **Bankruptcy and Insolvency Matters:** No action or proceeding has been commenced or filed by or against Admiral Bay or which seek or may lead to receivership, bankruptcy, a consumer proposal or any other similar proceeding in respect of Admiral Bay, the adjustment, compromise or composition of claims against Admiral Bay or the appointment of a trustee, receiver, liquidator, custodian, or other similar officer for Admiral Bay of any portion of the Admiral Bay Assets. No such action or proceeding has been authorized or is being considered by or on behalf of Admiral Bay and no creditor or equity security holder of Admiral Bay has threatened to commence or advise that it may commence, any such action or proceeding. Admiral Bay has not made nor is considering making an assignment for the benefit of its creditors, and it has not requested nor is considering requesting a meeting of its creditors to seek a reduction, compromise, composition, or other accommodation with respect to its indebtedness.
 - (v) **Broker's Fees:** Admiral Bay has not incurred any obligation or liability, contingent or otherwise for broker's or finder's fees in respect of the transaction herein provided for.
 - (w) **Absence of Certain Changes or Events:** Other than in contemplation of the Amalgamation, since the date of the Admiral Bay Financial Statements, Admiral Bay has not:
 - (i) incurred any obligation or liability, fixed or contingent, except normal trade or business obligations incurred in the ordinary course none of which is materially adverse to Admiral Bay;
 - (ii) paid or satisfied any obligation or liability, fixed or contingent, except:
 - (A) current liabilities included in the Admiral Bay Financial Statements;
 - (B) current liabilities incurred since the date of the Admiral Bay Financial Statements in the ordinary course, and
 - (C) re-scheduled payments pursuant to obligations under loan agreements or other contracts or commitments described in the Admiral Bay Financial Statements;
 - (iii) created any Encumbrance upon any of the Admiral Bay Assets;
 - (iv) sold, assigned, transferred, leased or otherwise disposed of any of the Admiral Bay Assets except in the ordinary course;

- (v) purchased, leased or otherwise acquired any properties or assets;
 - (vi) waived, cancelled or written-off any material rights, claims, accounts receivable or any amounts payable to Admiral Bay;
 - (vii) entered into any transaction, contract, agreement or commitment, except in the ordinary course, except for the creation of Cultivar Subco as a wholly owned subsidiary;
 - (viii) suffered any extraordinary loss relating to the Admiral Bay Assets;
 - (ix) made or incurred any material change in, or become aware of any event or condition which is likely to result in a material change in the condition of Admiral Bay, or
 - (x) authorized, agreed or otherwise become committed to do any of the foregoing.
- (x) **Dividends and Distributions:** Admiral Bay has never declared or paid any dividend or made any other distribution on any of its shares of any class, or redeemed or purchased or otherwise acquired any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to any of the foregoing.
- (y) **Tax Matters:**
- (i) Admiral Bay has duly and on a timely basis prepared and filed all tax returns and other documents required to be filed by them in respect of all Governmental Charges and such returns and documents are complete and correct and clearly and fairly represents the information and tax status of Admiral Bay for the relevant period.
 - (ii) Admiral Bay has paid all Governmental Charges which are due and payable by it on or before the date hereof. Adequate provision was made in the Admiral Bay Financial Statements for all Governmental Charges for the periods covered by the Admiral Bay Financial Statements. Admiral Bay has no liability for Governmental Charges other than those provided for in the Admiral Bay Financial Statements and those arising in the ordinary course since the date of the Admiral Bay Financial Statements and for which adequate provisions have been made on the books of Admiral Bay.
 - (iii) All Governmental Charges, assessments, levies and source deductions, if any, which Admiral Bay is required by law to withhold or to collect, including, without limitation, unemployment insurance, employment benefits, pension plan payments and non-resident withholding tax, have been, to the best of its knowledge, duly withheld or collected, and paid over to the proper governmental authorities, or held by Admiral Bay or on behalf of it as required, and such withholdings and collections and all

other payments due in connection therewith are duly reflected in the Admiral Bay Financial Statements to the date as of which they were prepared and since that date will be duly entered in the accounts of Admiral Bay.

- (iv) There are no agreements, waivers or other arrangements providing for any extension of time with respect to the filing of any tax return or other document or the payment of any Governmental Charges by Admiral Bay or the period for any assessment or reassessment of Governmental Charges.
- (v) On or before the Closing Date, all returns of Admiral Bay for capital, excise, sales or use tax required to be filed by Admiral Bay before the Closing Date shall be fully prepared and filed before the Closing Date.
- (z) **Litigation:** There are no judgments unsatisfied, consent decrees or injunctions or embargos to which Admiral Bay is subject to or bound, and there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Admiral Bay) pending or, to the knowledge of Admiral Bay, threatened, by or against or affecting it, at law or in equity, or before or by any court or any federal, provincial, municipal, state or other governmental department, commission, board, bureau, agency or instrumentality. To the knowledge of Admiral Bay, there are no grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success. Admiral Bay is not subject to any judgment, order, writ, injunction or decree of any court or government body which would prevent the discharge of the obligations arising pursuant to this Agreement or the consummation of the transactions herein contemplated.
- (aa) **Reporting Issuer Status:**
 - (i) Admiral Bay is a reporting issuer in the Provinces of Alberta and British Columbia and no material change relating to Admiral Bay has occurred with respect to which the requisite material change report has not been filed under applicable securities laws in such provinces and no such disclosure is currently on file with any securities commissions of such provinces on a confidential basis;
 - (ii) All press releases, material change reports, financial statements and other documents filed by, or on behalf of, Admiral Bay with the securities commissions of British Columbia and Alberta were, at the respective dates of such filings, true and correct in all material respects and collectively provide disclosure of all material facts relating to Admiral Bay required to be disclosed in accordance with applicable securities laws in such provinces and each such document did not contain any misrepresentation as of the respective dates of such filings;

- (iii) There are no current orders ceasing or suspending trading in the securities of Admiral Bay nor prohibiting the sale of such securities has been issued to Admiral Bay or its directors, officers or promoters and, to the best of the knowledge of Admiral Bay, no investigations or proceedings for such purposes are pending or threatened; and
 - (iv) Admiral Bay is not in material default of any applicable securities legislation of the Provinces of Alberta or British Columbia.
- (bb) **Duly Authorized:** The Admiral Bay Shares to be issued in exchange for Cultivar Shares in connection with the Amalgamation will be, at the Time of Closing, duly authorized, validly allotted and issued as fully paid, non-assessable shares in the share capital of Admiral Bay and in compliance with applicable Canadian corporate and securities laws.

ARTICLE 5

COMPLETION OF ACQUISITION

5.1 Mutual Conditions

The obligation of each of Admiral Bay, Cultivar Subco and Cultivar to complete the transactions contemplated by this Agreement, is subject to the fulfillment of each of the following conditions precedent, unless waived in writing by Admiral Bay, Cultivar Subco or Cultivar, as applicable:

- (a) **Approvals.** At the Time of Closing, there shall have been obtained the written consents or approvals, in form and substance satisfactory to each of Admiral Bay, Cultivar Subco and Cultivar, acting reasonably, of any governmental or regulatory agency or Persons whose consent, waivers, forbearance or other approval to the transactions contemplated hereby is required (including pursuant to any contract), and all conditions imposed upon such consents, waivers, forbearance or other approvals shall have been satisfied;
- (b) **No Prohibition at Law.** At the Time of Closing, no prohibition at law against the completion of the transactions contemplated by this Agreement shall be in existence; and
- (c) **Closing.** The Closing shall occur on or prior to September 30, 2019 unless Cultivar and Admiral Bay mutually agree in writing to a later date.

5.2 Admiral Bay's Conditions

The obligation of Admiral Bay to complete the transactions contemplated by this Agreement, is subject to the fulfillment of each of the following conditions precedent, unless waived in writing by Admiral Bay:

- (a) **Cultivar's Representations, Warranties and Covenants.** At the Time of Closing, Cultivar shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties

contained in Section 3.1 shall be true and correct at the Time of Closing, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of Cultivar shall have been delivered to Admiral Bay as of the Time of Closing;

- (b) **No Material Change.** At the Time of Closing, there shall not have been any material adverse change in the condition (financial or otherwise), of the Cultivar Assets, liabilities, capitalization, or Business from that described in this Agreement and a Certificate to that effect signed by a duly authorized officer of Cultivar shall have been delivered to Admiral Bay as of the Time of Closing;
- (c) **Corporate Proceedings.** At the Time of Closing, all necessary steps and corporate proceedings shall have been taken by Cultivar, its board of directors and shareholders to permit the closing of the Amalgamation;
- (d) **Inspection of Financial Books and Records.** Until and including the Time of Closing, Cultivar shall make available to Admiral Bay all material books, accounts, records and other financial and accounting data of Cultivar (including all available unaudited financial statements) in order to enable such representatives to make an examination of the same and shall cause the accountants of Cultivar to give all such material information concerning the affairs of same to such representatives as such representatives may reasonably request;
- (e) **Inspection of Non-Financial Books and Records.** Until and including the Time of Closing, Cultivar shall make available to Admiral Bay all Cultivar Documents, minute books and other corporate records and all documents of title and related records and other material data of Cultivar in order to enable Admiral Bay to make an examination of the same and without limiting the generality of the foregoing, including such technical and market information as Admiral Bay considers appropriate;
- (f) **No Investigations.** At the Time of Closing, there shall be no inquiry or investigation (either formal or informal), in relation to Cultivar or any of their respective directors or officers, commenced or threatened by any officer or official of the Ontario, Alberta or British Columbia Securities Commission, or any similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on Cultivar, Admiral Bay or the Resulting Issuer upon Closing; and
- (g) **Closing Documents.** Cultivar shall have executed and delivered to Admiral Bay all documents as Admiral Bay may reasonably request for the purposes of completing the Amalgamation in accordance with the terms of this Agreement.

If any such conditions shall not be fulfilled or waived in writing by Admiral Bay at or prior to the Time of Closing, Admiral Bay may rescind this Agreement by written notice to Cultivar and, in such event, Admiral Bay and Cultivar shall be released from all obligations hereunder.

5.3 Cultivar's Conditions

The obligations of Cultivar to complete the transactions contemplated herein, are subject to the fulfillment of the following conditions precedent, unless waived in writing by Cultivar:

- (a) **Admiral Bay's Representations, Warranties and Covenants.** At the Time of Closing, Admiral Bay shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties contained in Section 4.1 shall be true and correct at the Time of Closing, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of Admiral Bay shall have been delivered to Cultivar as of the Time of Closing;
- (b) **No Material Change.** At the Time of Closing, there shall not have been any material adverse change in the condition (financial or otherwise), of the Admiral Bay Assets, liabilities or capitalization from that described in this Agreement and a Certificate to that effect signed by a duly authorized officer of Admiral Bay shall have been delivered to Cultivar as of the Time of Closing;
- (c) **Corporate Proceedings.** At the Time of Closing, all necessary steps and corporate proceedings, as approved by Cultivar, shall have been taken to permit the Resulting Issuer Securities to be duly and regularly issued by the Resulting Issuer as contemplated in this Agreement;
- (d) **Inspection of Financial Books and Records.** Until and including the Time of Closing, Admiral Bay shall make available to Cultivar all material books, accounts, records and other financial and accounting data of Admiral Bay and Cultivar Subco (including all available unaudited financial statements) in order to enable such representatives to make an examination of the same and shall cause the accountants of Admiral Bay to give all such material information concerning the affairs of same to such representatives as such representatives may reasonably request;
- (e) **Inspection of Non-Financial Books and Records.** Until and including the Time of Closing, Admiral Bay shall make available to Cultivar all Admiral Bay and Cultivar Subco documents, minute books and other corporate records and all documents of title and related records and other material data of Admiral Bay and Cultivar Subco in order to enable Cultivar to make an examination of the same;
- (f) **No Investigations.** At the Time of Closing, there shall be no inquiry or investigation (either formal or informal), in relation to Admiral Bay, Cultivar Subco or any of their directors or officers, commenced or threatened by any officer or official of the Ontario, Alberta or British Columbia Securities Commission, or any similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on Admiral Bay or Cultivar Subco;

- (g) **Closing Documents.** Admiral Bay and Cultivar Subco shall have executed and delivered to Cultivar all documents as Cultivar may reasonably request for the purposes of completing the Amalgamation in accordance with the terms of this Agreement.
- (h) **Name Change.** Admiral Bay shall have implemented the name change; and
- (i) **Resignation and Appointment of Officers and Directors.** Admiral Bay shall have delivered:
 - (i) resignation by of all current officers of Admiral Bay to take effect on Closing; and
 - (ii) resignation of all current directors of Admiral Bay to take effect on Closing;

which resignations shall be staged in such a manner that new directors as directed by Cultivar can be appointed by the remaining board members to fill each vacancy and the board members of Admiral Bay shall have signed such resolutions as may be necessary to give effect to this reorganization of the Admiral Bay board on Closing.

If any such conditions shall not be fulfilled or waived in writing by Cultivar at or prior to the Time of Closing, Cultivar may rescind this Agreement by written notice to Admiral Bay and, in such event, Admiral Bay and Cultivar shall be released from all obligations hereunder.

ARTICLE 6

INTERIM OPERATIONS

6.1 Cultivar Carrying on Business to Closing

Up to the Time of Closing, Cultivar shall (1) carry on the Business in the normal and ordinary course; (2) preserve the ongoing goodwill of Cultivar; and (3) ensure that key employees, if any, and key independent contractors continue their association with Cultivar and Cultivar undertakes to notify Admiral Bay of any event or occurrence during such period which might reasonably be considered to have a materially adverse effect on the Cultivar Assets or the Business.

6.2 Cooperation

Admiral Bay and Cultivar shall use their best efforts to assist and cooperate in obtaining all necessary consents, assignments, waivers, amendments or terminations to any instruments or take such other measures as may be appropriate to fulfill their obligations and carry out the transactions contemplated hereunder.

ARTICLE 7
TERMINATION AND WAIVER

7.1 Termination

- (a) The parties hereto may terminate this Agreement at any time prior to Closing upon written agreement of all the parties. In addition, this agreement shall terminate automatically if the Amalgamation is not closed by 5:00pm (Toronto time) on September 30, 2019 or such later date as Admiral Bay and Cultivar may agree upon in writing.
- (b) If, at any time prior to Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by Cultivar in this Agreement is not, in the case of a representation and warranty true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant, is not being complied with or fulfilled in all material respects and if such representation and warranty or covenant is not made true and correct or complied with or fulfilled in all material respects by action of Cultivar within 20 days of Cultivar receiving notice to that effect from Admiral Bay, then Admiral Bay, at the expiry of such period, by giving notice to Cultivar, may terminate this Agreement and its obligations hereunder.
- (c) If, at any time prior to Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by Admiral Bay in this Agreement is not, in the case of a representation and warranty true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant, is not being complied with or fulfilled in all material respects and if such representation and warranty or covenant is not made true and correct or complied with or fulfilled in all material respects by action of Admiral Bay within 20 days of Admiral Bay receiving notice to that effect from Cultivar, then Cultivar, at the expiry of such period, by giving notice to Admiral Bay, may terminate this Agreement and its obligations hereunder.
- (d) If this Agreement is terminated, this Agreement will forthwith have no further force or effect and there will be no obligation on the part of Cultivar or Admiral Bay hereunder.
- (e) Nothing in this Section 7.1 will relieve any party from liability for any breach of this Agreement.

7.2 Amendment

This Agreement may be amended by mutual agreement between the parties hereto. This Agreement may not amended except by an instrument in writing signed by the appropriate officers on behalf of each of the parties hereto.

7.3 Waiver

Either of Admiral Bay or Cultivar may:

- (a) extend the time for the performance of any of the obligations or other acts of the other;
- (b) waive compliance with any of the other's agreement or the fulfilment of any conditions to its own obligations contained herein; or
- (c) waive inaccuracies in any of the other's representations or warranties contained herein or in any document delivered by the other party hereto;

provided, however, that any such extension or waiver will be valid only if set forth in an instrument in writing signed on behalf of such party.

ARTICLE 8 **GENERAL**

8.1 Expenses

Each party hereto shall pay all reasonable costs and expenses related to the legal and audit fees and other charges and expenses incurred by such party in connection with the preparation of this Agreement, all negotiations between the parties and the completion of the transactions contemplated hereby.

8.2 Time of the Essence

Time shall be of the essence of this Agreement.

8.3 Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario.

8.4 Counterparts and Delivery

This Agreement may be executed in several counterparts and delivered by a facsimile copy of an original execution page bearing the signature of each party hereto, each of which when so executed shall be deemed to be an original, and such counterparts or facsimile copies thereof together shall comprise one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear the date as of the date above written.

8.5 Notices

Any notice required or permitted to be given by a party hereto to the other shall be given in writing and addressed:

- (a) if to Admiral Bay at:

Admiral Bay Resources Inc.
 900 - 885 West Georgia Street
 Vancouver, British Columbia
 V6C 3H1
 Attention: Rahul Kushwah

(b) if to Cultivar at:

Cultivar Holdings Ltd.
 77 King Street West, Suite 3000
 Toronto, Ontario
 M5K 1G8
 Attention: Sheldon Kales

Any such notice shall be delivered by hand or by prepared courier or mailed by prepaid registered post. Any notice delivered as aforesaid shall be deemed to have been received by the party hereto to which it is so delivered at the time on the date of its being so delivered. Any notice mailed as aforesaid shall be deemed to have been received by the party hereto to which it is so mailed on the fifth business day next following the time on the date of it being so mailed. Any party may change its address for notice by giving notice to that effect.

8.6 Enurement

This Agreement shall enure to the benefit of the parties, their respective heirs, successors and permitted assigns.

8.7 Further Assurances

The parties hereto will from time to time, on and after the Closing Date, at the request and expense of the other parties hereto, execute and deliver all such other additional instruments, notices, releases, acquaintances and other documents and shall do all such other acts and things as may be reasonably necessary to carry out the terms and conditions of this Agreement in accordance with their true intent.

8.8 Public Announcement

- (a) No news release or public announcement with respect the subject matter of this Agreement shall be made by either party, without the prior approval of the other parties.
- (b) Notwithstanding the foregoing, the parties may disclose any information required to be disclosed to any federal, provincial, state or local government or governmental agency or regulatory body, branch, board, agency or necessary to comply with applicable law.

IN WITNESS WHEREOF Admiral Bay and Cultivar have executed this Agreement as of the date and year first above written.

ADMIRAL BAY RESOURCES INC.

CULTIVAR HOLDINGS LTD.

Per: *(signed) "Sheldon Kales"*

Name: Sheldon Kales

Title: CEO

Per: *(signed) "Rahul Kushwah"*

Name: Rahul Kushwah

Title: CFO

IN WITNESS WHEREOF Cultivar Subco has executed this Agreement as of the date and year first above written.

2693980 ONTARIO INC.

Per: *(signed) "Rahul Kushwah"*

Name: Rahul Kushwah

Title: Director

SCHEDULE "A"
AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the ► day of ►, 2019 by and among Admiral Bay Resources Inc. ("**Admiral Bay**"), 2693980 Ontario Inc. ("**Cultivar Subco**") and Cultivar Holdings Ltd. ("**Cultivar**").

WHEREAS Cultivar Subco and Cultivar are each incorporated under the OBCA (as hereinafter defined);

AND WHEREAS Cultivar Subco is a wholly owned subsidiary of Admiral Bay;

AND WHEREAS Cultivar Subco and Cultivar propose to amalgamate and continue as one corporation pursuant to the OBCA upon the terms and subject to the conditions hereinafter set out; and

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the mutual covenants and agreements hereinafter set out, the parties hereto covenant and agree as follows:

1. Definitions.

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

"**Admiral Bay Option Plan**" means the stock option plan of Admiral Bay;

"**Admiral Bay Shares**" means the common shares in the capital of Admiral Bay;

"**Acquisition Agreement**" means the Acquisition Agreement dated August 26, 2019 between the parties hereto;

"**Agreement**" means this agreement as the same may be amended, modified or supplemented from time to time;

"**Amalco Shares**" means the common shares in the capital of the Amalgamated Corporation;

"**Amalgamated Corporation**" means the corporation resulting from the Amalgamation;

"**Amalgamation**" means the amalgamation of Cultivar Subco and Cultivar contemplated by this Agreement;

"**Business Day**" means a day which is not a Saturday, Sunday or a statutory holiday in the Province of Ontario or the City of Toronto;

"**Certificate of Amalgamation**" means the articles of amalgamation endorsed with a certificate by the Director in respect of the Amalgamation;

"**Cultivar Performance Shares**" means, collectively, the 500,000 Cultivar Shares to be issued as a performance fee for the issuance of a final license to Cultivar's Jamaican subsidiary upon the issuance of such a license by the Cannabis License Authority in Jamaica;

"**Cultivar Securities**" means, collectively, the Cultivar Shares and the Cultivar Warrants and "Cultivar Security" means any such security;

"**Cultivar Shares**" means all of the shares in the capital of Cultivar outstanding at the Time of Closing;

"**Cultivar Warrants**" means the common share purchase warrants of Cultivar, each Cultivar Warrant exercisable into a Cultivar Share at an exercise price of \$0.50 per share until August 12, 2021.

"**Director**" means the Director appointed under Section 278 of the OBCA;

"**Effective Date**" means the date of the Certificate of Amalgamation;

"**Cultivar Subco Shares**" means the common shares in the capital of Cultivar Subco;

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended;

"**Registrar and Transfer Agent**" means National Issuer Services Ltd., and any other Person which may be appointed as registrar and transfer agent of Admiral Bay as applicable, from time to time;

"**Resulting Issuer**" means Admiral Bay as it exists upon completion of the Amalgamation to be known as Cultivar Holdings Inc., or such other name determined by the board of directors of the Resulting Issuer;

"**Resulting Issuer Stock Options**" means stock options granted under the Admiral Bay Option Plan in exchange for the Cultivar Stock Options;

"**Resulting Issuer Securities**" means the Resulting Issuer Shares and the Resulting Issuer Warrants;

"**Resulting Issuer Shares**" means the common shares of the Resulting Issuer including those issued upon the Amalgamation;

"**Resulting Issuer Warrants**" means the warrants to purchase Resulting Issuer Shares to be issued by the Resulting Issuer in exchange for the Cultivar Warrants which remain issued and outstanding on Closing;

"**Share Exchange Ratio**" means one (1) Admiral Bay common share for each Cultivar Share;

2. Amalgamation.

Cultivar Subco and Cultivar hereby agree to amalgamate and continue as one corporation under the provisions of the OBCA on the date first above written upon the terms and subject to the conditions hereinafter set out.

3. Name.

The name of the Amalgamated Corporation shall be "Cultivar Holdings Ltd."

4. Registered Office.

The registered office of the Amalgamated Corporation shall be located at 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8.

5. Authorized Capital.

The authorized capital of the Amalgamated Corporation shall consist of an unlimited number of Amalco Common Shares. The rights, privileges, restrictions and conditions attaching to the Amalco Shares are set forth in Schedule 1 to this Agreement.

6. Restrictions on Shares.

There are no restrictions on the issue, transfer or ownership of Amalco Shares set out in the Certificate of Amalgamation.

7. Directors.

The board of directors of the Amalgamated Corporation shall consist of a minimum of one director and a maximum of ten directors. The number of directors of the Amalgamated Corporation and the number of directors to be elected at the annual meeting of the shareholders of the Amalgamated Corporation or by the signing of a resolution in lieu thereof, until changed in accordance with the OBCA, shall be two (2).

8. First Directors.

The name and address of each of the first directors of the Amalgamated Corporation shall be as follows:

Name	Address
Sheldon Kales	77 King Street West, Suite 3000 Toronto, Ontario M5K 1G8
Rahul Kushwah	77 King Street West, Suite 3000 Toronto, Ontario M5K 1G8

Each of the said first directors shall hold office until the first annual meeting of the shareholders of the Amalgamated Corporation, or until a successor is elected or appointed. The subsequent directors shall be elected in accordance with the provisions of the OBCA. The affairs and business of the Amalgamated Corporation shall be under the management of the board of directors of the Amalgamated Corporation from time to time, subject to the provisions of the OBCA.

9. Business.

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

10. Entitlements on Amalgamation.

Upon the terms and subject to the conditions set forth herein, at the time of the Amalgamation,

- (a) Resulting Issuer Shares to Cultivar Shareholders in exchange for the delivery to Admiral Bay of all of the issued and outstanding Cultivar Shares (except for Cultivar Shares held by holders that have validly exercised their dissent rights in connection with the Meeting). The aggregate number of Resulting Issuer Shares to be issued in exchange for the issued and outstanding Cultivar Shares shall be determined by multiplying the number of Cultivar Shares issued and outstanding at the time of Closing by the Share Exchange Ratio;
- (b) The Resulting Issuer Warrants to the holders of Cultivar Warrants which remain outstanding on Closing in exchange for the Cultivar Warrants. The rate of exchange of Resulting Issuer Warrants for Cultivar Warrants shall be equal to the Share Exchange Ratio;
- (c) if the Cultivar Performance Shares have not been issued by Cultivar as of the Closing Date, the Resulting Issuer agrees that it is contractually obligated to issue Resulting Issuer Shares on the same terms subject to appropriate adjustments proportional to the Share Exchange Ratio; and
- (d) each issued and outstanding Cultivar Subco Share will be converted into one (1) Amalco Common Share and each Cultivar Subco Share will be cancelled without reimbursement of the capital in respect thereof.

Cultivar Shares held by holders who have validly exercised their dissent rights in connection with the applicable shareholder resolution to approve the Amalgamation in accordance with the OBCA will not be exchanged pursuant to this Section 10. However, if any such dissenting holder fails to perfect or effectively withdraws its claim pursuant to the OBCA or forfeits its right to make a claim under the OBCA or if its rights as a shareholder of Cultivar are otherwise reinstated, the Cultivar Shares held by such holders shall thereupon be deemed to have been exchanged as of the time of the Amalgamation in accordance with this Section.

11. Certificates

At the time of Amalgamation:

- (a) the registered holders of Cultivar Shares shall cease to be holders Cultivar Shares, and shall be deemed to be registered holders of Resulting Issuer Shares to which they are entitled in accordance with Section 10 hereof, all certificates evidencing Cultivar Shares shall be null and void, and on or after the effective time of the Amalgamation, subject to the provisions of any escrow requirement, if applicable, the Resulting Issuer shall provide instructions to the Resulting Issuer Registrar and Transfer Agent to deliver such certificates or other evidence of ownership representing the number of Resulting Issuer Shares to which they are so entitled and/or register the holders thereof in book-entry only format in CDS' name;
- (b) the registered holders of Cultivar Warrants and Cultivar Stock Options shall be deemed to be the registered holders of the Resulting Issuer Warrants and Resulting Issuer Stock Options, respectively, to which they are entitled in accordance with Section 10 hereof, all certificates and/or agreements evidencing such securities shall, in accordance with their terms, evidence such securities of the Resulting Issuer and the Resulting Issuer shall deliver notice to the holders of such options of the foregoing or deliver amended certificates or agreements evidencing such securities of the Resulting Issuer as required; and
- (c) notwithstanding the foregoing, all certificates representing Cultivar Shares held by persons who have validly exercised their dissent rights in connection with the Meeting shall represent only the right to receive fair value of the Cultivar Shares formerly represented by such certificates in accordance with the OBCA.

12. Stated Capital.

The stated capital in respect of the Amalco Common Shares will be equal to the aggregate stated capital of the Cultivar Subco Shares and the Cultivar Shares immediately prior to the Amalgamation.

13. By-laws.

The by-laws of Cultivar shall be the by-laws of the Amalgamated Corporation with such amendments thereto as may be necessary to give effect to this Agreement until repealed, amended, altered or added to.

14. Articles of Amalgamation.

Upon the shareholders of Cultivar and the shareholder of Cultivar Subco approving, by special resolution, the Amalgamation, this Agreement and any variations thereof, and provided that the conditions to the completion of the Amalgamation specified herein and in the Acquisition Agreement have then been satisfied or waived, Cultivar Subco and Cultivar shall jointly file, in duplicate, with the Director, articles of amalgamation in prescribed form providing for the Amalgamation and such other documents as may be required pursuant to the OBCA.

15. Amendment.

This Agreement may at any time and from time to time before or after the holding of the Meeting be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation, change the time for performance of any of the obligations or acts of the parties hereto or waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties hereto; provided that no such amendment shall change the provisions hereof regarding the consideration to be received by shareholders of Cultivar in exchange for their Cultivar Shares without approval by the Cultivar shareholders given in the same manner as required for the approval of the Amalgamation.

16. Termination.

Subject to the terms of the Acquisition Agreement, this Agreement may be terminated by a resolution passed by the directors of Cultivar Subco, Admiral Bay or Cultivar at any time before the issue of the Certificate of Amalgamation, notwithstanding the approval of this Agreement by the shareholders of either or both of Cultivar Subco and Cultivar. If this Agreement is terminated pursuant to this section, this Agreement shall forthwith become void and of no further force and effect.

17. Further Assurances.

Each of the parties hereto agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.

18. Time of Essence.

Time shall be of the essence of this Agreement.

19. Binding Effect.

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their successors and assigns.

20. Assignment.

No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties.

21. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

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

2693980 ONTARIO INC.

Per: _____

Name: ▶

Title: ▶

I have authority to bind the Corporation

ADMIRAL BAY RESOURCES INC.

Per: _____

Name: ▶

Title: ▶

I have authority to bind the Corporation

CULTIVAR HOLDINGS LTD.

Per: _____

Name: ▶

Title: ▶

I have authority to bind the Corporation

Schedule 1

The Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Voting

The holders of the Common Shares shall be entitled to receive notice of and to attend and shall be entitled to one (1) vote at any meeting of the shareholders of the Corporation for each Common Share held.

2. Dividends

The holders of the Common Shares shall be entitled to receive dividends as and when the directors shall in their discretion declare dividends on the Common Shares and pay the same.

3. Dissolution

The holders of the Common Shares shall be entitled to receive the remaining property of the Corporation in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.