

SUBSCRIPTION AND SHARE PURCHASE AGREEMENT, made effective the 4th day of April, 2019 (the “**Effective Date**”)

BETWEEN:

MOUNTAIN VALLEY MD INC. a company incorporated and existing in accordance with the laws of the Province of Ontario of Canada.

(hereinafter referred to as the “**Purchaser**”)

OF THE FIRST PART

-and-

AVICANNA INC., a company incorporated and existing in accordance with the laws of Province of Ontario of Canada.

(hereinafter referred to as the “**Avicanna**”)

OF THE SECOND PART

[REDACTED]

(hereinafter referred to as the “**[REDACTED]**”)

OF THE THIRD PART

-and-

[REDACTED]

(hereinafter referred to as the “**[REDACTED]**”)

OF THE FOURTH PART

-and-

[REDACTED]

[VENDOR NAMES]

(hereinafter referred to as the “**[REDACTED]**”)

OF THE FIFTH PART

SATIVA NATIVA S.A.S., a company incorporated and existing in accordance with the laws of the Republic of Colombia.

(hereinafter referred to as the “**Company**”)

OF THE SIXTH PART

RECITALS:

THE PARTIES MAKE THE FOLLOWING REPRESENTATIONS:

- A. Company is dedicated to the cultivation of medical cannabis (the “**Business**”);
- B. As of the Effective Date, the Company has a total of 161,030,234 issued and outstanding common shares and 0 issued and outstanding preferred shares;
- C. [REDACTED] is currently the legitimate and registered owner of [REDACTED] commons shares, as of the Effective Date;
- D. [REDACTED] is currently the legitimate and registered owner of [REDACTED] common shares, as of the Effective Date;
- E. [REDACTED] is currently the legitimate and registered owner of [REDACTED] common shares, as of the Effective Date;
- F. Purchaser, directly or through the Purchaser Subsidiary, wishes to subscribe for 17,892,248 common shares of the capital of the Company (the “**Subscription Shares**”), and the Company wishes to issue 17,892,248 common shares to the Purchaser or the Purchaser Subsidiary (the “**Subscription**”), representing 10% of the issued and outstanding capital of the Company after giving effect to the Subscription; and
- G. Purchaser, directly or through the Purchaser Subsidiary, is interested in acquiring the Purchased Shares, being 26,838,372 of the total issued and outstanding shares of the Company, in addition to the Subscription Shares after giving effect to the Subscription, and Vendors wish to sell, in aggregate, the Purchased Shares to the Purchaser, representing an additional 15% in aggregate of the issued outstanding of the capital of the Company, and, to this end, Avicanna and the Purchaser executed a binding letter of intent dated December 22, 2018 (the “**Letter of Intent**”).

[VENDOR NAMES AND
SHAREHOLDINGS]

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of good and valuable consideration now paid by the Parties hereto (the receipt and sufficiency of which is hereby acknowledged), the Parties hereto covenant and agree as follows:

1. INTERPRETATION

1.1. Definitions

Unless otherwise indicated, capitalized words and expressions appearing in the Agreement shall be interpreted or construed as follows:

- (a) “**Agreement**” means this agreement including its Recitals and schedules, any related or ancillary agreement or document identified therein, as well as any amendment made thereto from time to time by the Parties in compliance with Section 10.2;
- (b) “**Applications**” has the meaning ascribed to it in Section 5.1(d);

- (c) “**Assets**” shall have the meaning ascribed to it in Section 5.1(dd) of this Agreement;
- (d) “**Available Importing Party**” shall have the meaning ascribed to it in Section 6.14;
- (e) “**Available Territory**” shall have the meaning ascribed to it in Section 6.14;
- (f) “**Avicanna**” shall mean Avicanna Inc.;
- (g) [REDACTED]” means Avicanna’s wholly owned Colombian subsidiary Avicanna LATAM S.A.S. responsible for facilitating and managing Avicanna’s Colombian operations on and subject to the terms and conditions set out in the Management Agreement and the Mandate Agreement; PNAME OF MANAGEMENT COMPANY[
- (h) “**Books and Records**” means all information of the Company in any form, related to the Business and the Company, including without limitation accounting books, financial and accounting information and records, personnel records, tax records, sales and purchase records, customer and supplier lists, potential customer lists, referral sources, research and development reports and records, production reports and records, equipment daily logs, equipment operating guidelines and manuals, business reports, plans and projections, marketing and advertising materials, and all other documents, files, correspondence, and any other information (whether written, printed, soft copy, hard copy, or stored on computer discs, or any other data storage, software storage, and media devices);
- (i) “**Business**” shall have the meaning ascribed to it in the Recitals;
- (j) “**Business Day**” means a day when banks are open for business in Santa Marta, Colombia;
- (k) “**CAD**” “**Dollars**” or “**\$**” means Canadian dollars, the lawful money of Canada.
- (l) “[REDACTED]” means [REDACTED]; [VENDOR DETAILS]
- (m) [REDACTED] **Shares**” means [REDACTED] common shares in the Company held by [REDACTED] as at the Effective Date to be sold to Purchaser pursuant to the terms of this Agreement;
- (n) “**CGAAP**” means the Accounting and Financial Information Standards Accepted in Colombia, based on IFRS, together with their interpretations, conceptual framework, the conclusion foundations and the application guidelines authorized and issued by the International Standards Board of Accounting (IASB for its acronym in English) published in Spanish until 2016; and other legal provisions defined by the Colombian Superintendence of Companies that may differ in some aspects from those established by other state control bodies; which have been applied consistently with past practices of the Company
- (o) “**Closing Date**” means the date on which the closing of the Transactions takes place and the Parties proceed to take the actions described in Sections 4.2 and 4.5;
- (p) “**Closing Financial Statements**” means the 2017 Financial Statements and the 2018 Financial Statements;
- (q) “**Company**” shall have the meaning given in the header of this Agreement;

- (r) **“Company ROFR”** means the Right of First Refusal to be granted by the Purchaser to the Company according to Section 6.14.
- (s) **“Confidential Information”** means any commercial, technical, scientific, financial, legal, personal or other information disclosed by a Party relating to the disclosing Party’s business activities, strategies or opportunities, Intellectual Property, suppliers, customers, financial condition or employees, or otherwise in any way related to such Party, which, at the time of disclosure, is designated as confidential, is disclosed in confidence, or would be understood by the receiving Party, exercising reasonable business judgment, to be confidential, but excludes:
- (i) information known to the receiving Party before the date on which it is received by such Party from the disclosing Party other than under circumstances of confidentiality;
 - (ii) information known by the public or available to the public before the date on which it is received;
 - (iii) information which becomes known by or available to the public after the date on which it is received and which does not result from a breach of confidentiality on the part of the receiving Party;
 - (iv) information received at any time by a receiving Party from a Person, lawfully and in good faith, which Person is not bound to one of the Parties by an undertaking of confidentiality with regard to such information, and which Person did not derive such information, directly or indirectly, from the disclosing Party;
 - (v) information independently produced by the receiving Party;
 - (vi) required to be disclosed by Law;
- (t) **“Contracts”** has the meaning ascribed to it in Section 5.1(s);
- (u) **“COP”** or **“COPS”** means Colombian pesos, the lawful money of Colombia.
- (v) **“Deposit”** shall mean the deposit of One Hundred Thousand Dollars (\$100,000) paid by Purchaser to Avicanna pursuant to the Letter Agreement, which has been or shall be returned by Avicanna to the trust account of legal counsel for the Purchaser on or before the Effective Date, by wire transfer of Canadian funds in accordance with wire instructions provided by such legal counsel;
- (w) **“Due Diligence”** means the review of the Books and Records of all Parties as well as an analysis process of legal aspects of the Company and of the Business and other relevant aspects that allow the Purchaser to gain adequate knowledge of the legal status of the Company and the Business;
- (x) **“Effective Date”** shall mean the date first written above;
- (y) **“Employees”** means the respective employees of the Company as of the Effective Date included in Schedule F;

- (z) **“Encumbrance”** means any security interest, pledge, hypothecation, mortgage, lien (including environmental and tax liens), violation, charge, lease, license, encumbrance, adverse claim, reversion, restrictive covenant, or condition or restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership;
- (aa) **“Force Majeure”** means any event beyond the control of a Party which could not have been reasonably foreseen and against which it could not have protected itself such as, without limiting the generality of the foregoing, natural catastrophes, epidemics, fires, accidents, acts of war (whether declared or not), insurrections, riots, acts of terrorism, wildcat strikes, partial or total work stoppages or slowdowns, lock-outs, changes in market conditions, power or communications breakdowns, interventions by civil or military authorities, compliance with all orders of all governmental authorities, courts or tribunals or public authorities;
- (bb) **“IFRS”** means International Financial Reporting Standards promulgated by the International Accounting Standards Board ("IASB") (which include standards and interpretations approved by the IASB and International Accounting Standards issued under previous constitutions), together with its pronouncements thereon from time to time, and applied on a consistent basis;
- (cc) **“Intellectual Property”** means any intangible asset the proprietary rights of which may be protected by contract including without limitation trade secrets, know-how and other similar assets and any intangible asset the proprietary rights of which are protected by Canadian, Colombian or foreign Laws including without limitation patents, copyrights, trademarks, industrial designs, integrated circuit topographies or plant species and includes any application made to and any registration or patent issued by public authority for the purpose of securing proprietary and/or intellectual property rights to such intangible assets;
- (dd) **“Issuance”** shall have the meaning ascribed to it in Section 4.2(a);
- (ee) **“██████████”** shall mean ██████████; [VENDOR DETAILS]
- (ff) **“██████████ Shares”** means ██████████ common shares in the Company held by ██████████ as of the Effective Date to be sold to Purchaser pursuant to the terms of this Agreement;
- (gg) **“Letter of Intent”** shall have the meaning given to it in the Recitals of this Agreement;
- (hh) **“Licenses”** shall have the meaning ascribed to it in Section 5.1(d) of this Agreement;
- (ii) **“Loss”** means any and all damages, fines, fees, penalties, deficiencies, liabilities, losses and expenses, including, without limitation, interest, reasonable expenses of investigation, court costs, reasonable fees and legal expenses, accountants and other experts or other expenses of litigation or other proceedings or of any claim, default or assessment, incurred in connection with: (i) the investigation or defence of any third Person claims; or (ii) successfully asserting or disputing any rights under the Agreement against any Party hereto or otherwise but excludes any incidental, indirect or punitive damages including lost profits (whether arising under tort or contract and regardless of whether a Party foresaw such damages) for breach of the Agreement.

(jj) **“Management Agreement”** means the management agreement, dated on or about the Closing Date, between the Company, and [REDACTED] in the form included in Schedule “B”;

[VENDOR DETAILS]

(kk) **“Mandate Agreement”** means the mandate agreement, dated on or about the Closing Date, between the Company and [REDACTED] in the form included in Schedule “C”;

(ll) **“Material Adverse Effect”** shall mean a material adverse effect on any of the financial condition, business, properties, assets or liabilities of the Business or the Company, in each case, taken as a whole, (and, without limiting the generality of this definition, any event or circumstance involving losses, damages, liabilities [which, if contingent could reasonably be expected to result in Loss or damage], costs or expenses, in the aggregate, of more than 80% of the Purchase Price shall be deemed to have occurred) excluding any effect relating to or arising from: (i) any change in the economy, capital markets, financial markets, banking markets, regulatory or national or international political or social conditions (including any change in foreign exchange rates), including in or pertaining to Colombia and elsewhere, whether or not relating to an act of war, military action, hostilities, terrorism, civil unrest or similar event; (ii) any change that relates or arises out of factors generally affecting the industries in which the Business or the Company, including changes in any commodity prices or costs; (iii) any change in applicable Accounting Standards or in any statute, rule or regulation (or the official interpretation thereof) of general applicability after the date hereof; and (iv) any adoption, proposal, implementation or change in Law (including, for the avoidance of doubt, a change in the enforcement or interpretation of a Law) after the date hereof, whether or not such change purports to be effective retrospectively;

(mm) **“MVMD Shares”** shall have the meaning ascribed to it in Section 3.5(b);

(nn) **“Notice”** shall have the meaning ascribed to it in Section 6.14;

(oo) **“Ordinary Course”** means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person;

(pp) **“Party”** means individually either the Purchaser, Avicanna, [REDACTED] or the Company;

[VENDOR DETAILS]

(qq) **“Parties”** means collectively any two (2) or more of the Purchaser, the Vendors, and the Company;

(rr) **“Person”** means an individual, any form of partnership or corporation, or other entity;

(ss) **“Product”** shall have the meaning ascribed to it in Section 6.14;

(tt) **“Purchase Price”** shall have the meaning ascribed to it in Section 3.2;

(uu) **“Purchaser”** shall mean Mountain Valley MD Inc.;

[VENDOR DETAILS]

(vv) **“Purchased Shares”** means collectively the [REDACTED] Shares, the [REDACTED] Shares, and the [REDACTED] Shares, representing fifteen percent (15%) of the issued and outstanding shares of the

Company after the Subscription is completed, equivalent to 26,838,372 common shares as of the Effective Date, to be acquired by the Purchaser or the Purchaser Subsidiary;

- (ww) **“Purchaser Subsidiary”** shall mean a wholly owned subsidiary of the Purchaser, formed under the laws of the Province in Canada on or before the Closing Date, for the purposes of acquiring and holding the Subscription Shares and the Purchased Shares;
- (xx) **“Real Estate Property”** has the meaning ascribed to it in Section 5.1(q);
- (yy) [REDACTED] shall have the meaning given in the header of this Agreement; [VENDOR DETAILS]
- (zz) **“[REDACTED] Shares”** means the [REDACTED] common shares in the Company held by [REDACTED] of the Effective Date to be sold to Purchaser pursuant to the terms of this Agreement;
- (aaa) **“Shareholders Agreement”** means the shareholders agreement, dated August 18, 2017, between, *inter alia*, the Company, [REDACTED], and Avicanna in the form included in Schedule “A”;
- (bbb) **“Share Equivalents”** means preferred shares, bonds, loans, warrants, options or other similar instruments or securities which are convertible into or exercisable or exchangeable for, or which carry a right to subscribe for or purchase, common shares of the Company or any instrument or certificate representing a beneficial ownership interest in the common shares of the company;
- (ccc) **“Side Letter Agreement”** means the side letter agreement entered into on or about the Closing Date, between the Purchaser, the Company and Avicanna in the form included in Schedule “I”;
- (ddd) **“Subscription”** shall have the meaning given to it in the Recitals;
- (eee) **“Subscription Price”** shall have the meaning ascribed to it in Section 2.2
- (fff) **“Subscription Shares”** shall have the meaning given in the Recitals of this Agreement;
- (ggg) **“Transactions”** means collectively, the Subscription and the the sale and acquisition of the Purchased Shares and Transaction means either one of them;
- (hhh) **“Transaction Documents”** means, collectively, this Agreement, the Management Agreement, the Mandate Agreement, the Written Consent, the Side Letter Agreement and any document or agreement entered into or provided under or in connection with any of the foregoing by any Party, as any of the foregoing may be amended, modified, supplemented, extended or restated from time to time in accordance with their respective terms;
- (iii) **“Vendors”** shall collectively mean [REDACTED]; [VENDOR DETAILS]
- (jjj) **“Written Consent”** means the written consent given by Avicanna and the Company to the Purchaser exempting the Purchaser from the Clause VIII of the Shareholders Agreement (Non-Compete), in substantially the form attached hereto as Schedule “O”;

(kkk) “**2017 Financial Statements**” means the annual audited financial statements of the Company for the year ended December 31, 2017, attached as Schedule “G”.

(lll) “**2018 Financial Statements**” means the annual unaudited (or audited if available) financial statements of the Company for the year ended December 31, 2018, attached as Schedule “H”.

1.2. Precedence. This Agreement, together with the other Transaction Documents, reflects the entire understanding between the Parties with respect to the subject matter hereof. It supersedes all other written or verbal promises or covenants made prior to the Effective Date.

1.3. Accounting Terms. All accounting terms not specifically defined in this Agreement are to be interpreted in accordance with CGAAP.

1.4. Schedules. The schedules attached to this Agreement are an integral part of this Agreement for all its purposes.

1.5. Jurisdiction.

a) **Governing Law.** This Agreement shall be interpreted, construed and performed in accordance with the applicable laws of the Republic of Colombia.

b) **Non-compliance.** In the event that any provision of this Agreement, is deemed to be invalid or unenforceable, such provision shall, whenever possible, be interpreted, construed, limited or if necessary severed to the extent necessary to eliminate such invalidity or unenforceability. All the remaining provisions of the Agreement shall remain valid and continue to bind the Parties.

1.6. Miscellaneous.

a) **Cumulative rights.** All rights referred to in the Agreement are cumulative and not mutually exclusive. Any waiver of the enforcement of a right granted by one of the Parties for the benefit of another in the Agreement shall, under no circumstances, be interpreted or construed as a waiver of the enforcement of any other right granted hereunder unless, as a matter of exception, the wording of a provision of the Agreement requires such interpretation or construction.

b) **Time and Dates.**

i. **Time of Essence.** Time shall be of the essence in the Agreement unless indicated otherwise. No extension of or amendment to the Agreement shall operate as a waiver of this provision unless clearly stated therein.

ii. **Computation of Time.** When computing any time limit, the following rules shall apply: (a) the day marking the commencement of the time limit shall be excluded but the day of the deadline or expiry of the time limit shall be included; (b) non-Business Days shall be included; however, where the day of the deadline or expiry of the time limit falls on a non-Business Day (Saturday, Sunday or statutory holiday), the term or time limit shall be extended to the following business day; and (c) when used in the Agreement, the term “month” shall mean a calendar month.

If the Agreement refers to a specific calendar date and such date falls on a non-Business Day, the deadline shall be extended to the next Business Day following the specific calendar date.

- iii. **Delays.** If the time for performance of any duty or obligation hereunder is delayed as a result of: (a) a delay by one of the Parties in the performance of its responsibilities as set out herein; (b) Force Majeure or any factor which is beyond the reasonable control of the Party required to perform any specific duty or obligation and which is not attributable to any fault or negligence of such Party; (c) an amendment to this Agreement;

The time limit for such performance shall be extended for the period of time that such performance has been delayed as a result of such factor or events.

- c) **Financial References.** All amounts referred to in the Agreement are in Canadian currency unless specifically indicated otherwise.
- d) **Gender and Number.** Unless otherwise required by the context, words importing the singular shall include the plural and vice-versa; and word importing the use of any gender shall include all genders.
- e) **Headings.** Headings used in this Agreement shall have no interpretive value. Their sole purpose shall be to help identify the content of the provisions contained in the Agreement.

2. SUBSCRIPTION FOR COMMON SHARES

- 2.1. **Subscription.** Subject to compliance with the terms of this Agreement and article 319 of the Colombian Tax Code (Estatuto Tributario), the Purchaser hereby agrees, directly or through the Purchaser Subsidiary, to subscribe for the Subscription Shares, being 17,892,248 common shares of the Company, representing 10% of the issued and outstanding shares of the Company after giving effect to the Subscription, and the Company hereby agrees to issue the Subscription Shares to the Purchaser, or to the Purchaser Subsidiary as directed by the Purchaser, without subjection to the right of preference, in favour of the Purchaser (or Purchaser Subsidiary). Upon the issuance of the Subscription Shares the total issued and outstanding common shares of the Company shall be equal to 178,922,482 common shares.
- 2.2. **Subscription Price.** The aggregate subscription price payable by the Purchaser (on its own behalf or on behalf of the Purchaser Subsidiary) to the Company shall be Two Million Eight Hundred Thousand Dollars (\$2,800,000) (the “**Subscription Price**”).
- 2.3. **Payment of Subscription Price.** Provided all conditions of this Agreement are satisfied, the Subscription Price shall be paid by or on behalf of the Purchaser by wire transfer to Avicanna, who undertakes to ensure, and guarantees, is paid to the Company, on the Closing Date. For the avoidance of doubt, notwithstanding anything to the contrary herein, the Subscription Price shall be deemed to have been paid upon Avicanna’s receipt thereof.

3. PURCHASE AND SALE OF THE PURCHASED SHARES

3.1. Purchase of Shares. Subject to compliance with the terms of the Agreement, Purchaser hereby agrees to purchase from the Vendors the Purchased Shares, being an aggregate of 26,838,372 common shares, representing 15% of the issued and outstanding shares of the Company after taking into account the issuance of the Subscription Shares, and the Vendors hereby agree to sell the Purchased Shares to Purchaser for due consideration as set out herein and to comply with the terms of the Agreement.

3.2. Purchase Price. The aggregate purchase price (the “**Purchase Price**”) payable by the Purchaser on its own behalf or on behalf of the Purchaser Subsidiary to the Vendors for the Purchased Shares shall be Four Million Two Hundred Thousand Dollars (\$4,200,000).

3.3. Payment of Purchase Price. The Purchase Price shall be paid and satisfied on the Closing Date as follows:

- a) Two Million Thousand Dollars (\$2,000,000) by or on behalf of the Purchaser by wire transfer to Avicanna for further distribution to the Vendors on the Closing Date in accordance with Section 3.4; and
- b) Two Million Two Hundred Thousand Dollars (\$2,200,000) worth of common shares of the Purchaser at a deemed price equal to \$0.20 per share (“**MVMD Shares**”) issuable on the Closing Date to the Vendors. The MVMD Shares shall be issued to the Vendors free and clear of all Encumbrances, however shall be at all times subject to resale restrictions pursuant to applicable securities laws in the jurisdictions of the Vendors and the Purchaser and the constating documents of the Purchaser.

3.4. Distribution of Purchase Price. The Purchase Price shall be dispersed and distributed to each of the Vendors on the Closing Date as follows:

(a) [REDACTED] shall be paid [REDACTED] by or on behalf of the Purchaser by wire transfer [REDACTED], and One Million Three Hundred Twenty Thousand Dollars (\$1,320,000) worth of MVMD Shares at a deemed per share price of \$0.20.

(b) [REDACTED] shall be paid [REDACTED] Eight Hundred Eighty Thousand Dollars (\$880,000) worth of MVMD Shares at a deemed per share price of \$0.20.

(c) [REDACTED] shall be paid [REDACTED]

[VENDOR DETAILS]

For the avoidance of doubt, notwithstanding anything to the contrary herein, Purchase Price shall be deemed to have been paid to all Vendors upon Avicanna’s receipt thereof.

4. CONDITIONS

4.1. Conditions to issue the Subscription Shares. Company shall cause the issuance of the Subscription Shares, free and clear of any Encumbrance, other than those set forth in the by-laws of the Company or the Shareholders Agreement, and the corresponding share certificates registered in the stock ledger of the Company delivered to the Purchaser, on the Closing Date, subject to the fulfillment, prior to or concurrently with the making of the subscription, of the following conditions:

- (a) The Company's constating documents, including by-laws, and the Shareholder Agreement shall be in compliance with applicable laws;
- (b) There shall be full compliance with all of the requirements of Colombian laws, the Company's by-laws and Shareholders Agreement, including the waiver of the right of first refusal by all of the Company's shareholders, for the issuance and subscription of shares;
- (c) Satisfactory payment of the Subscription Price;
- (d) Execution of all Transaction Documents by the parties to each;
- (e) Approvals required pursuant to the Shareholders Agreement, which the parties to the Shareholder Agreement, as applicable, agree to provide; Execution by the Purchaser or the Purchaser Subsidiary of a joinder to the Shareholders Agreement;
- (f) The Purchaser's satisfactory completion of Due Diligence of the Company and, in furtherance thereof;
- (g) Nothing shall have occurred up to the Closing Date which has or may reasonably be expected to have a Material Adverse Effect on the Company or the Business in any manner; and
- (h) Execution by the Vendors, as the case may be, of the forms, letters, documents and/or agreements required by Purchaser in order to comply with Canadian laws or that may be reasonably requested by Purchaser and as are set forth in section 4.2.

4.2. Actions to be taken on the Closing Date.

- (a) On the Closing Date, the Company will issue the Subscription Shares (the "**Issuance**"). The Issuance will be deemed complete after the payment of the Subscription Price, the registry of the Issuance in the stock-ledger of the Company, and the delivery to the Purchaser of a copy of the share certificate representing the Subscription Shares;
- (b) At the Closing Date, the Company shall deliver to the Purchaser:
 - (i) A copy of the certificate representing the Subscription Shares representing 17,892,248 common shares, issued by the Company in favour of the Purchaser or the Purchaser Subsidiary (at the option of the Purchaser), free of any Encumbrances, other than those set forth in the by-laws of the Company or the Shareholders Agreement, registered in the stock-ledger of the Company and a copy of the stock-ledger of the Company evidencing Purchaser's title to the Subscription Shares (it being understood that the original certificate will remain with the Company's corporate records for so long as

they remain with legal counsel for the Company, provided that the Company shall deliver the original share certificate to the Purchaser forthwith upon request); and

- (ii) a certificate of the Legal Representative of the Company, certifying and guaranteeing:
 - 4.2.b.ii.1. its constating documents and by-laws;
 - 4.2.b.ii.2. resolutions or equivalent evidence of the authorization of the Company's entry into the Transaction Documents to which it is a party;
 - 4.2.b.ii.3. the specimen signatures of the Legal Representative authorized to execute the Transaction Documents to which it is a party;
 - 4.2.b.ii.4. that there is no private agreement that regulates and/or restricts the decree of profits and payment of dividends, or other distributions in respect of the shares of the Company, in a different form than set forth in the by-laws of the Company and the Shareholders Agreement;
 - 4.2.b.ii.5. the Company is not a party, has not been a party, or has no knowledge of becoming a party to any legal process, trial, action, suits, or claim;
 - 4.2.b.ii.6. the Company is not a party, has not been a party, or has no knowledge of becoming a party to any legal and administrative proceedings;
 - 4.2.b.ii.7. the Company does not have agreements of extra-legal benefits with their workers (there does not exist in the Company labor extra-legal benefits); and
 - 4.2.b.ii.8. all representations and warranties provided in this Agreement are true, accurate and correct on and as if given on the Closing Date;
- (iii) a legal of opinion of counsel to the Company, including the due authorization and execution of the Transaction Documents, the enforceability thereof, and completion of all registrations, filings, etc., as may be required, satisfactory to the Purchaser;
- (iv) a certificate of **good standing (Certificado de Existencia y Representación)** of a recent date as to the Company's status and valid existence;
- (v) The following items previously requested pursuant to the Due Diligence review performed by or on behalf of the Purchaser, which had not been delivered prior to the Effective Date:
 - 4.2.b.v.1. Internal Regulations (Reglamento Interno de Trabajo); Occupational Health and Safety Management System (Sistema de Gestión de Seguridad y Salud en el Trabajo (SG-SST));
- (vi) any other certificate, document, or instrument required by the laws of the Province of Ontario, or the laws of Canada applicable therein, or the laws of the Republic of Colombia, as may reasonably be requested by the Purchaser.

4.3. Conditions to transfer the Purchased Shares. The Vendors shall transfer the Purchased Shares to Purchaser, free and clear of any Encumbrance, other than those set forth in the by-laws of the Company or the Shareholders Agreement, and copies of the corresponding share certificates registered in the stock ledger of the Company delivered to Purchaser (it being understood that the original certificate will remain with the Company's corporate records for so long as they remain with legal counsel for the Company, provided that the Company shall deliver the original share certificate to the Purchaser forthwith upon request) along with a copy of the stock ledger

evidencing Purchaser's title of the Purchased Shares, on the Closing Date, following conditions have been met, complied with by Purchaser, or waived by all of the Vendors

- (a) Satisfactory payment of the Purchase Price;
- (b) The MVMD Shares to be issued to the Vendors are free and clear of any Encumbrances, however subject to applicable resale restrictions pursuant to applicable securities laws in the jurisdictions of the Vendors and the Purchaser,
- (c) Vendors' satisfactory completion of Due Diligence of the Purchaser;
- (d) Execution of all Transaction Documents by the parties to each;
- (e) Nothing shall have occurred up to the Closing Date which has or may reasonably be expected to have a Material Adverse Effect on MVMD or its business in any manner; and
- (f) Execution by Purchaser, as the case may be, of the forms, letters, documents and/or agreements required by the Vendors in order to comply with both Canadian laws and the laws of the Republic of Colombia or that may be reasonably requested by the Vendors;

4.4. Conditions to issue the MVMD Shares. Purchaser shall cause the issuance of the MVMD Shares, free and clear of any Encumbrance, however subject to applicable resale restrictions pursuant to applicable securities laws in the jurisdictions of the Vendors and the Purchaser, and copies of the corresponding share certificates registered in the stock ledger of the Purchaser delivered to the Vendors, on the Closing Date, (it being understood that the original certificates will remain with the Purchaser's corporate records for so long as they remain with legal counsel for the Purchaser, provided that the Company shall deliver the original share certificates to the registered holders forthwith upon request in exchange for an undertaking to return such original certificates if required by the Purchaser for the purposes of a going public transaction) provided all of the following conditions have been met, complied with by the Vendors, or waived by Purchaser:

- (a) Purchaser's satisfactory completion of Due Diligence of the Company;
- (b) All conditions in section 4.2 being met;
- (c) The Purchased Shares to be transferred to Purchaser are free and clear of any Encumbrances, however subject to applicable resale restrictions pursuant to applicable securities laws in the jurisdictions of the Vendors and the Purchaser;
- (d) Execution of all Transaction Documents by the parties to each;
- (e) Nothing shall have occurred up to the Closing Date which has or may reasonably be expected to have a Material Adverse Effect on the Company or the Business in any manner; and
- (f) Execution by the Vendors, as the case may be, of the forms, letters, documents and/or agreements required by Purchaser in order to comply with both Canadian laws and the laws of the Republic of Colombia or that may be reasonably requested by Purchaser.
- (g) Return of the Deposit on the Closing Date.

4.5. Actions to be taken on the Closing Date:

- (a) On the Closing Date, the Parties will exchange copies of the certificates representing the Purchased Shares and the MVMD Shares (the “**Share Transfer**”). The Share Transfer will be deemed complete after the exchange of the copies of the respective share certificates, and the registry of the transfers in the stock-ledger of Purchaser and the Company, respectively;
- (b) On the Closing Date, the Vendors shall deliver to Purchaser:
 - (i) The corresponding Purchased Shares certificates, duly cancelled and a new share certificate in the amount of 26,838,372 common shares, issued by the Company in favour of the Purchaser or the Purchaser Subsidiary at the option of the Purchaser, free of any Encumbrances, other than those set forth in the by-laws of the Company or the Shareholders Agreement, registered in the stock-ledger of the Company and a copy of the stock-ledger of the Company evidencing Purchaser’s title to the Purchased Shares (it being understood that the original certificate will remain with the Company’s corporate records for so long as they remain with legal counsel for the Company, provided that the Company shall deliver the original share certificate to the Purchaser forthwith upon request); and
 - (ii) any other certificate, document, or instrument required by the laws of the Province of Ontario or the laws Canada applicable therein, or the laws of the Republic of Colombia, as may be reasonably requested by either Party.
- (c) On the Closing Date, Purchaser shall deliver to the Vendors:
 - (i) The corresponding MVMD Shares certificates, representing in the aggregate [REDACTED] common shares, issued by MVMD in favour of the respective Vendors, duly endorsed, free of any Encumbrances, however subject to applicable resale restrictions pursuant to applicable securities laws in the jurisdictions of the Vendors and the Purchaser, registered in the stock-ledger of the Purchaser; and
 - (ii) any other certificate, document, or instrument required by the laws of the Province of Ontario or the laws of Canada, as may be reasonably requested by the Vendors.
- (d) On the Closing Date, the Parties will deliver or exchange, as applicable, duly executed copies of the Transaction Documents.

5. REPRESENTATION AND WARRANTIES

5.1. Representations and Warranties of the Company. The Company represents and warrants to Purchaser the accuracy of the representations and warranties contained in this Section 5.1. The following representations and warranties are, unless otherwise specified, given as of the Effective Date and shall be reaffirmed as of the Closing Date:

- (a) **Organization and Authority.** The Company is a legal entity duly organized and validly existing under the laws of the Republic of Colombia and has the corporate power and authority to enter into and perform its obligations under this Agreement and the Transaction Documents. The Company is also duly registered and licensed to carry on Business in the jurisdictions in which it carries on Business or owns property where required under the laws of that jurisdiction.

- (b) **Validity; Enforceability.** This Agreement has been duly authorized and executed by the Company and constitutes its valid and legally binding obligation, enforceable in accordance with its terms.
- (c) **No Conflict.** The execution and performance by the Company of any of its obligations under the Agreement, do not: (i) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default, or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which the Company is a party or by which the Company is bound; (ii) violate any of the terms or provisions of the by-laws of the Company; or (iii) violate any authorization, judgment, decree or order or any statute, law, rule, regulation or requirement applicable to the Company. Further, the execution and performance by the Company of any of its obligations under the Agreement, including with respect to the issuance of the Subscription Shares and the authorization of the transfer of the Purchased Shares, fully comply with all of the requirements of Colombian laws, the Company's by-laws and Shareholders Agreement, including the waiver of the right of first refusal by all of the Company's shareholders, for the issuance and subscription of shares;
- (d) **Status of Authorization.** The following authorizations are all of the authorizations (other than authorizations that are of a routine nature and are obtained in the Ordinary Course of business) needed by the Company to conduct its Business and execute, perform and comply with its obligations under this Agreement: (i) authorization from the general shareholders assembly of the Company authorizing its legal representative to execute this Agreement pursuant to Clauses III and V of the Original Shareholder Agreement, and as otherwise may be required; (ii) license for the fabrication of cannabis derivatives number 5221 dated December 18, 2017, issued by the Ministry of Health and Social Protection (*Ministerio de Salud y Protección Social*) for national use and export, which was amended by resolution number 3465 dated August 17, 2018; (iii) license for the cultivation of psychoactive cannabis number 1102 dated December 29, 2017 issued by the Ministry of Justice and Law (*Ministerio de Justicia y del Derecho*), as amended by resolution number 674 dated July 24, 2018, for the production of seeds for planting, production of grain and fabrication of derivatives; and (iv) license for the cultivation of non-psychoactive cannabis number 230 dated March 7, 2018 issued by the Ministry of Justice and Law (*Ministerio de Justicia y del Derecho*), as amended by resolution number 673 dated July 24, 2018, for the production of seeds for planting, production of grain, fabrication of derivatives, and industrial purposes (the licenses mentioned in (ii), (iii), and (iv) the "**Licenses**"); (v) Application for registration [REDACTED] ("**Application 1**"); (vi) Application for registration [REDACTED] ("**Application 2**", together with Application 1 referred to as the "**Applications**"). , anticipated to be approved on or before [REDACTED], it being understood that the Company does not in any way guarantee such date but holds a reasonable belief that approval on or before such date will be obtained.

[APPLICATION
DETAILS]

The foregoing authorizations excluding with respect to the Applications have been obtained and are in full force and effect and there are no facts or circumstances which indicate that any

which are due and payable or to be withheld, have been paid or withheld, other than those presently payable without penalty or interest. DC&C: the report was not timely filed, thus we are not comfortable representing that all reports were “duly” filed]

- (ii) Except for the 2017 magnetic media report there are no requirements of any tax authority in which the Company is required to correct or resubmit tax returns, corrections, clarifications, modifications, refunds or to pay taxes (including fines, penalties or interest) that are or refer to tax obligations with which the Company must comply.
- (j) **Litigation.**
- (i) The Company is not involved in any litigation, arbitration, administrative, regulatory or governmental proceedings or investigations. To the Company’s best knowledge and belief, no such proceedings or investigations are threatened against the Company. The Company is not aware of any fact or circumstance which is likely to give rise to any such proceedings or investigations.
 - (ii) No judgment or order has been issued against the Company which has or may reasonably be expected to have a Material Adverse Effect on the Company or the Business.
 - (iii) The Company has not been charged, convicted, fined or otherwise sanctioned in any litigation, administrative, regulatory or criminal investigation or proceeding or freezing of assets by any authority involving the Company or its respective employees with regard to money laundering or financing of terrorism.
- (k) **Compliance with Law.** Except as otherwise disclosed in Schedule “K”, attached hereto, the Company is in compliance with all applicable laws (including without limitation civil, criminal, corporate or administrative, exchange law), statutes, subordinate legislation, treaties, regulations, directives, decisions, by-laws, circulars, codes, orders, notices, demands, decrees, injunctions, guidance, judgments or resolutions of any authority in Colombia.
- (l) **Disclosure.** Nothing in this Agreement, the Transaction Documents, the Shareholders Agreement, the by-laws, or certificates or schedules made and delivered pursuant thereto contains any information which is untrue, inaccurate or misleading in any material respect nor does it omit any information the omission of which makes the information contained in it untrue, inaccurate or misleading in any material respect.
- (m) **Subsidiaries.** The Company does not own or control (and has never owned or controlled), directly or indirectly, any share capital or other equity interest in any other Person and has not agreed or committed to acquire any such interest.
- (n) **Insolvency.** The Company is not subject to any type of insolvency proceedings or related to bankruptcy or any voluntary or compulsory winding up process in accordance with Law 1116 of 2006 of the Republic of Colombia or any other applicable insolvency law.
- (o) **Legality of Activities.** The assets and revenues of the Company are derived from lawful activities. None of them have negative registries in prevention lists of laundering of domestic

or international assets, nor have they carried out or have been linked to unlawful activities, of laundering of assets and/or funding of terrorism.

(p) **Labour Issues.**

- (i) On the Effective Date, the Company has the employees listed in Schedule “F”.
- (ii) The Company has at all times complied with the applicable labour norms and regulations, including, without limitation, those related to salaries, working hours, vacation, bonuses, severance payments, interests on severance payments, overtime, the non-application of unfair labour practices or discriminatory practices, payments to the social security system and applicable taxes and contributions to state entities such as the Colombian National Apprentice Service– SENA, Colombian Family Welfare Institute – ICBF, and Family Compensation Institutions. There are no arbitration proceedings, labour strikes, or any other modality of labour rhythm reduction affecting the Company or the employees.
- (iii) To the Company’s best knowledge and belief, there are no outstanding claims or investigations promoted by or on behalf of direct or indirect employees, and/or any third party, against the Company before the Ministry of Labour, any labour agency, any family judge, the Pension and Parafiscal Management Unit (*UGPP*), any social security entity, any other labour authority, or any other authority, whether local, national, or departmental.
- (iv) The Company is not aware of any legal liability involving the Company resulting from any joint labour liability that it may have with its contractors and/or administrators.
- (v) There are no, and there have been no, unionized employees and the Company is not part, or has been part, of a collective agreement or of a collective labour convention.
- (vi) No employee is paid totally or partially outside of payroll or outside of Colombia.
- (vii) The Company has not sponsored or ever participated in a defined benefits plan in terms of pensions and consequently, there are no pension contingencies for the Company regarding its current and/or former employees.

(q) **Immovable Property.** The Company has good title to its real estate property identified with land registry number (*folio de matrícula inmobiliaria*) 080-137941 of the Land Registry Office (*Oficina de Registro de Instrumentos Públicos*) of Santa Marta (the “**Real Estate Property**”), for which the Licenses have been granted and which is sufficient for the purposes of carrying on the Business. Since its acquisition by the Company, the Real Estate Property has at all times been used and continues to be used by the Company for the purposes of the Business, without affecting or infringing the applicable regulations with respect to the use of the land. The Company is authorized to use the Real Estate Property for purposes of the Business.

(r) **Financial Matters.**

- (i) **Books and Records.** All accounting and financial Books and Records have been fully, adequately, and accurately kept and completed in all material respects.
 - (ii) **Financial Statements.** The Closing Financial Statements have been prepared in compliance with CGAAP and IFRS, consistently with those prepared in the past, and each one fairly presents the assets, liabilities (whether accrued, absolute, contingent, or otherwise), and the financial situation of the Company on the respective dates.
 - (iii) **Absence of Liabilities or Contingencies Not Disclosed in the Financial Statements.** The Closing Financial Statements of the Company do not bear liabilities or contingencies (real or contingent) of any nature, known or unknown, except those that appear in the respective Closing Financial Statements which were issued in accordance with GCAAP.
 - (iv) **Accounts Receivable.** There are no accounts receivable of the Company.
- (s) **Contracts, Validity, and Absence of Breach.** There are no contracts, verbal or written, to which the Company is a party other than those listed in Schedule “J”, attached hereto (the “**Contracts**”). Unless otherwise disclosed, the terms of all Contracts were negotiated at arm’s length. The Company has (i) duly complied in all material respects with the terms and conditions of the Contracts; (ii) such Contracts are in full force and are enforceable in accordance with their terms and conditions; (iii) have been duly authorized and executed and the obligations contained therein have been complied with in all material respects by the parties thereto (as applicable); and (iv) no event or circumstance has occurred with respect to those contracts representing a material breach or default under the terms thereof.
- (t) **Insurance Coverage.**
- (i) Schedule “D” includes true, correct, and complete copies of all insurance policies and back to back guarantees of the Company currently in force, reasonably sufficient to protect the Company, its assets, the Business, its goods, and its operations;
 - (ii) there is no claim made by the Company that is outstanding or which coverage has been the subject of any objection, refusal, or dispute by the insurance companies or by third parties providing such coverage under the insurance policies or back to back guarantees set out in Schedule “D”;
 - (iii) The Company is not aware of any potential termination of any of the insurance policies or back-to-back guarantees set out in Schedule D. The Company has strictly complied with such insurance policies and back-to-back guarantees as of the date of execution; and
 - (iv) The list of insurance policies and back-to-back guarantees set out in Schedule “D” consist of all the guarantees required to be provided by the contracts, authorizations, licenses, and permits of the Company.
- (u) **Intellectual Property, Technology Property and Habeas Data and software.** The Company has no knowledge of any fact that could affect the validity or use of the Company’s trademarks and/or any other Intellectual Property rights of the Company. Additionally, the Company is not aware of any fact that constitutes a violation of the protection of personal

data regime. The Company is the legal and beneficial owner of its Intellectual Property, free and clear of all Encumbrances, and is not a party to or bound by any contract or any other obligation whatsoever that limits or impairs its ability to sell, transfer, assign or convey, or that otherwise affects, such Intellectual Property. No Person has been granted any interest in or right to use all or any portion of the Intellectual Property. The Business does not infringe upon the industrial or Intellectual Property rights, domestic or foreign, of any other Person. There exist no claims of any infringement or breach of any industrial or Intellectual Property rights of any other Person, and the Company has not received any notice that the conduct of the Business, including the use of the Intellectual Property, infringes upon or breaches any industrial or Intellectual Property rights of any other Person, or the trade secrets, know-how or confidential or proprietary information of any other Person. As of the Effective Date the Company does not use any software.

- (v) **Financial Institution.** Schedule “E” contains a complete and accurate list of all of the commercial banks with which the Company has accounts, savings accounts, checking accounts, fixed term deposits, and any other type of investments, as well as the description of the respective investment, the account numbers, and the names of the persons authorized to issue checks from such accounts and/or redeem investments or conduct bank business activities on behalf of the Company. The aforementioned is reflected in the Books and Records of the Company, the same having been duly managed by the Company.
- (w) **Environmental Matters.** The development of the Business and commercial activities by the Company is not subject to any violation of an obligation regarding environmental legislation, and there are no requirements or claims from third parties for the violation, or investigation processes or related judicial proceedings with the current environmental legislation.
- (x) **Other Information.**
 - (i) The information provided to the Purchaser and its advisors as part of the Due Diligence of the Company, as well as the responses to the questions made by Purchaser and its advisors: (i) were provided in good faith and completely and accurately reveal all the pertinent facts and circumstances related to the Company and the Business, on which the Company and Vendors understand the Purchaser has relied to proceed with the Transactions; and (ii) nothing has been withheld or omitted from the information provided to Purchaser and its advisors from the commencement of the negotiations up to and including the Effective Date; (iii) the projections provided in the Due Diligence were made according to the circumstances of the Business on the dates thereof and are accurate as at the Effective Date and were prepared taking into account the business plan and anticipated future operations of the Business, acting reasonably and in good faith.
 - (ii) The copies of the documents provided or delivered to Purchaser as part of the Due Diligence of the Company process and the written responses given by the Company are true and accurate copies of the mentioned documents.
- (y) **No Material Changes.** To the best of the Company’s knowledge, as of December 31, 2018 and up to the Effective Date, (i) there has not been any Material Adverse Change in the Business, corporate status and standing, assets, liabilities, operations and its results, earnings statements, prospects, or condition (financial or otherwise) of the Company and (ii) no event has or threatens to cause a Material Adverse Change in the Company, its Business, corporate

status and standing, assets, liabilities, operations, earnings statements, prospects, or condition (financial or otherwise), or its value or utility for Purchaser.

(z) **Issued Shares:**

- (i) **Subscription Shares:** As of the Closing Date, the Subscription Shares will be duly authorized shares of the capital of the Company, as fully paid and non-assessable, issued in accordance with applicable laws, and free and clear of all Encumbrances other than those set forth in the by-laws of the Company or the Shareholders Agreement.
- (ii) **Purchased Shares:** As of the Closing Date, the Purchased shares will be recorded in the Books and Records of the Company as duly authorized and issued, in accordance with applicable laws, registered in the name of the Purchaser.

(aa) **No Controlling Interest.** The Purchaser's acquisition and ownership of the Subscription Shares and the Purchased Shares will not constitute a controlling interest and the Purchaser will not be considered a "controller" under applicable laws of the Republic of Colombia.

(bb) **Assets.**

- (i) The Company has 100% legal and beneficial ownership of all of the assets set out in Schedule "M", which shall for the avoidance of doubt include the Licenses (the "Assets"), and owns the Assets free and clear of all Encumbrances, the Assets being in good order and/or standing, as the case may be, as at the date hereof and sufficient to begin operations subject to receipt of approval of the Applications.

- (ii) **Royalty-Free License.** [REDACTED]

5.2. Representations and Warranties of the Vendors. Each of the Vendors individually represent and warrant, with respect to itself, to the Purchaser the accuracy of the representations and warranties contained in Section 5.2. The following representations and warranties are, unless otherwise specified, given as of the Closing Date:

- (a) **Validity.** This Agreement has been duly authorized and executed by the Vendors and constitutes its valid and legally binding obligation, enforceable in accordance with its terms.
- (b) **No Conflict.** The execution and performance by the Vendors of any of its obligations under the Agreement, do not: (i) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default, or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which each of them is a party or by which each of them is bound; or (ii) violate any authorization, judgment, decree or order or any statute, law, rule, regulation or requirement applicable to the Vendors.
- (c) **The Purchased Shares.** As of the Closing Date, the Purchased Shares will be 26,838,372 common shares equivalent to 15% of the issued and outstanding shares of the Company and will be transferred free and clear of all Encumbrances.

[DETAILS RE
PRIVATE
COMPANY
ARRANGEMENT]

- (d) **No Immunity.** The Vendors do not enjoy any right of immunity from set off, suit or execution with respect to the respective obligations under this Agreement.
- (e) **Litigation.**
 - (i) The Vendors are not involved in any litigation, arbitration, administrative, regulatory or governmental proceedings or investigations which outcome might create any type of Encumbrance over the Purchased Shares. To the Vendors' best knowledge and belief no such proceedings or investigations are threatened against any of the Vendors. The Vendors are not aware of any fact or circumstance which is likely to give rise to any such proceedings or investigations.
 - (ii) No judgment or order has been issued against any of the Vendors which has or may reasonably be expected to have a Material Adverse Effect on the Company or the Business.
 - (iii) The Vendors have not been charged, convicted, fined or otherwise sanctioned in any litigation, administrative, regulatory or criminal investigation or proceeding or freezing of assets by any authority involving either of the Vendors with regard to money laundering or financing of terrorism.
- (f) **Disclosure.** None of this Agreement, the Transaction Documents (as applicable) the by-laws, the Shareholders Agreement, or certificates or schedules made and delivered pursuant thereto contains any information which is untrue, inaccurate or misleading in any material respect nor does it omit any information the omission of which makes the information contained in it untrue, inaccurate or misleading in any material respect.
- (g) **Insolvency.** The Vendors are not subject to any type of insolvency proceedings or related to bankruptcy or any voluntary or compulsory winding up process in accordance with any applicable Canadian insolvency law.
- (h) **Legality of Activities.** The assets and revenues of the Vendors are derived from lawful activities. The Vendors do not have any negative registries in prevention lists of laundering of domestic or international assets, nor have they carried out or have been linked to unlawful activities, of laundering of assets and/or funding of terrorism.
- (i) The copies of the Books and Records provided or delivered to Purchaser given by Vendor are true and accurate copies.

5.3. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Vendors the accuracy of the representations and warranties contained in Section 5.3. The following representations and warranties are, unless otherwise specified, given as of the Closing Date:

- (a) **Organization and Authority.** Purchaser is a legal entity duly organized and validly existing under the laws of the Province of Ontario and has the corporate power and authority to enter into and perform its obligations under this Agreement.

- (b) **Validity.** This Agreement has been duly authorized and executed by Purchaser and constitutes its valid and legally binding obligation, enforceable in accordance with its terms.
- (c) **No Conflict.** The execution and performance by Purchaser of any of its obligations under the Agreement, do not: (i) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default, or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which each of them is a party or by which each of them is bound; (ii) violate any of the terms or provisions of the by-laws of Purchaser; or (iii) violate any authorization, judgment, decree or order or any statute, law, rule, regulation or requirement applicable to Purchaser.
- (d) **Status of Authorizations.** The following authorizations are all of the authorizations (other than authorizations that are of a routine nature and are obtained in the Ordinary Course of business) needed by Purchaser to execute, perform and comply with its obligations under this Agreement: (i) approval of the board of directors of the Purchaser. These authorizations have been obtained and are in full force and effect and there are not facts or circumstances which indicate that any of such authorizations would or might be revoked, cancelled varied or not renewed.
- (e) **MVMD Shares.** As of the Closing Date, the MVMD Shares will be deemed to be valued by the Purchaser, acting reasonably, at Two Million Two Hundred Thousand Dollars (\$2,200,000) and which price per common share shall equal \$0.20 per share. The MVMD Shares will be issued free and clear of all Encumbrances, however subject to applicable resale restrictions pursuant to applicable securities laws in the jurisdictions of the Vendors and the Purchaser.
- (f) **No Immunity.** Purchaser does not enjoy any right of immunity from set off, suit or execution with respect to its respective obligations under this Agreement.
- (g) **Compliance with Law.** Purchaser is in compliance with all applicable laws (whether civil, criminal, corporate or administrative, among others), statutes, subordinate legislation, treaties, regulations, directives, decisions, by-laws, circulars, codes, orders, notices, demands, decrees, injunctions, guidance, judgments or resolutions of any authority in Canada.
- (h) **Insolvency.** Purchaser is not subject to any type of insolvency proceedings or related to bankruptcy or any voluntary or compulsory winding up process in accordance with any applicable Canadian insolvency law.
- (i) **Legality of Activities.** The assets and revenues of Purchaser are derived from lawful activities. Purchaser does not have any negative registries in prevention lists of laundering of domestic or international assets, nor have they carried out or have been linked to unlawful activities, of laundering of assets and/or funding of terrorism.
- (j) **No Material Changes.** To the best of the Purchaser's knowledge, as of December 31, 2018 and up to the Closing Date, (i) there has not been any Material Adverse Change in the business, corporate status and standing, assets, liabilities, operations and its results, earnings statements, prospects, or condition (financial or otherwise) of the MVMD and (ii) no event has or threatens to cause an adverse material effect in MVMD, its business, corporate status and standing, assets, liabilities, operations, earnings statements, prospects, or condition (financial or otherwise), or its value or utility for Vendors

5.4. Reliance. The Parties hereby make the representations and warranties under Sections 5.1, 5.2, and 5.3 and acknowledge that the Company, the Purchaser, and the Vendors are relying on such respective representations and warranties in entering into this Agreement and completing the Transactions. Each of the representations and warranties are to be construed independently and (except where this Agreement provides otherwise) is not limited by any provision of this Agreement or another representation and/or warranty.

6. COVENANTS

6.1. The Parties at any time, whether before, upon, or after the Effective Date, shall, at their own cost, execute and deliver any further document and take all such further action as may be reasonably requested in order to effectively complete the Transactions contemplated by this Agreement.

6.2. The Parties shall take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to complete and make effective as promptly as possible the Transactions contemplated by this Agreement including, but not limited to, the completion of the obligations established herein and to co-operate with the other Parties in connection with the foregoing.

6.3. The Parties shall undertake all filings and other requirements associated with the transfer of the Purchased Shares in the time prescribed for the same under applicable law, as well as all filings from time to time required from the Company with the Central Bank of Colombia and, shall cooperate with the filing of the corresponding foreign exchange form of foreign investments and/or exchange ownership or any other required form, with the Central Bank of Colombia. Further, the Company and Avicanna hereby agree to assist the Purchaser as may be reasonably required from time to time with the foregoing.

6.4. The Company shall register the Purchased Shares and the Subscription Shares in the name of Purchaser as set forth in this Agreement as of the Closing Date. If the Company, for any reason, except for a breach of this Agreement by the Purchaser, does not register the Purchased Shares as set forth in this Agreement, including by reason of failure of any other shareholders of Company to authorize such registration or the failure of Company to request such registration, such failures shall constitute a breach of the obligations of the Company and/or Vendors (respectively) under this Agreement, and the Purchaser shall have the right to exercise any and all rights or legal or equitable remedies of any kind, including but not limited to requesting to register the Purchased Shares and the Subscription Shares in the name of the Purchaser.

6.5. As of the Effective Date, the Company shall:

- (a) Conduct its business in the Ordinary Course, to act at all times in a reasonable, careful and prudent manner in connection with the Business;
- (b) comply in all material respects with all applicable laws, ordinances, orders, rules, regulations and requirements of all governmental authorities, including without limitation in relation to tax, exchange, labour and employment, environment;
- (c) pay and discharge before the same shall become delinquent, all material lawful governmental claims, taxes, assessments, charges, and levies;

- (d) obtain and maintain all insurance policies required or which would be prudent to obtain in good standing;
 - (e) use its reasonable best efforts to preserve its business and commercial relationships, including but not limited to its relationships with employees.
- 6.6.** The Purchaser shall pay the Purchase Price and issue and register the MVMD Shares in the name of the Vendors as set forth in this Agreement as of the Closing Date. If the Purchaser, for any reason except for a breach of this Agreement by the Vendors, does not pay the Purchase Price or issue and register the MVMD Shares as set forth in this Agreement, including by reason of failure of the Purchaser's shareholders to authorize such registration or issuance of MVMD Shares or the failure of the Purchaser to request such registration or issuance, such failures shall constitute a breach of the obligations of the Purchaser under this Agreement, and the Vendors shall have the right to exercise any and all rights or legal or equitable remedies of any kind, including but not limited to requesting the registration of the MVMD Shares in the name of the Vendors, as directed.
- 6.7.** The Company will, and Avicanna will cause the Company to, revise the By-Laws of the Company to reflect applicable laws and procedures and requirements that may be necessary or desirable and in the best interest of the Company, and in accordance with the Side Letter Agreement, within thirty (30) days of the Closing Date, and thereafter from time to time as may be required, it being agreed that any amendments to the By-Laws of the Company, including the amendment to be made pursuant to this section 6.7, shall be subject to the unanimous approval of the shareholders of the Company.
- 6.8.** The Company shall notify the Purchaser immediately of the occurrence of a Material Adverse Effect, including notice of any threatened or actual litigation.
- 6.9. Closing Financial Statements.** On the Closing Date, the Company shall submit to the Purchaser the Closing Financial Statements of the Company in COP and CAD it being understood that the 2017 Financial Statements have been delivered and will not be altered, and the 2018 Financial Statements have been delivered in draft form and will not be materially altered. The Company agrees to provide to Purchaser according to applicable law and any future amendment to the Company's by-laws, access to the Company's financial personnel, Books and Records in order to allow the Purchaser to review such Closing Financial Statements. Each Party shall fully cooperate with the other Party to the extent required to prepare the Closing Financial Statements of the Company. The Parties acknowledge that the Closing Financial Statements of the Company will be prepared in accordance with CGAAP and all applicable requirements and shall include the following:
- (a) The Company must issue the Closing Financial Statements in **COP and CAD**.
 - (b) All debts and accounts payable must be reflected with respect to payments owed to all of the Employees and Persons who render services to the Company, including, but not limited to, debts from outstanding severance payments, bonuses, and additional statutory benefits;
 - (c) Any and all accounts payable, advance payments, loans or dividends with the Company's shareholders or any of their related parties;
 - (d) All taxes accrued up until the Effective Date.

- (e) The notes to the Closing Financial Statements shall be in English and Spanish, and in CAD and COP

- 6.10. Purchaser's Right of First Refusal.** Subject to the completion of the Transactions contemplated herein, as of the Closing Date and for so long as the Purchaser (or the Purchaser Subsidiary) remains a shareholder of the Company (and thereafter if mutually agreed), the Company hereby grants a right of first refusal to MVMD to enter into a supply agreement for the export of product to Australia and the United States of America. Avicanna will provide all necessary consent, approvals, and authorizations to cause the Company to grant this right of first refusal as of the Closing Date. Any supply agreement entered into between the Company and MVMD shall be at market prices and contain terms and conditions customarily found in similar agreements, including, but not limited to, the definition of products, costs, inventory, surplus inventory, offtake arrangements and related terms and conditions.
- 6.11. Assets.** The Company shall take all reasonable steps to preserve and protect each item of the Assets in accordance with prudent industry standards. Further and without limiting the generality of the foregoing, the Company will at all times do all things and take all reasonable steps to maintain the Licenses in good standing, as well as to obtain the approval(s) of the Applications and thereafter maintain the foregoing in good standing.
- 6.12. Use of Proceeds.** An amount equal to [REDACTED] of the Subscription Price will be applied as a repayment of indebtedness to Avicanna. The balance will be used for working capital purposes.
[LOAN PAYABLE TO AVICANNA]
- 6.13. Royalty-Free License.** Subject to the completion of the Transactions contemplated herein, the Company shall make all reasonable commercial efforts to conclude the negotiations for the royalty-free license referred to in Section 5.1 (bb) (ii) before June 30, 2019.
- 6.14. Company's Right of First Refusal.** Subject to the completion of the Transactions contemplated herein, as of the Closing Date and for a period of one (1) year, the Purchaser shall grant to the Company a right of first refusal (the "Company ROFR") to enter into an agreement with the Purchaser for the export of product (the "Product") by the Company to or for the benefit of any Available Importing Party in any Available Territory. "Available Territory" is hereby defined as any territory in the world excluding: a) Canada; and b) any territory to which the Company is prevented by any applicable laws to export the Product. "Available Importing Party" is hereby defined as any third party domiciled in an Available Territory and that is seeking to import product with the same characteristics as the Product from the Republic of Colombia. Upon the entry into a supply agreement between the Purchaser and an Available Importing Party, the Purchaser will provide a written notice to the Company setting out the material terms upon which the Purchaser will agree to acquire, directly or indirectly, the Product (each a "Notice") for the purposes of supplying to the Importing Party, such Notice to include but not be limited to product requirements, pricing requirements, quantity requirements, timing requirements, and the reasonable period of time the Company will have to accept or decline to exercise the applicable Company ROFR. In the event that the Company exercises the Company ROFR, the Purchaser and the Company will enter into an agreement on the material terms set out in the applicable Notice in addition to any other customary and agreed upon terms.

6.15. Settlement Agreements. Subject to the completion of the Transactions contemplated herein, the Company shall make all reasonable efforts to enter into settlement agreements (*acuerdos de transacción*) with the former employees listed in Schedule “N” in which the employees release the Company from any labor related unpaid sums.

6.16. Copy of the Resolution 777. Subject to the completion of the Transactions contemplated herein, the Company shall make all reasonable commercial efforts to obtain a hard copy of the Resolution 777 issued by the National Narcotics Fund (*Fondo Nacional de Estupefacientes*).

7. MUTUAL DUTIES AND OBLIGATIONS

7.1. Confidential Information

- (a) **Undertaking.** The Parties hereby acknowledge that all Confidential Information disclosed during the term of the Agreement, is the exclusive property of the disclosing Party and, consequently, the receiving Party acknowledges that any unauthorized disclosure thereof may be seriously prejudicial to the disclosing Party. Accordingly, the receiving Party undertakes for the benefit of the disclosing Party to:
- (i) use the Confidential Information for the sole purpose for which it has been disclosed;
 - (ii) allow third parties access to its Confidential Information on a need-to-know basis only;
 - (iii) take appropriate steps, upon such disclosure to a third party, to protect the proprietary nature of its Confidential Information by requesting that said third party sign a non-disclosure agreement providing the same protection of such information as that provided hereunder;
 - (iv) use all reasonable efforts as may be appropriate to restrict access to its Confidential Information;
 - (v) inform the disclosing Party of any unauthorized access to, or use of, its Confidential Information by a third party;
 - (vi) assist the disclosing Party in any undertaking or legal proceedings required to protect its Confidential Information.

Notwithstanding the foregoing, the Purchaser and Avicanna will be entitled to disclose certain Confidential Information from time to time as and when, and to the extent, that may be required in order to comply with applicable laws, including with respect to the disclosure of material information as well as with respect to the preparation and filing of its financial statements.

7.2. Indemnity and Indemnification.

- (a) **Indemnification by the Vendors and the Company.** The Vendors and the Company shall indemnify, defend and hold harmless the Purchaser, the Purchaser Subsidiary, as well as each of its shareholders, directors, officers, employees, agents, affiliates, associates, representatives, successors and assigns, in relation to any and all claims, damages or losses

suffered or incurred by the Purchaser or its/his/her successors or assigns, or by the Company, when any such claim, damages or loss arises from, or is incidental to, any of the following events, regardless of the nature, jurisdiction or duration of the corresponding claim:

- (i) **Violations.** A violation or lack of fullness or certainty and / or breach of any representation or warranty made by any or all Vendors or the Company under this Agreement, as well as any violation of any contractual obligations stipulated in this Agreement or the Transaction Documents on or before the Closing Date and in the Schedules thereto, which are an integral part of this Agreement, as well as any act or omission of gross negligence or willful misconduct.
- (b) **Indemnification by Avicanna.** Avicanna shall indemnify, defend and hold harmless the Purchaser, the Purchaser Subsidiary, as well as each of its shareholders, directors, officers, employees, agents, affiliates, associates, representatives, successors and assigns, in relation to any and all claims, damages or losses suffered or incurred by the Purchaser or its/his/her successors or assigns, when any such claim, damages or loss arises from, or is incidental to, any of the following events, regardless of the nature, jurisdiction or duration of the corresponding claim:
 - (i) **Violations.** A violation or lack of fullness or certainty and / or breach of any statement, guarantee, covenant, term, condition, representation or warranty made by Avicanna under this Agreement, as well as any violation of any contractual obligations stipulated in this Agreement or the Transaction Documents and in the Schedules thereto, which are an integral part of this Agreement, as well as any act or omission of gross negligence or willful misconduct on the part of Avicanna, directly.
 - (ii) In addition to the foregoing and notwithstanding Section 7.2(a), in the event that Avicanna is wholly or jointly responsible for, or has in any material way caused, the breach by the Company of any applicable laws, rules, policies, regulations, orders, or other requirements of any kind whatsoever prior to the Closing Date which has caused a Loss to the Purchaser or the Company, Avicanna shall indemnify, defend and hold harmless: A) the Purchaser, the Purchaser Subsidiary, as well as each of its shareholders, directors, officers, employees, agents, affiliates, associates, representatives, successors and assigns; and B) the Company as well as each of its shareholders other than Avicanna, directors, officers, employees, agents, affiliates, associates, representatives, successors and assigns, in relation to any resulting claims or Losses suffered or incurred by the Company or its/his/her successors or assigns.
- (c) **Indemnification by Purchaser.** The Purchaser shall indemnify, defend and hold harmless the Vendors and Avicanna in relation to any and all claims, damages or losses suffered or incurred by its/his/her successors or assigns, or by the Company as well as its shareholders, directors, officers, employees, agents, representatives, successors and assigns, when such claims, damages or losses arise from, or are incidental to any of the following events, regardless of the nature, jurisdiction or duration of the corresponding claim:
 - (i) **Violations.** A violation or lack of fullness or certainty and / or breach of any representation or warranty made by the Purchaser under this Agreement, as well as any

violation of any contractual obligations stipulated in this Agreement or the Transaction Documents and in the Schedules thereto, which are an integral part of this Agreement, as well as any act or omission of gross negligence or willful misconduct.

- (d) **Indemnification Procedure.** Immediately and in any case within fifteen (15) days following the knowledge of a claim or potential claim that would be subject to this Section 7, the Party seeking indemnification (the "**Indemnified Party**") will give written notice to the other party (the "**Indemnifying Party**"). The written notice must contain a detailed description of the facts that support the claim, as well as the value of the same.

The indemnifying Party shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the Indemnified Party, and to defend against, negotiate, settle or otherwise deal with any claim which relates to any losses to be so indemnified by it hereunder. If the indemnifying Party elects to defend against, negotiate, settle or otherwise deal with any claim which relates to any losses indemnified against by it hereunder, it shall within fifteen (15) Business Days (or sooner, if the nature of the claim so requires) notify the Indemnified Party of its intent to do so. If the indemnifying Party elects not to defend against, negotiate, settle or otherwise deal with any claim which relates to any losses indemnified against hereunder, the Indemnified Party may defend against, negotiate, settle or otherwise deal with such claim. In the latter case, the Indemnifying Party will be obliged to make payments to the Indemnified Party of any and all costs arising from the defence contemplated in this section 7.2(c), within thirty (30) days following the payment of the corresponding expense by the Indemnified Party, until the issuance of a final conviction, conciliation, ruling, award or settlement.

The indemnity obligations contained in this section 7.2(d), will survive the Closing Date until the expiration of the term to claim provided in Section 7.2(f).

- (e) **Limitations in relation to claims for losses.**

- (i) The value of the loss suffered by the Indemnified Party shall be reduced by: (a) any amount received by it under any insurance policy or reinsurance concept whose purpose falls on the loss; (b) any amount received from a third party considered responsible for it, and / or (c) any tax benefit obtained on the occasion of the loss. The Indemnified Party shall be obliged to do everything reasonably possible to obtain payment of any amount derived from said insurance or reinsurance policy, to obtain payment by the third party that is considered responsible for the loss and / or for obtain any tax benefit that results from the loss. If either Party obtains a tax benefit, receives a sum on the occasion of an insurance policy or reinsurance concept or a third party, after receiving the compensation established in this clause, the Indemnified Party shall have the obligation to immediately reimburse the Indemnifying party the payment made by it as compensation in the corresponding proportion.
- (ii) The Indemnifying Party shall only be obliged to indemnify the Indemnified Party for those claims for which it has received written notice from the Indemnified Party in accordance with the terms of this Section 7.2.
- (iii) The Indemnifying Party will do everything reasonably possible in good faith to mitigate any loss that results from or is related to any matter for which said Party is entitled to compensation under this Contract.

- (f) **Expiration of the Right to Claim.** There will be no right to claim or obligation of compensation by the Vendors, Avicanna, the Company or the Purchaser, as the case may be, unless the indemnifying event in question is notified within the term established in the relevant statute of limitations according to the applicable laws.

7.3. Payment of Taxes. Each of the individual Vendors shall be solely responsible and severally liable for any applicable taxes incurred by each of them as a result of the sale of the Purchased Shares to the Purchaser.

7.4. Disclosure of Agreement. Avicanna and the Purchaser (for the purposes of this Section 7.4 the “**Requesting Party**”) agree to consult with each other prior to making any public announcement about the Agreement or the Transaction provided for herein, it being understood that no public announcement shall be made without the mutual consent of the other Party (for the purposes of this Section 7.4 the “**Approving Party**”) as to the form and content of such announcement, the Approving Party to act reasonably and in a timely manner. In the event that any announcement by a Requesting Party is required in order to comply with laws pertaining to timely disclosure, the Requesting Party will indicate such to the Approving Party and the Approving Party will have 2 Business Days to provide approval and/or make comment or approval shall be deemed to have been delivered. Notwithstanding the foregoing, the Parties may, on a confidential and need-to-know basis only, disclose the contents of the Agreement in whole or in part to their legal representatives or other Persons involved in the transactions contemplated by the Agreement, including the financing of such Transactions.

8. TERMINATION

8.1. The obligation of the Purchaser to complete the Transactions will terminate:

- (a) If, at any time, in the reasonable opinion of the Purchaser, anything has occurred which has or may reasonably be expected to have a Material Adverse Effect or there exists any situation which indicates that performance by the Company of its obligations under this Agreement or in relation to the Business cannot be expected; or
- (b) If either the Vendors or Company has breached this Agreement and such breach is incapable of cure (in the sole discretion of the Purchaser) or, where such breach can be cured (in the sole discretion of the Purchaser), it has not been cured within thirty (30) days following receipt by the Vendors or Company, as the case may be, of notice of such breach from the Purchaser.

8.2. The obligation of the Vendors and Avicanna to complete the Transactions will terminate:

- (a) In the event of a failure of Purchaser to comply with any of the undertakings made pursuant to the Agreement, in particular, but without limitation, the failure of the Purchaser to effect payment of the balance of the Purchase Price, or Subscription Price in accordance with the terms and conditions and payment schedule as provided in Section **Error! Reference source not found.**2 and, Section 3 hereof. The Vendors shall be entitled to waive their rights to insist upon payment of any remaining balance which may be outstanding on the Purchase Price of the Purchased Shares and to consider the sale evidenced hereby as being lawfully rescinded, upon notice of thirty (30) days to this effect.

8.3. Survival.

- (a) In addition to any section of this Agreement expressly stated to survive the Closing, notwithstanding anything in this Agreement to the contrary, Section 5 shall survive for a period of two (2) years after the Closing Date, Sections 6, 9, and 10 shall survive following the Closing Date until such date that the Purchaser or any affiliate thereof is no longer a shareholder of the Company, and Section 7.1 shall survive for a period of two (2) years following the date upon which the Purchaser or any affiliate thereof is no longer a shareholder of the Company.

9. DISPUTE RESOLUTION

9.1. Dispute Resolution.

- (a) **Discussions.** Each Party agrees to utilize all reasonable efforts to resolve any dispute, whether arising during the term of this Agreement or at any time after the expiration or termination of this Agreement, which touches upon the validity, construction, meaning, performance or affect this Agreement or the rights and liabilities of the Parties or any matter arising out of or connected with this Agreement, promptly and in an amicable and good faith manner by negotiations between the Parties.
- (b) **Management Committee.** Either Party may refer any dispute to a management committee, consisting of senior managers of each of the Parties who have the authority to bind such Party. This committee shall meet as soon as is reasonably possible after a dispute is referred to it, giving due regard to the nature and impact of the issue under consideration. If this committee cannot resolve a dispute within ten (10) Business Days, either Party may submit the dispute for arbitration as provided in Section 9.1(c).
- (c) **Arbitration.** Subject to Section 9.1(d), any dispute that has proceeded through the committee established in Section 9.1(b) without resolution may be submitted to arbitration at the Center of Arbitration and Conciliation of the Chamber of Commerce of Bogota which shall be governed by its regulations and procedures, in accordance with the following rules: (i) the Tribunal shall be comprised by three arbitrators to be jointly appointed by the Parties. If this appointment does not take place, the arbitrators must be assigned by the Center of Arbitration and Conciliation, upon request from either party; (ii) the Tribunal's decision will be in accordance with the rule of law, and (iii) the Tribunal will be held at the Chamber of Commerce of Bogota Center of Arbitration and Conciliation facilities The determination arising out of the arbitration process shall be final and binding upon the Parties to the arbitration.
- (d) **Exceptions to Arbitration.** The following matters shall be excluded from arbitration under this Agreement:
 - (i) a decision by either Party to terminate this Agreement;
 - (ii) any disputes involving third Persons;
 - (iii) breach of confidentiality by either Party; and
 - (iv) Intellectual Property claims, whether initiated by third Persons or by one of the Parties to this Agreement.

10. GENERAL PROVISIONS

10.1. Notice. Every notice or other communication hereunder shall be deemed to have been duly given and made if in writing and if served by personal delivery upon the Party for whom it is intended, if delivered by registered or certified mail, return receipt requested, or by a national courier service, or if sent by email (receipt of which is confirmed) to the Party at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such Party:

To Purchaser:

[PARTY CONTACT INFORMATION]

[REDACTED]

With a copy to (which shall not constitute notice):

[REDACTED]

To Avicanna:

[REDACTED]

To the Company:

[REDACTED]

To [REDACTED]:

[REDACTED]

[REDACTED]

To [REDACTED]

[REDACTED]

Any such notification shall be deemed delivered (i) upon receipt, if delivered personally, (ii) on the next Business Day, if sent by national courier service for next Business Day delivery or if sent by email. Any correctly addressed notice or last known address of the other parties that is relied on herein that is refused, unclaimed, or undeliverable because of an act or omission of the Party to be notified as provided herein shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities by mail, through messenger or commercial express delivery services.

10.2. Amendment. The Agreement may be amended at any time by mutual consent of the Parties provided that any amendment must be set forth in writing and signed by each of the Parties to the Agreement. It shall be deemed effective as of the day of its recording in a written instrument duly signed by the Parties.

10.3. Waiver. The waiver by either Party of a breach or default of any provision of this Agreement by the other Party shall not be effective unless in writing and shall not be construed as a waiver of any succeeding breach of the same or of any other provision. Nor shall any delay or omission on the part of either Party to exercise or avail itself of any right, power or privilege by such Party shall constitute a waiver.

10.4. Enurement. This Agreement shall enure to the benefit of and be binding upon each of the Parties hereto and their permitted successor or assigns.

10.5. Survival. The termination of the Agreement shall not affect the survival and enforceability of any provision of the Agreement which is expressly or implicitly intended to remain in effect after such termination.

10.6. Independent Legal Advice. Each of the Parties acknowledge that they have had the opportunity to seek independent legal advice with respect to entering into this Agreement, that they have obtained such independent legal advice or have expressly waived their right to do so. The Parties are entering into this Agreement with full knowledge of the contents hereof, of their own free will and will full capacity and authority to do so.

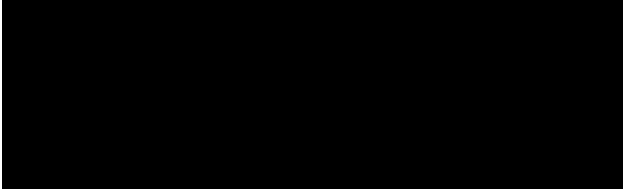
10.7. Counterparts and Facsimile or Electronic Execution and Delivery. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which together shall constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by facsimile transmission or email and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party as of the

date of receipt thereof by the receiving Party or such other date as may be specified by the sending Party as part of such transmission.

[Remainder of page left blank. Next page is the signature page.]

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be duly executed as of the date first written above by an officer authorized in that behalf.

MOUNTAIN VALLEY MD INC.

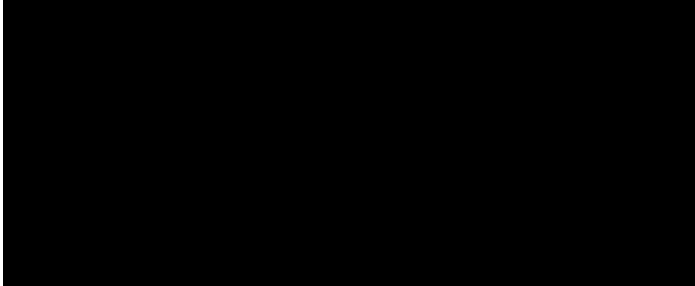


[SIGNATORY]

I have the authority to bind Mountain Valley MD Inc.

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be duly executed as of the date first written above by an officer authorized in that behalf.

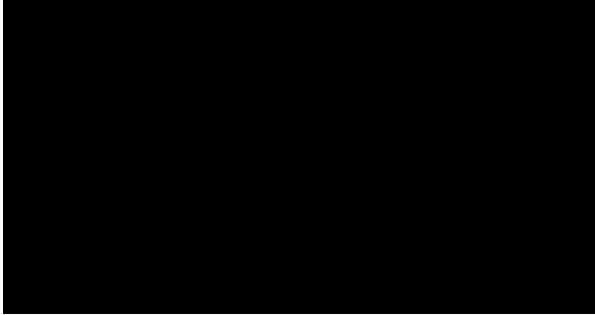
SATIVA NATIVA S.A.S.



[SIGNATORY]

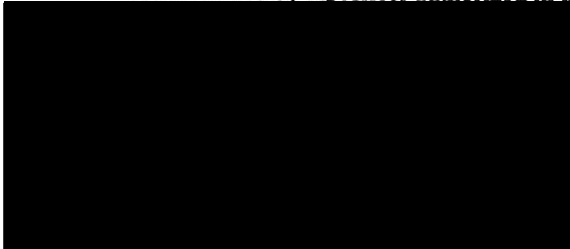
IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be duly executed as of the date first written above by an officer authorized in that behalf.

AVICANNA INC.



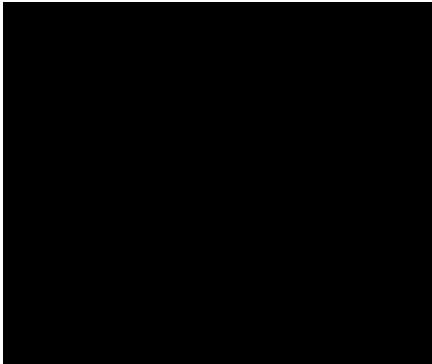
[SIGNATORY]

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be duly executed as of the date first written above by an officer authorized in that behalf.



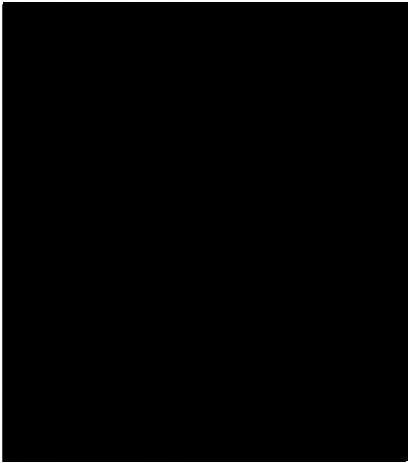
[SIGNATORY]

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be duly executed as of the date first written above by an officer authorized in that behalf.



[SIGNATORY]

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be duly executed as of the date first written above by an officer authorized in that behalf.



[SIGNATORY]

Schedule A
Sativa Nativa S.A.S. Shareholders Agreement

Schedule B
Management Agreement

Schedule C
Mandate Contract

Schedule D
Insurance Policies (Section 5.1(t))

Schedule E
Sativa Nativa S.A.S. Bank Accounts (Section 5.1(v))

Schedule F

List of Employees and Contractors of Sativa Nativa S.A.S. (Section 5.1(p))

Schedule G
Financial Statements 2017

Schedule H
Financial Statements 2018

Schedule I

Side Letter Agreement

Schedule J

Material Contracts (Section 5.1(s))

Schedule K

Exceptions to Compliance with Law (Section 5.1(k))

Schedule L

Liabilities (Section 5.1(h))

Schedule M

List of Assets (Section 5.1(bb))

Schedule N

Former Employees (Section 6.15)

Schedule O

Written Consent Regarding Non-Competition Clause in Shareholders Agreement

[Closing Date]

TO: Mountain Valley MD Inc.

[REDACTED]

FROM: Avicanna Inc.

[REDACTED]

[SIGNATORY DEATAILS]

AND FROM: Sativa Nativa S.A.S.

[REDACTED]

Re: Written consent granted pursuant Clause VIII of the Sativa Nativa S.A.S. Shareholders' Agreement dated August 18, 2017.

Dear Mr. Clifford,

This consent letter (the "**Consent Letter**") is made effective as of the date first written above and provided by Avicanna Inc. ("**Avicanna**") and Sativa Nativa S.A.S. (the "**Company**") and granted to Mountain Valley MD Inc. ("**MVMD**") and any wholly owned subsidiary of MVMD, it being understood that all references to MVMD shall extend thereto.

WHEREAS pursuant to Clause VIII of the Company's shareholders' agreement entered in to, or subsequently joined, by and among, *inter alia*, Avicanna and MVMD dated [REDACTED] (the "**Shareholders Agreement**") the Company and all shareholders, different from Avicanna, agreed to not perform, directly or indirectly, without prior written consent from Avicanna any activity or business, or enter into an enterprise or make an investment in an enterprise or existing business, that may compete, directly or indirectly, with Avicanna;

AND WHEREAS Avicanna's business is focused on two main segments, mainly i) research and development of cannabinoid-based pharmaceutical, medicinal and cosmetic products as well as, through its Colombian subsidiaries, ii) the sustainable and organic cultivation of cannabis;

AND WHEREAS pursuant to Clause VIII of the Shareholders Agreement all shareholders different from Avicanna, agreed to not perform, directly or indirectly, without prior written consent from Avicanna and the Company any activity or business, or enter into an enterprise or make an investment in an enterprise or existing business, that may compete, directly or indirectly, with the Company;

AND WHEREAS the Company's business is dedicated to the commerce of pharmaceutical, medicinal and cosmetic products and to cultivate 100% sun grown cannabis with a focus on innovation, sustainable farming practices and using world class, pharmaceutical grade processing technology to product the highest quality oil extract products;

AND WHEREAS pursuant to Clause VIII of the Shareholder' Agreement MVMD has requested written consent from Avicanna and the Company to be exempt from the prohibitions prescribed by Clause VIII.

NOW THEREFORE in accordance with the provisions of Clause VIII of the Shareholders' Agreement Avicanna hereby grants written consent to MVMD to pursuant to such Clause, for so long as it remains a shareholder of the Company, and waives the application of the prohibitions contained in Clause VIII of the Shareholders' Agreement for any geographical jurisdiction outside of the Republic of Colombia as well as within the Republic of Colombia excluding the departments of Atlantico, Magdalena, Cesar, and La Guarjira.

This written consent shall be filed in the minute book of the Company and become a part of the records of the Company and shall run contemporaneously with the Shareholders Agreement for so long as MVMD is a party thereto.

SATIVA NATIVA S.A.S.

AVICANNA INC.

■ _____
[REDACTED]

■ _____
[REDACTED]

[SIGNATORY DETAIL]