

## SHARE EXCHANGE AGREEMENT

**THIS SHARE EXCHANGE AGREEMENT** is made as of the 24 day of July, 2019 and is

### **AMONG**

- A. **AGRAFLORA ORGANICS INTERNATIONAL INC.**, which is a reporting issuer in the provinces of British Columbia, Alberta and Ontario with its common shares listed for trading on the Canadian Securities Exchange.

(the “**Seller**”)

### **AND**

**1210391 B.C. LTD.**, a corporation incorporated under the laws of the Province of British Columbia.

(“**SUBCO**”)

### **AND**

**JJ WOLF INVESTMENTS LTD.**, a corporation incorporated under the laws of the Province of British Columbia

(“**WOLF**”)

### **RECITALS:**

- B. The Seller is a reporting issuer in the provinces of British Columbia, Alberta and Ontario with its common shares listed for trading on the Canadian Securities Exchange and is the registered and beneficial owner of 1 common share, representing 100% of the issued and outstanding shares of SUBCO (the “**Subject Shares**”).
- C. SUBCO was created via resolution of the Board of Directors of the Seller in order to domicile its non-core and non-operational investment assets as further described in Schedule A attached hereto.
- D. WOLF is a privately held investment company and merchant bank.
- E. The Seller wishes to sell to WOLF, and WOLF wishes to purchase from the Seller, 100% of the Subject Shares (the “**Purchased Shares**”) on the terms and conditions set forth in this Agreement.
- F. SUBCO owns a portfolio of non-core and non-operational cannabis related investment assets, the majority of which are not publicly traded on any stock exchange.

**IN CONSIDERATION** of the premises and mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties agree with one another as follows:

## 1. Definitions and Interpretation

1.1 *Definitions.* Whenever used in this Agreement, the following words and terms will have the respective meanings ascribed to them below:

1.1.1 “**Agreement**” means this Share Exchange Agreement, all of the Schedules to this Share Exchange Agreement and all instruments supplemental to or in amendment or confirmation of this Share Exchange Agreement.

1.1.2 “**Assets**” means the undertaking, property and assets of SUBCO or WOLF, as the case may be, as a going concern of every kind and description, wheresoever situated.

1.1.3 “**Business**” means in the case of WOLF, as applicable, its current business as presently conducted, as disclosed in the WOLF Public Record.

1.1.4 “**Closing**” means the completion of the purchase and sale of the Purchased Shares pursuant to this Agreement.

1.1.5 “**Closing Date**” means the date on which the purchase and sale of all of the issued and outstanding SUBCO Shares is completed, which shall be the date mutually agreed by SUBCO and WOLF, but in no event earlier than the execution of the Definitive Agreements and the closing of the transactions contemplated thereunder.

1.1.6 “**Closing Time**” means 10:00 a.m. (Toronto time) on the Closing Date or such other time on such date as the parties may agree as the time at which the Closing will take place.

1.1.7 “**Damages**” has the meaning given in Section 6.1.

1.1.8 “**Encumbrance**” means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, pre-emptive right, community property interest or restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset).

1.1.9 “**Exchange**” means the Canadian Securities Exchange.

1.1.10 “**Governmental Authority**” means any federal, provincial, state, municipal, county or regional government or governmental authority, domestic or foreign and includes any department, commission, board, administrative agency or regulatory body thereof.

1.1.11 “**IFRS**” means International Financial Reporting Standards.

- 1.1.12 “**Intellectual Property Rights**” means all patents and inventions, trademarks, trade names and styles, logos and designs, service marks, trade dress, industrial designs, internet domain names, world wide websites, website names, electronic mail addresses, copyrights, trade secrets, technical information, engineering procedures, designs, know-how and processes (whether confidential or otherwise), software, other industrial property (including applications for any of these) and other similar rights and properties.
- 1.1.13 “**WOLF Shares**” means the common shares in the capital of WOLF as they are presently constituted.
- 1.1.14 “**Payment Shares**” has the meaning given in Section 2.2.
- 1.1.15 “**Person**” includes an individual, corporation, partnership, joint venture, trust, unincorporated organization, the Crown or any agency or instrumentality thereof or any other juridical entity.
- 1.1.16 “**Purchase Price**” has the meaning given in Section 2.2.
- 1.1.17 “**Purchased Shares**” has the meaning given in the recitals above.
- 1.1.18 “**SEDAR**” means the System for Electronic Document Analysis and Retrieval.
- 1.1.19 “**Subsidiary**” means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes will or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and will include any body corporate, partnership, joint venture or other entity over which it exercises direction or control.
- 1.1.20 “**Taxes**” means all levies and assessments imposed by any Governmental Authority, including but not limited to all income, sales, use, ad valorem, value added, franchise, withholding, payroll, employment, excise or property taxes, together with any applicable interest or penalty.
- 1.1.21 “**SUBCO Shares**” means the common shares in the capital of SUBCO as they are presently constituted.
- 1.2 *Gender and Number.* In this Agreement, words importing the singular include the plural and vice versa and words importing gender include all genders.
- 1.3 *Article and Section Headings.* Article and Section headings contained in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the content of any Article or Section and will not be considered to be part of this Agreement.

1.4 *Schedules.* The following Schedules are an integral part of this Agreement:

**Schedule A** – Non-core investments of the Seller

**Schedule B** – List of Shareholders of SubCo

1.5 *Accounting Terms.* Unless otherwise indicated, all accounting terms not otherwise defined have the meanings assigned to them, and all calculations are to be made and all financial data to be submitted are to be prepared, in accordance with IFRS.

1.6 *Arm's Length.* For purposes of this Agreement, Persons are not dealing "at arm's length" with one another if they would not be considered to be dealing at arm's length with one another for purposes of the *Income Tax Act* (Canada), as amended.

1.7 *Statutory Instruments.* Unless otherwise specifically provided in this Agreement, any reference in this Agreement to any law, by law, rule, regulation, order, act or statute of any government, Governmental Authority or other regulatory body will be construed as a reference to those as amended or re-enacted from time to time or as a reference to any successor thereof.

1.8 *Currency.* Except as otherwise stated, all dollar amounts herein are expressed in Canadian dollars.

## **2. Purchase and Sale**

2.1 *Purchased Shares.* Upon and subject to the terms of this Agreement, the Sellers agree to sell, assign and transfer, free and clear of all Encumbrances, and WOLF agrees to purchase, all of the Purchased Shares, as at the Closing Time on the Closing Date, in accordance with subsection 2.3.1 below.

2.2 *Purchase Price.* The aggregate purchase price (the "**Purchase Price**") payable by WOLF to the Seller for the Purchased Shares shall be the issuance of an aggregate of 10 million common shares in the capital of WOLF (the "**Payment Shares**") as fully paid and non-assessable at a deemed price of \$0.50 per common share. Immediately post issuance, and prior to any future share issuances in the capital of WOLF, the Seller will own 50% of the common equity in WOLF.

2.3 *Acknowledgements and Agreements of the Sellers.* Each of the Sellers acknowledges and agrees as follows with respect to the sale of the Purchased Shares and the receipt of the Payment Shares by such Seller pursuant to this Agreement:

2.3.1 Effective as at the Closing Time (i) the Sellers shall be deemed to have sold, assigned and transferred the Purchased Shares to WOLF, (ii) WOLF shall be delivered one or more share certificates registered as directed by WOLF representing the total number of SUBCO Purchased Shares, (iii) the Payment Shares shall be issued to the Sellers, allocated among the Sellers pursuant to section 2.2 above, and evidenced by certificates delivered to the Sellers representing the Payment Shares, and (iv) any certificates representing the

Purchased Shares held by the Sellers shall be cancelled and thereafter shall be of no further force or effect.

- 2.3.2 Such Seller has been independently advised as to the applicable hold periods imposed in respect of the Payment Shares by the securities legislation in the jurisdiction in which such Seller resides, and such Seller confirms that no representation has been made respecting the applicable hold periods for the Payment Shares and that such Seller is aware of the risks and other characteristics of the Payment Shares and of the fact that such Seller may not resell the Payment Shares except in accordance with applicable securities legislation and regulatory policy until expiry of the applicable hold periods and compliance with the other requirements of applicable law. Such Seller acknowledges that the certificates representing the Payment Shares will contain legends denoting the applicable resale restrictions, if any, and such Seller will not resell the Payment Shares except in accordance with the provisions of applicable securities legislation and Exchange rules.
- 2.3.3 Such Seller has been advised that no prospectus has been filed in connection with the issuance and granting of the Payment Shares and as the Payment Shares are being issued and granted to the Sellers pursuant to exemptions from the prospectus requirements of applicable securities laws:
- (a) most of the civil remedies applicable to the issuance and granting of securities by way of prospectus provided for in such laws are not available to such Seller;
  - (b) such Seller may not receive information that would be provided if no such exemptions were available; and
  - (c) WOLF is relieved of certain obligations in respect of offerings by way of prospectus which would otherwise apply under applicable securities laws.
- 2.3.4 Such Seller will comply with any requirements imposed by the Exchange or securities legislation as a result of the shareholdings of such Seller in WOLF exceeding certain thresholds, such requirements to include, without limitation, the filing of insider and early warning reports under applicable Canadian securities laws.

### **3. Representations and Warranties**

- 3.1 *Representations and Warranties of SUBCO* - SUBCO represents, warrants and covenants to WOLF as follows, and acknowledges that WOLF is relying on these representations, warranties and covenants in entering into this Agreement and in completing the transactions contemplated hereby:
- 3.1.1 **Organization and Good Standing** – SUBCO is duly incorporated or organized and validly existing under the laws of the Province of British Columbia.

- 3.1.2 Bankruptcy – No bankruptcy, insolvency or receivership proceedings have been instituted or are pending against SUBCO, and SUBCO is able to satisfy its liabilities as they become due.
  - 3.1.3 Due Authorization – SUBCO has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of SUBCO
  - 3.1.4 Authorized and Issued Capital – The authorized capital of SUBCO consists of an unlimited number of common shares, of which 1 SUBCO Share has been validly issued and is outstanding as fully paid and non-assessable. The Seller is the registered owner of the Purchased Share and the Purchased Share is held by the Seller as set out in Schedule B.
  - 3.1.5 Enforceability of Obligations – This Agreement constitutes a valid and binding obligation of SUBCO enforceable against SUBCO in accordance with its terms, provided that enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws generally affecting enforceability of creditors’ rights and that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.
  - 3.1.6 Subsidiaries – SUBCO does not have any Subsidiaries.
  - 3.1.7 Assets – SUBCO owns a portfolio of non-core cannabis related investment assets, the majority of which are not publicly traded on any stock exchange.
  - 3.1.8 No Other Liabilities – There are no liabilities, contingent or otherwise, of SUBCO which are not disclosed to WOLF. SUBCO has not guaranteed, or agreed to guarantee, any debt, liability or other obligation of any Person. There are no liabilities of any Person capable of creating an Encumbrance on any of SUBCO’s Assets.
  - 3.1.9 Litigation (SUBCO) – There is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or to the knowledge of SUBCO, threatened against or relating to SUBCO There is not presently outstanding against SUBCO any judgement, decree, injunction, rule or order of any court, Governmental Authority, commission, agency, instrumentality or arbitrator.
- 3.2 *Representations and Warranties of the Sellers:* Each Seller severally (and not jointly or jointly and severally) makes the following representations and warranties to WOLF and acknowledges that WOLF is relying on such representations and warranties in entering into this Agreement and in completing the transactions contemplated under this Agreement:

- 3.2.1 The Purchased Shares – Such Seller is the legal and beneficial owner of the number of Purchased Shares shown as held by such Seller on Schedule B and on Closing WOLF will acquire good and marketable title to such Purchased Shares free and clear of all Encumbrances.
- 3.2.2 Litigation (Shares) – There is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or threatened against such Seller relating to the Purchased Shares.
- 3.2.3 Enforceability of Obligations – When executed and delivered, this Agreement will constitute valid and legally binding obligations enforceable against such Seller in accordance with its terms subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.
- 3.2.4 Corporate Seller – If the Seller is a corporation:
  - (a) it is duly incorporated or organized and validly existing in its jurisdiction of incorporation and is in good standing with respect to the filing of annual reports; and
  - (b) it has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement; and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of such Seller.
- 3.3 *Representations and Warranties of WOLF.* WOLF hereby represents, warrants and covenants to SUBCO and the Sellers as follows and acknowledges that SUBCO and the Sellers are relying on these representations, warranties and covenants in entering into this Agreement and in completing the transactions contemplated under this Agreement:
  - 3.3.1 Organization and Good Standing – WOLF is duly incorporated or organized and validly existing under the laws of the Province of British Columbia, Canada.
  - 3.3.2 Bankruptcy – No bankruptcy, insolvency or receivership proceedings have been instituted or are pending against WOLF, and WOLF is able to satisfy its liabilities as they become due.
  - 3.3.3 Capacity to Carry on Business – WOLF has all necessary corporate power, authority and capacity to own its Assets and to carry on its business as presently owned and carried on by it and WOLF is duly licensed, registered and qualified as a corporation to do business and is in good standing in each jurisdiction in which the nature of its business makes such qualification necessary.

- 3.3.4 Due Authorization – WOLF has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of WOLF.
- 3.3.5 Authorized and Issued Capital – The authorized capital of WOLF consists of an unlimited number of common shares, of which 10,000,000 WOLF Shares have been validly issued and are outstanding as fully paid and non-assessable. There are no derivative securities of WOLF issued and outstanding.
- 3.3.6 Absence of Conflicting Agreements – The execution and delivery of this Agreement and the performance by WOLF and its obligations hereunder do not and will not:
- (a) result in the violation of any applicable laws;
  - (b) result in or constitute a breach of any term or provision of, or constitute a default under, any constating documents of WOLF or any agreement to which WOLF is a party or its Assets are bound; or
  - (c) constitute an event which would permit any party to any agreement with WOLF to terminate such agreement or to accelerate the maturity of any indebtedness or other obligation of WOLF.
- 3.3.7 Consents – There are no consents, authorizations, licenses, agreements, permits, approvals or orders of any Person or Governmental Authority required to permit WOLF to complete the transactions contemplated by this Agreement other than those that have already been obtained by WOLF and disclosed by WOLF to SUBCO
- 3.3.8 Rights and Privileges – There are no rights, privileges or advantages presently enjoyed by WOLF which might be lost as a result of the consummation of the transactions contemplated under this Agreement.
- 3.3.9 Enforceability of Obligations – This Agreement constitutes a valid and binding obligation of WOLF enforceable against WOLF in accordance with its terms, provided that enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws generally affecting enforceability of creditors’ rights and that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.
- 3.3.10 Books and Records – The books and records of WOLF are fully and accurately maintained and its books of account provide for all excise, sales, business and property taxes and other rates, charges, assessments, levies, duties, taxes, contributions, fees, licenses and other governmental charges of whatsoever kind and nature that have become due and payable or, to the extent such amount is



material, that may become due and payable before the Closing Time. The minute books of WOLF are complete and accurate in all material respects and reflect all material actions taken and resolutions passed by the directors and shareholders, as the case may be, of WOLF, since the date of incorporation or organization.

3.3.11 The Payment Shares – On Closing or achievement of the milestones set out at Section 2.2, as the case may be, the Payment Shares:

- (a) will be issued to the Sellers as fully paid and non-assessable WOLF Shares;
- (b) will be duly registered in the names of the Sellers in the books and registers of WOLF; and

3.3.12 WOLF Public Record – The WOLF Public Record is, in all material respects, accurate and complete and omits no facts, the omission of which makes the WOLF Public Record or any particulars therein, materially misleading or incorrect at the time such statements were made. WOLF has not filed any confidential material change reports which are, as of the date of this Agreement, maintained on a confidential basis. Except as disclosed in the WOLF Public Record, there is no fact known to WOLF which has, or so far as WOLF which has, or so far as WOLF can reasonably foresee, will have a material adverse effect, or which would otherwise be material to any person intending to make an investment in WOLF.

*Survival.* The representations, warranties and covenants made by the parties in sections 3.1, 3.2, and 3.3 shall terminate (and be of no further force or effect) on the earlier of: (a) the termination of this Agreement in accordance with its terms; and (b) the Closing Time.

#### **4. Covenants**

4.1 *Covenants of SUBCO and the Sellers.* Until the earlier of the Closing Time or the termination of this Agreement in accordance with its terms, each of the Sellers and SUBCO severally (and not jointly or jointly and severally) hereby covenants and agrees with WOLF as follows:

4.1.1 *Necessary Consents.* The Sellers and SUBCO shall use commercially reasonable efforts to obtain all approvals or consents as are required to complete the transactions contemplated by this Agreement, including those of the directors and shareholders of SUBCO or any applicable Governmental Authority; and if applicable, of the Distributor with respect to the Distribution and Software License Agreement.

4.1.2 *Satisfaction of Conditions Precedent.* Each of the Sellers and SUBCO shall use commercially reasonable efforts to satisfy or cause to be satisfied the conditions precedent to the transactions contemplated herein which are within his, her or its control.

- 4.1.3 *All other Actions.* The Sellers and SUBCO shall cooperate fully with WOLF, and will use all commercially reasonable efforts to assist WOLF in its efforts to complete the transactions contemplated by this Agreement, unless such cooperation and efforts would subject the Sellers or SUBCO to any extraordinary cost or liability or would be in breach of any applicable statutory or regulatory requirements.
- 4.2 *Covenants of WOLF.* WOLF hereby covenants and agrees with the Sellers and SUBCO as follows:
- 4.2.1 *Necessary Consents.* WOLF shall use commercially reasonable efforts to obtain all approvals or consents as are required to complete the transactions contemplated by this Agreement, including those of the directors and shareholders of WOLF, the Exchange or any applicable Governmental Authority.
- 4.2.2 *Satisfaction of Conditions Precedent.* WOLF shall use commercially reasonable efforts to satisfy or cause to be satisfied the conditions in section 5.1 and 5.3 which are within its control.
- 4.2.3 *All other Actions.* WOLF shall cooperate fully with the Sellers and SUBCO and will use all commercially reasonable efforts to assist the Sellers and SUBCO in their efforts to complete the transactions contemplated by this Agreement, unless such cooperation and efforts would subject WOLF to any extraordinary cost or liability or would be in breach of any applicable statutory or regulatory requirements.
- 4.2.4 *Material Changes.* WOLF shall promptly advise SUBCO in writing of any event, change or development that has or is reasonably expected to have an adverse effect in respect of the WOLF or the transactions contemplated hereunder.

## **5. Conditions Precedent**

- 5.1 *Conditions Precedent for the Benefit of WOLF* - The obligation of WOLF to complete the transactions contemplated by this Agreement are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent (each of which is hereby acknowledged to be inserted for the exclusive benefit of WOLF and may be waived by it in whole or in part):
- 5.1.1 *Truth of Representations and Warranties* – The representations and warranties of SUBCO and the Sellers contained in this Agreement will be true and correct on and as of the Closing Date as though made at and as of the Closing Date.
- 5.1.2 *Covenants and Agreements* – Each of SUBCO and the Sellers will have satisfied and complied with all covenants and agreements in this Agreement agreed to be performed or caused to be performed by him, her or it on or before the Closing Time.

- 5.1.3 Consents – All consents, approvals, orders and authorizations of or from Governmental Authorities or the Exchange required in connection with the completion of the transactions contemplated by this Agreement will have been obtained on or before the Closing Time on terms and conditions satisfactory to WOLF, including the conditional approval of the listing of the Payment Shares.
- 5.1.4 No Material Adverse Change – No material adverse change (nor any condition, event or development involving a prospective material adverse change) shall have occurred in the Business, Assets, operations, capital or financial condition of SUBCO.
- 5.1.5 Closing Documents – SUBCO and the Sellers will have tendered the documents to be delivered by them at Closing in accordance with this Agreement.
- 5.2 *Non-satisfaction of Conditions.* If any of the conditions set forth in Section 5.1 are not fulfilled or waived to the reasonable satisfaction of WOLF, WOLF may, acting reasonably, terminate this Agreement by notice in writing to SUBCO. In such event, SUBCO will be released from all obligations under this Agreement and WOLF will also be so released unless they were reasonably capable of causing such condition or conditions to be fulfilled or they have breached any of their representations, warranties, covenants or agreements in this Agreement.
- 5.3 *Conditions Precedent for the Benefit the Sellers.* The obligations of each of the Sellers to complete the transactions contemplated by this Agreement are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent (each of which is hereby acknowledged to be inserted for the exclusive benefit of each of the Sellers and may be waived by him, her or it in whole or in part):
  - 5.3.1 Truth of Representations and Warranties – The representations and warranties of each of WOLF and SUBCO contained in this Agreement will be true and correct on and as of the Closing Date as though made at and as of the Closing Date.
  - 5.3.2 Covenants and Agreements – Each of WOLF and SUBCO will have complied with all covenants and agreements in this Agreement agreed to be performed or caused to be performed by it on or before the Closing Time.
  - 5.3.3 Consents – All consents, approvals, orders and authorizations of or from Governmental Authorities or the Exchange required in connection with the completion of the transactions contemplated by this Agreement will have been obtained on or before the Closing Time on terms and conditions satisfactory to the Sellers, including the conditional approval of the Exchange to the listing of the Payment Shares.
  - 5.3.4 No Material Adverse Change – No material adverse change (nor any condition, event or development involving a prospective material adverse change) shall have occurred in the Business, Assets, operations, capital or financial condition of WOLF.

5.3.5 Closing Documents – WOLF and SUBCO will have tendered the documents to be delivered by it at Closing in accordance with this Agreement.

5.4 *Non-satisfaction of Conditions.* If any of the conditions set forth in Section 5.3 are not fulfilled or waived to the reasonable satisfaction of the Sellers, the Sellers may, acting reasonably, terminate this Agreement by notice in writing to WOLF and SUBCO. In such event the Sellers and SUBCO will be released from all obligations under this Agreement and WOLF will also be so released unless it was reasonably capable of causing such condition or conditions to be fulfilled or it has breached any of its representations, warranties, covenants or agreements in this Agreement.

5.5 *Waivers.* Each of the parties on his, her or its behalf, may waive any condition for his, her or its benefit in this Agreement, in whole or in part, without prejudice to any right of rescission or any other right in the event of the non-fulfilment of any other condition or conditions. A waiver will only be binding if it is in writing.

## **6. Indemnification**

6.1 *Indemnification by WOLF.* WOLF agrees to indemnify and save harmless SUBCO from and against any and all losses, debts, obligations, liabilities, expenses, costs and damages (including reasonable legal fees) (collectively, the “**Damages**”) suffered or incurred by SUBCO as a result of any breach of, or untruth of, any of the covenants, warranties or representations contained in section 3.3 and 4.2 of this Agreement.

6.2 *Indemnification by SUBCO.* SUBCO agrees to indemnify and save harmless WOLF from and against any and all Damages suffered or incurred by WOLF as a result of any breach of, or untruth of, any of the covenants, warranties or representations contained in section 3.1, or 4.1 of this Agreement.

## **7. Closing Arrangements**

7.1 The closing of this transaction shall take place at the offices of WOLF on the Closing Date.

7.2 On the Closing Date, SUBCO and the Sellers shall deliver, or cause to be delivered, to WOLF such documents as may reasonably be required to perfect the transactions contemplated by this Agreement and WOLF shall deliver, or cause to be delivered, to SUBCO and the Sellers such documents as may reasonably be required to perfect the transactions contemplated by this agreement.

## **8. Notices**

8.1 *Delivery of Notice.* Any notice, direction or other instrument required or permitted to be given by any party under this Agreement will be in writing and will be sufficiently given if delivered personally or by courier, or transmitted by fax or email means during the transmission of which no indication of failure of receipt is communicated to the sender:

8.1.1 in the case of SUBCO and the Seller:

1210391 B.C. Ltd.  
804 - 750 West Pender Street  
Vancouver, British Columbia V6C 2T7  
Attention: Jerry Habuda

8.1.2 in the case of WOLF:

JJ WOLF Investments Ltd.  
2200 West Georgia Street  
Vancouver, British Columbia V6C 3E8

Attention: Derek Ivany  
Email: Derek@elbencapital.com

8.2 *Receipt of Notice.* Any such notice, direction or other instrument, if delivered personally, will be deemed to have been given and received on the date on which it was received at such address and, if sent by fax or email, will be deemed to have been given and received on the date of transmission in accordance with this Section.

## 9. Termination

9.1 *Grounds for Termination.* This Agreement may be terminated at any time before the Closing:

9.1.1 by the mutual agreement of the Parties;

9.1.2 by either Party if it is not in material breach of its obligations under this Agreement, and if there has been a breach by the other of any of its representations and warranties or covenants hereunder and in either case such breach has not been cured within ten days after written notice, specifying such breach, to such Party; or

9.1.3 by the Parties if the Closing Date is not on or before June 30, 2019 or such later date as may be agreed in writing by the Parties.

9.2 *Effect of Termination.* If this Agreement is terminated as provided in Section 9.1, it will, except as provided herein, forthwith become void, and, subject to Sections 3.4, 5.2 and 5.4 none of the parties or their respective officers, directors, employees, agents, or shareholders will have any liability or obligation with respect to the terminated provisions of the Agreement. Sections 3.4, 5.2, 5.4, 11.3 and 11.4 will survive termination of this Agreement and will continue to be in effect notwithstanding the termination of this Agreement.

## **10. Power of Attorney**

- 10.1 Each of the Sellers hereby severally and irrevocably appoints SUBCO as their attorney to take any action that is required and hereby authorizes any director or officer of SUBCO, on behalf of SUBCO, to sign any documents on their behalf, including without limitation, for the purposes of all Closing matters and deliveries of documents and to do and cause to be done all such acts and things as may be necessary or desirable in connection with the transactions contemplated hereunder, including the sale, assignment and transfer of the Purchased Shares to WOLF. Without limiting the generality of the foregoing, SUBCO may, on behalf of itself and the Sellers, extend the Time of Closing, modify or waive such conditions as are contemplated herein, negotiate, settle and deliver the final forms of this Agreement and any other documents that are necessary or desirable to give effect to the transactions contemplated herein.

## **11. General Provisions**

- 11.1 *Entire Agreement.* This Agreement, including all the Schedules hereto, together with the agreements and other documents to be delivered pursuant hereto, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes any and all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements among the parties in connection with the subject matter hereof except as specifically set forth herein and therein.
- 11.2 *Costs and Expenses.* Each party shall be responsible for its' respective costs and expenses in connection with the transactions contemplated herein.
- 11.3 *Confidentiality.* Until the Closing Time, and in the event of the termination of this Agreement without consummation of the transactions contemplated by this Agreement, for a period of two years from the date of this Agreement, each party to this Agreement will keep confidential any information obtained from the other parties, provided that a party may disclose confidential information (i) to those of its representatives and professional advisors who have a need to know the information in connection with providing advice with respect to this Agreement and the transactions contemplated thereby if such representatives and advisors commit to protect such information in a manner consistent herewith or (ii) if such disclosure is required by law or the rules of the Exchange or over Governmental Authority or (iii) if such information has been made public other than as a result of a breach of this Section. If this Agreement is terminated without consummation of the transactions contemplated thereby, promptly after such termination all documents, work papers and other written material obtained from a party in connection with this Agreement and not theretofore made public (including all copies and photocopies thereof), shall be returned to the party that provided such material.
- 11.4 *Public Announcements.* Neither WOLF nor SUBCO will, without the prior consent of the others, make any disclosure regarding the existence, purpose, scope, content, terms or conditions of this Agreement or other agreements relating to this Agreement except in order to comply with a legal obligation, the requirements of a competent Government

Authority or the requirements of the Exchange; provided that, where practicable, a copy of any proposed announcement or statement will be furnished to the other parties in advance of the proposed date of publication. Nothing herein will prevent disclosure of the terms of this Agreement to a corporate party's directors, officers, employees or agents or its financial, legal, accounting or other advisors.

- 11.5 *Waiver.* The failure of a party in any one or more instances to insist upon strict performance of any of the terms of this Agreement or to exercise any right or privilege arising under it will not preclude it from requiring by reasonable notice that any other party duly perform its obligations or preclude it from exercising such a right or privilege under reasonable circumstances, nor will waiver in any one instance of a breach be construed as an amendment of this Agreement or waiver of any later breach.
- 11.6 *Assignment.* None of the parties will assign, transfer, charge or otherwise encumber the benefit (or any part thereof) or the burden (or any part thereof) of this Agreement without the prior written consent of the other parties, such consent not to be unreasonably withheld.
- 11.7 *Further Assurances.* Each of the parties hereto will from time to time at the request of any of the other parties hereto and without further consideration, execute and deliver all such other additional assignments, transfers, instruments, notices, releases and other documents and will do all such other acts and things as may be necessary or desirable to assure more fully the consummation of the transactions contemplated hereby.
- 11.8 *Time.* Time will be of the essence of this Agreement.
- 11.9 *Amendment.* This Agreement may be amended or varied only by agreement in writing signed by each of the parties. Unless the context otherwise so requires, a reference to this Agreement includes a reference to this Agreement as amended or varied from time to time.
- 11.10 *Several.* Unless otherwise provided, each and every covenant, representation or warranty of the Sellers contained herein is several (and not joint or joint and several).
- 11.11 *Severability.* If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.
- 11.12 *Governing Law.* This Agreement will be governed by and interpreted in accordance with the laws from time to time in force in the Province of Ontario and each of the parties hereby attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario, sitting in Toronto.
- 11.13 *Benefit of Agreement.* This Agreement will enure to the benefit of and be binding upon each of the parties hereto who is a corporation and their respective successors and permitted assigns and upon each of the parties hereto who is an individual and their respective executors, personal representatives, heirs, successors and permitted assigns.

11.14 *Counterparts.* This Agreement may be executed in as many counterparts as are necessary. It will be binding on each party when each party hereto has signed and delivered one such counterpart. Delivery may be made by facsimile or other electronic transmission. When a counterpart of this Agreement has been executed by each party, all counterparts together will constitute one agreement.

**THE PARTIES**, intending to be contractually bound, have executed this Agreement as of the date and year first above written.

**1210391 B.C. Ltd.**

**JJ WOLF INVESTMENTS LTD.**

By: "*Jerry Habuda*"

By: "*Derek Ivany*"

\_\_\_\_\_  
(Authorized Signatory)

\_\_\_\_\_  
(Authorized Signatory)



**SELLER:**

**AGRA FLORA ORGANICS INTERNATIONAL  
INC.**

By: "*Brandon Boddy*"

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(Authorized Signatory)

## **SCHEDULE A**

### **Non-Core Investments of the Seller**

- **Best Cannabis Products Inc.** Private Company
- **Roughrider Capital Corp.** Non Trading Reporting Issuer
- **Volt Energy Corp.** Publicly Traded (TSXV)
- **Glow LifeTech Ltd.** Private Company
- **Cannabis Clonal Corp.** Private Company
- **Empower Clinics Inc.** Publicly Traded (CSE)
- **1205293 BC Ltd.** Private Company
- **ICC International Cannabis Corp.** Publicly Traded (CSE)
- **Mindfull Capital Inc.** Private Company

**Schedule "B"**

**List of Shareholders of SubCo**

<b>Name and Address of Seller</b>	<b>No. Purchase Shares Held</b>	<b>Share Certificate No.</b>
<b>AgraFlora Organics International Inc.</b> 804-750 West Pender Street Vancouver, BC V6C 2T7	1 common share	1