

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the 23rd day of September, 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: (signed) "Rahul Kushwah"

Name: Rahul Kushwah

Title: Director

I have authority to bind the Corporation

ADMIRAL BAY RESOURCES INC.

Per: (signed) "Rahul Kushwah"

Name: Rahul Kushwah

Title: CEO

I have authority to bind the Corporation

CULTIVAR HOLDINGS LTD.

Per: (signed) "Sheldon Kales"

Name: Sheldon Kales

Title: CEO

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.