

**AMENDMENT NO. 4 TO THE
EQUITY PARTICIPATION AND EARN-IN AGREEMENT**

THIS AGREEMENT is dated as of the 22nd day of March, 2019 (the “**Amendment**”)

BETWEEN:

AGRAFLORA ORGANICS INTERNATIONAL INC. (formerly PUF Ventures Inc.), a company duly existing under the laws of British Columbia and having its head office at 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7;

(hereinafter referred to as “**AgraFlora**”)

AND:

1180782 B.C. LTD. operating as DELTA ORGANIC CANNABIS, a company duly existing under the laws of British Columbia;

(hereinafter referred to as “**DOCC**”)

(collectively, the “**Parties**”)

WHEREAS:

A. AgraFlora entered into an equity participation and earn-in agreement dated September 25, 2018 with DOCC, as amended on October 11, 2018, October 25, 2018 and November 15, 2018 (collectively, the “**Agreement**”) whereby (i) DOCC agreed to acquire an equity interest in AgraFlora by committing up to \$40 million for the furtherance of the lease obligations, construction expenses, and operational expenses of Houwelings Delta propagation facility and (ii) AgraFlora granted to DOCC an option to acquire up to 19.9% of outstanding common shares of AgraFlora and a 20% interest in Propagation Services Canada Inc. (“**PSC**”), each pursuant to the terms and conditions thereof;

B. On October 18, 2018, DOCC advanced \$12,500,000 to AgraFlora in exchange for 5,572,755 common shares of AgraFlora and, as a result, earned from AgraFlora 6.25% of the total issued and outstanding shares in the capital of PSC;

C. Effective November 19, 2018, AgraFlora effected a stock split on the basis of five (5) new common shares for every one (1) common share held;

D. On December 10, 2018, DOCC advanced \$7,500,000 to AgraFlora in exchange for 16,718,265 common shares of AgraFlora and, as a result, earned from AgraFlora an additional 3.75% of the total issued and outstanding shares in the capital of PSC; and

E. The Parties wish to further amend the Agreement as more particularly set forth herein.

THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and premises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Paragraphs 1.1(c) and (d) of the Agreement are hereby deleted in its entirety and replaced with the following:

“(c) On or before March 31, 2019, DOCC shall advance \$20,000,000 in subscription proceeds in exchange for **44,582,040** post-split Common Shares at a price of \$0.44861 per post-split Common Share, such funds to be remitted to PSC by AgraFlora and allocated exclusively for construction draw downs on the Facility, ongoing operational expenses, pre-payment

on the Facility lease, and such other use of proceeds as more fully described in Schedule I attached hereto.”

2. Paragraph 2.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

“2.2 DOCC will have the right (the “**Earn-in Right**”) to earn up to 20% of the total issued and outstanding Class B non-voting participating common shares in the capital of PSC from PUF in accordance with the following schedule (the “**Earn-in Schedule**”):

(a) earn 6.25% of the total issued and outstanding Class B non-voting participating common shares in the capital of PSC from PUF by satisfaction of the subscription obligations set out in subsection 1.1(a);

(b) earn an additional 3.75% of the total issued and outstanding Class B non-voting participating common shares in the capital of PSC from PUF, for a total of 10% of the total issued and outstanding shares in the capital of PSC, by satisfaction of the subscription obligations set out in subsection 1.1(b);

(c) earn an additional 2.5% of the total issued and outstanding Class B non-voting participating common shares in the capital of PSC from PUF, for a total of 12.5% of the total issued and outstanding shares in the capital of PSC, by satisfaction of the subscription obligations set out in subsection 1.1(c); and

(d) earn an additional 7.5% of the total issued and outstanding Class B non-voting participating common shares in the capital of PSC from PUF, for a total of 20% of the total issued and outstanding shares in the capital of PSC, by satisfaction of the subscription obligations set out in subsection 1.1(d).

Notwithstanding the foregoing, DOCC may complete the earn-in obligations sooner than provided by the Earn-in Schedule by the completion of the subscriptions set out in subsections 2.1(a) to (d)”

- 3. In all other respects the Agreement shall continue in full force and effect.
- 4. This Amendment shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.
- 5. This Amendment may be executed in any number of counterparts and by facsimile with the same effect as if all Parties to this Agreement had signed the same document and all counterparts will be construed together and will constitute one and the same instrument and any facsimile signature shall be taken as an original.

IN WITNESS WHEREOF the Parties have executed this Amendment as of the day and year first set above.

1180782 B.C. LTD. operating as DELTA ORGANIC CANNABIS

AGRAFLORA ORGANICS INTERNATIONAL INC.

By: 
Name: Joel Dumaresq
Title: Director

By: 
Name: Derek Ivany
Title: Chief Executive Officer