

SHARE EXCHANGE AGREEMENT

THIS AGREEMENT is made effective January 10, 2019,

AMONG:

MOUNTAIN VALLEY MD INC., a company incorporated under the laws of Ontario and having an office at c/o ECS Law, 2425 Matheson Blvd. E., 8th Floor Mississauga, ON L4W 5K4
("MVMD")

AND:

MOUNTAIN VALLEY MEDICINALS INC., a company incorporated under the laws of British Columbia and having an office at 7 - 4180 Island Highway North Nanaimo, BC V9T 1W6
("MVM")

AND:

THE HOLDERS OF SHARES OF MVM, as listed in Schedule "A" attached hereto (collectively, the "MVM Shareholders")

Each of MVMD, MVM and the MVM Shareholders are together referenced as the "**Parties**" and each a "**Party**".

WHEREAS:

- A. MVMD and MVM entered into a binding letter of intent dated December 4, 2018 (the "**LOI**"), which set out the material terms upon which MVMD and MVM agreed to enter into this Agreement;
- B. MVMD and MVM are each non-reporting issuers formed in the Provinces of Ontario and British Columbia, respectively;
- C. The MVM Shareholders are the owners of all of the issued and outstanding shares of MVM; and
- D. MVMD wishes to purchase all of the issued and outstanding common shares of MVM from the MVM Shareholders in exchange for common shares of MVMD, upon and subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the covenants and agreements herein contained, the parties hereto do covenant and agree each with the other as follows:

1. INTERPRETATION

1.1 **Defined terms** – The following terms have the following meanings in this Agreement:

- (a) **"Acquisition"** means the acquisition of the MVM Shares by MVMD in consideration for the Consideration Shares, upon and subject to the terms and conditions of this Agreement;
- (b) **"Agreement"** means this share exchange agreement and all the schedules and other documents attached to or referred to in this Agreement, and all amendments and supplements, if any, to this Agreement;
- (c) **"Applicable Laws"** means all applicable rules, policies, notices, orders and legislation of any kind whatsoever of any Governmental Authority or stock exchange having jurisdiction over the transactions contemplated hereby or the Parties to this Agreement;
- (d) **"Business Day"** means any day except Saturday, Sunday or a statutory holiday in Vancouver, British Columbia, Canada;
- (e) **"Closing"** means the completion of the Acquisition on the Closing Date pursuant to the terms and conditions contained in this Agreement;
- (f) **"Closing Date"** means January 10, 2019, or such other date on or before the Drop Dead Date upon which MVMD and MVM may mutually agree;
- (g) **"Consideration Shares"** means the 54,206,148 Class "B" non-voting common shares of MVMD to be issued by MVMD to the MVM Shareholders in consideration for their MVM Shares, upon and subject to the terms and conditions of this Agreement;
- (h) **"CSE"** means the Canadian Securities Exchange;
- (i) **"Drop Dead Date"** means March 4, 2019 or such later date upon which MVMD and MVM may mutually agree;
- (j) **"Effective Date"** means the date of this Agreement;
- (k) **"Environmental Laws"** means all Applicable Laws currently in effect relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, the use, consumption, handling, transportation, storage or Release of Hazardous Substances;
- (l) **"Environmental Order"** means any prosecution, order, decision, notice, direction, report, recommendation or request issued, rendered or made by any Governmental Authority in connection with Environmental Laws;

- (a) **"Financing"** means the private placement offering and sale of Units to raise gross proceeds of not less than \$5,000,000 and up to \$7,000,000 or such other minimum and maximum amount(s) as may be determined by MVMD in its sole discretion, at a purchase price of \$0.20 per Unit, or such other price as may be determined by MVMD in its sole discretion, to be offered by MVMD forthwith following the completion of the Acquisition;
- (m) **"Governmental Authority"** means any government or governmental, administrative, regulatory or judicial body, department, commission, authority, tribunal, agency, entity or stock exchange;
- (n) **"Hazardous Substance"** means any substance, combination of substances or by-product of any substance which is or may become hazardous, toxic, injurious or dangerous to any person, property, air, land, water, flora, fauna or wildlife; and includes but is not limited to contaminants, pollutants, wastes and dangerous, toxic, deleterious or designated substances as defined in or pursuant to any Environmental Laws or Environmental Orders;
- (o) **"MMPR Application"** means the licence referenced in the *"Application to Become a Licensed Producer Under the Marihuana for Medical Purposes Regulations (MMPR)"* submitted to Health Canada on or about June 27, 2014 by the MVM Sub, a copy of which is attached hereto as Schedule "K";
- (p) **"Mortgage and Assignment of Rents"** means the mortgage registered under [REDACTED] and Assignment of Rents registered under [REDACTED] in favour of [REDACTED] against the MVM Property;
[MORTGAGOR/MORTGAGE DETAILS]
- (q) **"MVM Financial Statements"** means the unaudited financial statements of MVM for the year ended October 31, 2018;
- (r) **"MVM Property"** means the real property owned by the MVM Sub as described in Schedule "J";
- (s) **"MVM Shares"** means the 5,000 Class "A" Common, 49,000,000 Class "D" Common and 5,201,148 Class "E" Common shares issued and outstanding common shares in the capital of MVM, being all of the issued and outstanding shares in the capital of MVM;
- (t) **"MVM Sub"** means 0987182 B.C. Ltd. (formerly Pura Vida Medical Marihuana Incorporation), a corporation formed under the laws of the Province of British Columbia, and a wholly owned subsidiary of MVM;
- (u) **"MVMD Financial Statements"** means the audited annual financial statements for the year ended October 31, 2018;
- (v) **"MVMD Convertible Securities"** means the incentive stock options issued or proposed to be issued by MVMD prior to the Closing Date, as set out in Schedule "B";

- (w) **"MVMD Shares"** means the common shares, of all classes, in the capital of MVMD;
- (x) **"Parties"** means each of MVMD, MVM and the MVM Shareholders and **"Party"** means each one of them, as applicable;
- (y) **"Person"** means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability corporation, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority;
- (z) **"Purchase Price"** has the meaning ascribed thereto in Section 2.1(a);
- (aa) **"Regulatory Approvals"** means all third party approvals required to be obtained prior to Closing for all of the transactions contemplated herein, as applicable;
- (bb) **"Release"** includes abandon, add, deposit, discharge, disperse, dispose, dump, emit, empty, escape, leach, leak, migrate, pour, pump, release or spill;
- (cc) **"Securities Act"** means the Ontario *Securities Act*, as amended from time to time;
- (dd) **"Security Interest"** includes a mortgage, debenture, charge, encumbrance, lien, pledge, assignment or deposit by way of security, bill of sale, lease, hypothecation, hire purchase, credit sale, agreement for sale on deferred terms, caveat, claim, covenant, interest or power in or over an interest in an asset and any agreement or commitment to give or create any such security interest or preferential ranking to a creditor including set off;
- (ee) **"Time of Closing"** means 11:00 a.m. (Vancouver time) on the Closing Date, or such other time as MVMD and MVM may agree;
- (b) **"Unit"** means a unit to be offered by MVMD pursuant to the Financing, consisting of one Class B Common Share and one half of one purchase warrant, each full warrant entitling the holder to acquire one Class "B" Common Share of MVMD at an exercise price of \$0.35 per share; and **"Units"** means more than one of them;
- (ff) **"United States"** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; and
- (gg) **"U.S. Person"** has the meaning set forth in Rule 902 of Regulation S under the United States Securities Act of 1933, as amended.

1.2 **Schedules** – The following schedules attached hereto constitute a part of this Agreement:

Schedule "A" - MVM Shareholders and Consideration Shares

Schedule "B"	- MVMD Convertible Securities
Schedule "C"	- MVMD Material Contracts
Schedule "D"	- MVMD Subsidiaries
Schedule "E"	- MVM and MVM Sub Assets
Schedule "F"	- MVM Leases
Schedule "G"	- MVM and MVM Sub Liabilities
Schedule "H"	- MVM and MVM Sub Insurance
Schedule "I"	- MVM Material Contracts
Schedule "J"	- MVM Property Description
Schedule "K"	- MPR Application

1.3 **Headings** – The headings in this Agreement are for reference only and do not constitute terms of the Agreement.

1.4 **Interpretation** – Unless the context of this Agreement otherwise requires, to the extent necessary so that each clause will be given the most reasonable interpretation, the singular number will include the plural and vice versa, the verb will be construed as agreeing with the word so substituted, words importing the masculine gender will include the feminine and neuter genders, words importing persons will include firms and corporations and words importing firms and corporations will include individuals.

1.5 **Currency** – Unless otherwise stated, all references to money in this Agreement shall be deemed to be references to the currency of Canada.

1.6 **Knowledge** – Whenever in this Agreement a representation and warranty is qualified by the statement "to the best knowledge" of a Party or any similar statement, that statement shall mean to the best knowledge of the Party's directors and officers after having made due and reasonable enquiries and investigations.

2. PURCHASE AND SALE

2.1 **Agreement** – Subject to the terms and conditions of this Agreement, on the Closing Date:

- (a) each of the MVM Shareholders hereby agrees to sell, assign and transfer all (and not less than all) of the MVM Shares owned by it as set forth in Schedule "A" to MVMD, and MVMD hereby agrees to purchase all (and not less than all) of the MVM Shares from each of the MVM Shareholders, at and for the deemed aggregate purchase price of \$ [REDACTED] (the "**Purchase Price**"), with the result that MVM will become a wholly-owned subsidiary of MVMD upon Closing;
- (b) as consideration for the sale and transfer of the MVM Shares by the MVM Shareholders to MVMD and as payment of the Purchase Price MVMD will allot and issue the Consideration Shares, in the amounts set forth in Schedule "A" at a deemed issuance price of \$ [REDACTED] per Consideration Share, on the basis of a 1:1 share exchange ratio; and

[DEEMED VALUES]

- (c) MVMD will not be obliged to complete the purchase of any MVM Shares unless the purchase of all MVM Shares is completed simultaneously at the Closing.

2.2 **Acknowledgements** – Each of the MVM Shareholders hereby acknowledges and agrees with MVMD as follows:

- (a) the transfer of the MVM Shares and the issuance of Consideration Shares will be made pursuant to applicable exemptions (the "**Exemptions**") from the formal takeover bid and prospectus (or equivalent) requirements of the Applicable Laws;
- (b) as a consequence of acquiring Consideration Shares pursuant to the Exemptions:
 - (i) the MVM Shareholder is restricted from using certain of the civil remedies available under the Applicable Laws;
 - (ii) the MVM Shareholder may not receive information that might otherwise be required to be provided to the MVM Shareholder, and MVMD is relieved from certain obligations that would otherwise apply under the Securities Act if the Exemptions were not being relied upon by MVMD;
 - (iii) there is no government or other insurance covering the Consideration Shares;
 - (iv) there are risks associated with the acquisition of Consideration Shares;
 - (v) there are restrictions on each MVM's Shareholder's ability to resell Consideration Shares, and it is the responsibility of such MVM Shareholder to find out what those restrictions are and to comply with them before selling any Consideration Shares; and
 - (vi) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Consideration Shares;
- (b) there are restrictions on each MVM's Shareholder's ability to resell Consideration Shares imposed by Applicable Laws and the MVM Shareholder agrees to be bound by such restrictions and the MVM Shareholder acknowledges that the certificates representing the Consideration Shares will bear a legend or legends respecting restrictions on transfer as required under Applicable Laws and that such MVM Shareholder has been advised to consult its own legal advisor with respect to applicable resale restrictions and that it is solely responsible for complying with such restrictions. It is further and more particularly acknowledged that, if and to the extent required by CSE listing requirements, the Consideration Shares may be subject to an escrow, which escrow may not terminate until up to three years following the date of listing of the Consideration Shares on the CSE;

- (c) while it is the intention of MVMD to act in a reasonable and timely manner to become a reporting issuer in one or more provinces in Canada and to apply for the listing of its shares on the CSE, there is no guarantee that the foregoing will occur as intended or at all;
- (d) the Acquisition may be considered a “related party transaction” under Applicable Laws as the material terms of the Agreement, and the LOI prior hereto, were concluded while an officer of MVM was also an officer and director of MVMD, it being understood that the independent directors of each of MVMD and MVM approved entry and fulfillment of the respective obligations pursuant to the LOI and this Agreement; and
- (e) **such MVM Shareholder has been advised prior to entering into this Agreement to obtain, and has had adequate time to obtain, such independent legal, financial and other advice as it deems to be necessary or advisable in connection herewith, and waives any claim which it may now or in the future have with respect to this Agreement or the subject matter hereof based in any way on the absence of, lack of access to or shortness of time available to rely on such advice.**

3. REPRESENTATIONS AND WARRANTIES

3.1 **Concerning MVMD** – In order to induce MVM and the MVM Shareholders to enter into this Agreement and complete their respective obligations hereunder, MVMD represents and warrants to and covenants with MVM and the MVM Shareholders as follows:

- (a) **Incorporation and Qualification** – MVMD is a corporation incorporated and validly organized and existing under the laws of the Province of Ontario and has the requisite corporate power to own and operate its property, carry on its business and enter into and perform its obligations under this Agreement. MVMD is in good standing with respect to the filing of annual reports under the laws of its jurisdiction of organization. This Agreement constitutes a legal, valid and binding agreement of MVMD and is enforceable against MVMD in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and the general principles of equity.
- (b) **Corporate Authority** – The execution, delivery and performance by MVMD of this Agreement and the completion of the transactions contemplated hereunder, have been duly authorized by all necessary corporate action on the part of MVMD.
- (c) **Not Reporting Company** – MVMD is not a reporting company in any jurisdiction and its common shares are not listed or quoted on any stock exchange or trading facility. MVMD is not subject to any regulatory decision or order prohibiting or restricting trading in its shares.

- (d) **No Conflict** – The execution and delivery of this Agreement by MVMD and the performance by MVMD of its obligations under this Agreement will not:
- (i) conflict with, or result in the breach or the acceleration of any indebtedness under, or constitute default under the constating documents of MVMD, or any indenture, mortgage, agreement, lease, licence or other instrument of any kind whatsoever to which MVMD is a party or by which it is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which MVMD is bound; or
 - (ii) result in the violation of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever by MVMD.
- (e) **Required Approvals** – There is no requirement to obtain any Regulatory Approval as a condition to the lawful completion by MVMD of the transactions contemplated by this Agreement, including without limitation the Acquisition.
- (f) **No Bankruptcy** – There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of MVMD, threatened against MVMD before any court, regulatory or administrative agency or tribunal.
- (g) **Corporate Records** – The corporate records of MVMD, as required to be maintained by it pursuant to the laws of its jurisdiction of organization, are complete and accurate in all material respects. MVMD’s constating documents are in the form contained in its minute book and no modifications or alterations have been proposed or approved by its shareholders.
- (h) **Authorized and Issued Capital** – MVMD is authorized to issue an unlimited number of Class A Common Shares and an unlimited number of non-voting Class B Common Shares, of which 70,625,000 Class A Common shares and 12,260,000 Class B Common Shares are or will be duly authorized and validly issued and outstanding as fully paid and non–assessable shares in full compliance with the laws of MVMD’s jurisdiction of organization and its notice of articles and articles, as of the Closing Date. Upon their issuance, the Consideration Shares to be issued in exchange for the MVM Shares will be duly authorized and validly issued and outstanding as fully paid and non– assessable Class B Common Shares of MVMD.
- (i) **No Other Agreements to Purchase** – Other than the MVMD Convertible Securities and as otherwise set out in Schedule “B”, there are no options, agreements, rights of first refusal or other rights capable of becoming such to acquire securities of MVMD, nor are there any outstanding securities of any kind whatsoever calling for the issuance of any of the unissued shares of MVMD, other than under this Agreement (including the securities of MVMD issuable pursuant to the Acquisition). Notwithstanding the foregoing, it is acknowledged and agreed that MVMD is and has been prior to the Effective Date and will continue until the

Closing Date to participate in discussions with third parties regarding potential transactions that may result in the issuance of shares to or as directed by such third parties.

- (j) **Compliance with Laws** – MVMD is conducting its business in compliance in all material respects with all Applicable Laws and is not in default or violation in any material respect under, and has not been charged with or received any notice at any time of any material violation of any Applicable Laws, nor is MVMD aware of any valid basis therefore.

- (k) **Financial Condition**
 - (i) The MVMD Financial Statements to be provided prior to, or as soon as practicable following, Closing, will be true and correct in every material respect and present fairly and accurately the financial position and results of the operations of MVMD for the periods reported upon and the MVMD Financial Statements have been prepared in accordance with International Financial Reporting Standards.
 - (ii) The books and records of MVMD disclose all material financial transactions of MVMD, and such transactions have been fairly and accurately recorded.
 - (iii) There are no material liabilities of MVMD, whether direct, indirect, absolute, contingent or otherwise, which are not disclosed or reflected in the MVMD Financial Statements except for those incurred in the ordinary course of business of MVMD since October 31, 2018, and such liabilities are recorded in the books and records of MVMD.
 - (iv) MVMD has not granted any general security over its assets or security in any particular asset.
 - (v) Since October 31, 2018, there has not been any material adverse change of any kind whatsoever to the financial position or condition of MVMD or any damage, loss or other change of any kind whatsoever in circumstances materially affecting the business or assets of MVMD or the right or capacity of MVMD to carry on its business.
 - (vi) MVMD has not discharged, satisfied or paid any lien, charge or encumbrance of any kind whatsoever or obligation or liability of any kind whatsoever other than current liabilities in the ordinary course of its business consistent with past practice.
 - (vii) Other than normal trade creditors and as disclosed in writing to MVM, MVMD is not indebted to any of its shareholders, directors or officers. None of MVMD's shareholders or any director, officer or consultant of MVMD is indebted or under obligation to MVMD on any account whatsoever.

- (viii) MVMD has not guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any Person.
 - (ix) At the Closing, MVMD will have no liabilities, other than accruals in connection with the transactions contemplated by this Agreement and normal, ordinary course of business costs.
- (l) **Taxes**
- (i) As applicable, all tax returns and reports of MVMD required by Applicable Laws to have been filed have been filed and are true, complete and correct in all material respects and all taxes and other government charges of any kind whatsoever have been paid.
 - (ii) Adequate provision has been made for taxes payable by MVMD for the current period for which tax returns are not yet required to be filed and there are no agreements, waivers or other arrangements of any kind whatsoever providing for an extension of time with respect to the filing of any tax return by, or payment of, any tax or governmental charge of any kind whatsoever by MVMD.
 - (iii) MVMD is not aware of any contingent tax liabilities of MVMD of any kind whatsoever or any grounds which would prompt a reassessment of MVMD.
 - (iv) As applicable, MVMD has made all collections, deductions, remittances and payments of any kind whatsoever and filed all reports and returns required by it to be made or filed under the provisions of all applicable statutes requiring the making of collections, deductions, remittances or payments of any kind whatsoever in those jurisdictions in which it carries on business.
- (m) **Litigation** – There are no outstanding actions, suits, judgments, investigations, arbitration or government proceedings or proceedings of any kind whatsoever against or affecting MVMD, at law or in equity or before or by any Governmental Authority or other governmental department, commission, board, bureau or agency of any kind whatsoever nor are there, to the best of its knowledge, any pending or threatened.
- (n) **No Breach of Laws** – To the best of its knowledge, MVMD is not in breach of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever.
- (o) **Material Contracts** – MVMD is not a party to any material contract other than as set out in Schedule “C”, attached hereto. MVMD has performed all of the obligations required to be performed by it and is entitled to all benefits under its material contracts. MVMD is not in default of any such material contract.

- (p) **Subsidiaries** – Other than as set out in Schedule “D”, MVMD has no subsidiaries and holds no shares or other ownership, equity or proprietary interests in any other Person.
- (q) **Complete Disclosure**
 - (i) To the best of its knowledge, information and belief, all documents and written information delivered by MVMD or its representatives under or in connection with this Agreement to MVM or its representatives are complete and correct in all material respects as of the date of this Agreement; and
 - (ii) To the best of its knowledge, information and belief, MVMD has not withheld from MVM any material information necessary to enable MVM and the MVM Shareholders to make an informed assessment and valuation of the business, assets and liabilities of MVMD.

3.2 **Concerning MVM** – In order to induce MVMD to enter into this Agreement and complete its obligations hereunder, MVM represents and warrants to and covenants with MVMD as follows:

- (a) **Incorporation and Qualification** – MVM is a corporation incorporated and existing under the laws of the Province of British Columbia and has the corporate power to own and operate its property, carry on its business and enter into and perform its obligations under this Agreement. MVM and the MVM Sub are in good standing with respect to the filing of annual reports of the Office of the Registrar of Companies of British Columbia. This Agreement constitutes a legal, valid and binding agreement of MVM and is enforceable against MVM in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and the general principles of equity.
- (b) **Not Reporting Company** – MVM is not a reporting company in any jurisdiction and its common shares are not listed or quoted on any stock exchange or trading facility. MVM is not subject to any regulatory decision or order prohibiting or restricting trading in its shares.
- (c) **Corporate Authority** – The execution, delivery and performance by MVM of this Agreement and the completion of the transactions contemplated hereunder, have been duly authorized by all necessary corporate action on the part of MVM.
- (d) **No Conflict** – The execution and delivery of this Agreement by MVM and the performance by MVM of its obligations under this Agreement will not:
 - (i) conflict with, or result in the breach or the acceleration of, any indebtedness under, or constitute default under the constating documents of MVM or the MVM Sub, or any indenture, mortgage, agreement, lease,

licence or other instrument of any kind whatsoever to which MVM or the MVM Sub is a party, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which MVM or the MVM Sub is bound; or

- (ii) result in the violation of any law, ordinance, statute, regulation, by-law, order or decree of any kind.
- (e) **Required Approvals** – There is no requirement to obtain any Regulatory Approval as a condition to the lawful completion by MVM of the transactions contemplated by this Agreement, including without limitation the Acquisition.
- (f) **No Bankruptcy** – There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of MVM, threatened against MVM before any court, regulatory or administrative agency or tribunal.
- (g) **Corporate Records** – The corporate records of MVM, as required to be maintained by it pursuant to the laws of its jurisdiction of organization, are substantially complete and accurate in all material respects. The constating documents of MVM and the MVM Sub are in the form contained in its respective minute books and no modifications or alterations have been proposed or approved by its shareholders.
- (h) **Authorized and Issued Capital** – MVM's authorized capital consists of an unlimited number of:
 - (i) Class "A" Common Voting shares with no par value;
 - (ii) Class "B" Common Voting shares with no par value;
 - (iii) Class "C" Common Voting shares with no par value;
 - (iv) Class "D" Common Non-Voting shares with no par value;
 - (v) Class "E" Common Non-Voting shares with no par value;
 - (vi) Class "F" Common Non-Voting shares with no par value;
 - (vii) Class "G" Common Non-Voting shares with no par value;
 - (viii) Class "H" Common Non-Voting shares with no par value;
 - (ix) Class "I" Preference shares with a par value of \$10.00 each;
 - (x) Class "J" Preference shares with a par value of \$10.00 each;
 - (xi) Class "K" Preference shares with a par value of \$10.00 each; and
 - (xii) Class "L" Preference shares with a par value of \$10.00 each;

and there are or will be issued and outstanding as of the Closing Date that number of MVM Shares set out in Schedule "A" hereto, such MVM Shares being registered in the names of the MVM Shareholders as set forth in Schedule "A".

- (i) **Outstanding Securities** – Other than the MVM Shares, there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of MVM (as that term is defined in the Securities Act). The MVM

Share are validly issued and outstanding as fully paid and non-assessable shares in the capital of MVM.

- (j) **No Other Agreements to Purchase** – There are no options, agreements, rights of first refusal or other rights capable of becoming such to acquire all or any part of the MVM Shares or any securities or other ownership interest in the MVM Sub.
- (k) **Dividends and Distributions** – No dividends or other distributions of any kind whatsoever on any shares in the capital of MVM have been made, declared or authorized.
- (l) **Compliance with Laws** – MVM has conducted and is conducting its business in compliance with all Applicable Laws in the jurisdictions in which such business is carried on.
- (m) **Title to Assets:**
 - (i) MVM owns (with good title) any and all of the properties and assets (whether real, personal or mixed and whether tangible or intangible) that it purports to own including all the properties and assets reflected as being owned by MVM in its financial books and records, including without limitation those assets set out in Schedule “E”, attached hereto. MVM has legal and beneficial ownership of its assets free and clear of all liens.
 - (ii) The MVM Sub owns (with good title) any and all of the properties and assets (whether real, personal or mixed and whether tangible or intangible) that it purports to own including all the properties and assets reflected as being owned by the MVM Sub in its financial books and records, including without limitation the MVM Property and those other assets set out in Schedule “E”, attached hereto. The MVM Sub has legal and beneficial ownership of its assets free and clear of all liens, other than the Mortgage and Assignment of Rents.
- (n) **Leases** – Other than as set out in Schedule “F”, attached hereto, neither MVM nor the MVM Sub is a party to, or under any agreement to become a party to, any lease with respect to real property.
- (o) **Financial Condition**
 - (i) The MVM Financial Statements to be provided prior to, or as soon as practicable following, Closing will be true and correct in every material respect and will present, fairly and accurately the financial position and results of the operations of MVM, including the MVM Sub, for the periods reported upon, and the MVM Financial Statements will be prepared in accordance with International Financial Reporting Standards.
 - (ii) The books and records of MVM and the MVM Sub disclose all material financial transactions of MVM and the MVM Sub, and such transactions

have been fairly and accurately recorded.

- (iii) Other than as set out in Schedule “G”, there are no liabilities, contingent or otherwise, of MVM or the MVM Sub, and neither MVM nor the MVM Sub has guaranteed, or agreed to guarantee, any debt, liability, or other obligation of any person, firm or corporation, and there are no liabilities of any other party capable of creating a lien, claim, encumbrance, or charge on any of the assets of MVM or the MVM Sub other than the Mortgage and Assignment of Rents. Further, there will be no material liabilities of MVM or the MVM Sub, whether direct, indirect, absolute, contingent or otherwise, which are not disclosed or reflected in the MVM Financial Statements except for those incurred in the ordinary course of business of MVM since the respective dates of such financial statements, and such liabilities are recorded in the books and records of MVM which have been provided to MVMD.
- (iv) Other than the Mortgage and Assignment of Rents, neither MVM nor the MVM Sub has granted any general security over its assets or security in any particular asset.
- (v) Since October 31, 2018, there has not been any material adverse change of any kind whatsoever to the financial position or condition of MVM or any damage, loss or other change of any kind whatsoever in circumstances materially affecting the business or assets of MVM or the right or capacity of MVM to carry on its business.
- (vi) Since October 31, 2018, neither MVM nor the MVM Sub has waived or surrendered any right of any kind whatsoever of material value.
- (vii) Since October 31, 2018, neither MVM nor the MVM Sub has discharged, satisfied or paid any lien, charge or encumbrance of any kind whatsoever or obligation or liability of any kind whatsoever other than current liabilities in the ordinary course of its business.
- (viii) Other than as disclosed in the MVM Financial Statements, MVM is not indebted to, or does not have any liability (contingent or otherwise) to, any of the MVM Shareholders or other directors, officers or insiders of MVM or the MVM Sub. None of the MVM Shareholders, nor any director, officer or other insider of MVM or the MVM Sub is indebted or under obligation to MVM or the MVM Sub on any account whatsoever.
- (ix) Neither MVM nor the MVM Sub has guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any Person.
- (x) There has been no change in any material respect in accounting policies or practices of MVM or the MVM Sub since October 31, 2018.

(p) **Taxes**

- (i) As applicable, all tax returns and reports of MVM and the MVM Sub required by Applicable Laws to have been filed have been filed and are substantially true, complete and correct and all taxes and other government charges of any kind whatsoever of MVM or the MVM Sub have been paid.
- (ii) Adequate provision has been made for taxes payable by MVM and the MVM Sub for the current period for which tax returns are not yet required to be filed and there are no agreements, waivers or other arrangements of any kind whatsoever providing for an extension of time with respect to the filing of any tax return by, or payment of, any tax or governmental charge of any kind whatsoever by MVM or the MVM Sub.
- (iii) MVM is not aware of any contingent tax liabilities of MVM or the MVM Sub of any kind whatsoever or any grounds which would prompt a reassessment of MVM or the MVM Sub.
- (iv) MVM and the MVM Sub have made all collections, deductions, remittances and payments of any kind whatsoever and filed all reports and returns required by it to be made or filed under the provisions of all applicable statutes requiring the making of collections, deductions, remittances or payments of any kind whatsoever in those jurisdictions in which MVM and the MVM Sub carry on business.
- (v) MVM and the MVM Sub have made all elections required to be made under the *Income Tax Act* (Canada) in connection with any distributions by the Company.

(q) **Litigation** – There are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting MVM, the MVM Sub or the MVM Property at law or in equity or before or by any Governmental Authority or other governmental department, commission, board, bureau or agency of any kind whatsoever nor are there, to the best knowledge of MVM, any pending or threatened.

(r) **Employees; Independent Contractors**

- (i) Up to and including the date hereof, MVM and the MVM Sub have and have had no employees.
- (ii) In the reasonable belief of MVM, any and all independent contractors engaged by MVM and/or the MVM Sub are and have performed all services as independent contractors and not as employees.

(s) **No Breach of Laws** – To the best knowledge of MVM, neither MVM nor the MVM Sub is in breach of any law, ordinance, statute, regulation, by-law, order or decree

of any kind whatsoever.

- (t) **Insurance** – A description of MVM's and the MVM Sub's insurance policies is set out in Schedule "H", attached hereto and such policies are in full force and effect as of the date hereof.
- (u) **Material Contracts** – Neither MVM nor the MVM Sub is a party to any material contract other than as set out in Schedule "I", attached hereto. MVM and the MVM Sub have each performed all of the obligations required to be performed by it and, to the best of the knowledge of MVM, MVM and the MVM Sub respectively are entitled to all benefits under their respective material contracts. Neither MVM nor the MVM Sub is in default of any such material contract.
- (v) **Material Transactions** – All of the material transactions of MVM and the MVM Sub have been promptly and properly recorded or filed in, or with, the books or records of MVM or the MVM Sub, as applicable.
- (w) **MVM Property**
 - (i) Schedule "J" sets forth a true, accurate and complete description of the MVM Property.
 - (ii) The MVM Sub is the full legal and beneficial owner of the MVM Property.
 - (iii) Other than the Mortgage and Assignment of Rents, the MVM Property is free from all Security Interests and neither MVM nor the MVM Sub is a party to any agreement to grant any Security Interest over the MVM Property.
 - (iv) The MVM Property and the Mortgage and Assignment of Rents are in good standing pursuant to any and all Applicable Laws and related contracts.
 - (v) Other than in connection with the Mortgage and Assignment of Rents, no person has any right to any interest in the MVM Property, whether such right is exercisable now or in the future or is contingent or otherwise.
 - (vi) All fees, taxes, mortgage payments and other payments in respect of the MVM Property have been fully paid or satisfied within the time required for payment.
 - (vii) There is no judgment, decree, injunction, ruling or order of any court, Governmental Authority, instrumentality or arbitrator and no claim, suit, action, litigation, arbitration or governmental proceeding is in progress, pending or, to the best of the knowledge of MVM, threatened against, relating to or affecting the MVM Property.
 - (viii) To the best of the knowledge of MVM, all activities and operations that have been carried out by or on behalf of MVM on the MVM Property have

been in compliance in all material respects with all Applicable Laws and directives of all Governmental Authorities.

- (ix) All the lands covered by the MVM Property are free and clear of any Hazardous Substance and there is no judicial or administrative proceeding pending and no Environmental Order has been issued or, to the best knowledge of MVM, threatened, concerning the possible violation of any Environmental Laws or Environmental Orders in respect of the MVM Property.
- (x) There are no obligations or liabilities of any nature due, outstanding, threatened, prospective, contingent or otherwise, under any applicable Environmental Laws, or other law, associated or in connection with the MVM Property.
- (xi) All approvals required with respect to activities carried out by MVM on any part of the lands covered by the MVM Property have been obtained, are valid and in full force and effect, have been complied with and there have been and, to the best knowledge of MVM, there are no proceedings commenced or threatened to revoke or amend any such environmental approvals.
- (x) **MMPR Application** – The MVM Sub has made an application to Health Canada for the MMPR Application on or about [REDACTED], attached hereto as Schedule “K”. The MMPR Application is under active review, however, it has not been approved. To the best of MVM’s knowledge, there has been no material change in the MVM Sub or otherwise as at the Effective Date that would have an adverse effect on the MMPR Application or application process. [DATE OF APPLICATION]
- (y) **Subsidiaries**
 - (i) MVM has no subsidiaries or affiliates other than the MVM Sub and the MVM Sub is duly incorporated and validly existing and in good standing under the laws of British Columbia and no proceedings have been instituted or are pending for the dissolution or liquidation or winding-up of the MVM Sub.
 - (ii) The MVM Sub is a wholly-owned subsidiary of MVM and all shares of the MVM Sub held by MVM are legally and beneficially owned by MVM free and clear of all liens, charges and encumbrances of any kind whatsoever.
 - (iii) The MVM Sub has the corporate power and capacity to own the assets owned by it and to carry on the business carried on and proposed to be carried on by it.
 - (iv) The MVM Sub has no subsidiaries.

(z) **Complete Disclosure**

- (i) To the best of MVM's knowledge, information and belief, all documents and written information delivered by MVM or its representatives under or in connection with this Agreement to MVMD or its representatives are complete and correct in all material respects as of the date of this Agreement.
- (ii) To the best of MVM's knowledge, information and belief, neither MVM nor the MVM Shareholders have withheld from MVMD any material information necessary to enable MVMD to make an informed assessment and valuation of the business, assets and liabilities of MVM.

3.3 **Concerning the MVM Shareholders** – In order to induce MVMD to enter into this Agreement and complete its obligations hereunder, each of the MVM Shareholders severally represents and warrants to MVMD that:

- (a) **Qualification** – If the MVM Shareholder is an individual, he or she is of legal age and is legally competent to enter into and perform his or her obligations under this Agreement. If the MVM Shareholder is a corporation, it is a corporation incorporated and existing under the laws of its jurisdiction of incorporation and has the corporate power to enter into and perform its obligations under this Agreement, and the consummation of the transactions contemplated by this Agreement has been duly authorized by all necessary corporate or other action on the part of such MVM Shareholder.
- (b) **Binding Agreement** – This Agreement constitutes a legal, valid and binding agreement of the MVM Shareholder and is enforceable against such MVM Shareholder in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and the general principles of equity.
- (c) **Title to MVM Shares** – Such MVM Shareholder is the legal and, unless otherwise indicated in Schedule "A", beneficial owner of the MVM Shares, registered in its name as set out in Schedule "A", with good title, free and clear of all liens, Security Interests and resale restrictions.
- (d) **No Other Agreements to Purchase** – Except for MVMD's rights under this Agreement, there is no option, agreement or other right capable of becoming such to acquire from such MVM Shareholder any of the MVM Shares.
- (e) **Not a U.S. Person** – Such MVM Shareholder:
 - (i) is not, and is not acquiring the Consideration Shares for the account or benefit of, a person in the United States or a U.S. Person;
 - (ii) was not offered the Consideration Shares in the United States; and

(iii) did not execute or deliver this Agreement in the United States.

3.4 Foreign Jurisdiction Laws – If such MVM Shareholder is not a resident of Canada or the United States, it represents and warrants to MVMD that it:

- (a) is knowledgeable of, or has been independently advised as to, the applicable securities laws of its jurisdiction of residence that would apply to this transaction, if there are any; and
- (b) is acquiring the Consideration Shares pursuant to exemptions from any substantive or procedural requirements under the applicable securities laws of its jurisdiction of residence or, if such is not applicable, the MVM Shareholder is permitted to acquire the Consideration Shares under the applicable securities laws of its jurisdiction of residence without the need to comply with any substantive or procedural requirements of any kind whatsoever in such jurisdiction.

3.5 Survival – The representations and warranties made by the Parties under this Part 3 are true and correct as of the Effective Date and shall be true and correct at the Time of Closing as though they were made at that time, and should such not be the case, the Party or Parties to whom the representations and warranties were made will be entitled, for a period of 12 months following the Closing, to seek remedy against that Party for any such misrepresentation or breach of warranty. After the expiration of such three-year period, no Party or Parties shall have any further liability with respect to any breach of any representation or warranty contained herein, except for those alleged breaches for which notice has been given prior to the end of such 12-month period.

3.6 Limitations on Representations and Warranties – The Parties shall not be deemed to have made any representation or warranty other than as expressly made in this Agreement.

4. COVENANTS

4.1 Given by MVMD – MVMD covenants and agrees with MVM that MVMD will:

- (a) permit representatives of MVM and the MVM Shareholders full access during MVMD's business hours to MVMD's property, books and records including, without limitation, all of the assets, contracts, financial records and minute books of MVMD, so as to permit such investigation of MVMD as MVM and the MVM Shareholders deem reasonably necessary;
- (b) from and including the Effective Date through to and including the Time of Closing, do all such acts and things necessary to ensure that all of the representations and warranties of MVMD contained in this Agreement remain true and correct in all material respects and not do any such act or thing that would render any representation or warranty of MVMD untrue or incorrect in any material respect;
- (c) use its reasonable commercial efforts to obtain all necessary approvals as may be required for the performance of MVMD of its obligations under this Agreement;

and

- (d) comply with the terms of this Agreement and faithfully and expeditiously seek to close the Acquisition by the Closing Date, or such other date prior to the Drop Dead Date as may be requested by MVM, acting reasonably.

4.2 **Given by MVM –** MVM covenants and agrees with MVMD that MVM will:

- (a) permit representatives of MVMD, at MVMD's own cost, full access during MVM's business hours to its books, records and property including, without limitation, all of the assets, contracts, financial records and minute books of MVM and the Subsidiaries, so as to permit MVMD to make such investigation of MVM and the MVM Sub as MVMD deems necessary;
- (a) from and including the Effective Date through to and including the Time of Closing, do all such acts and things reasonably necessary to ensure that all of the representations and warranties of MVM contained in this Agreement remain true and correct in all material respects and not do any such act or thing that would render any representation or warranty untrue or incorrect in any material respect;
- (b) use its reasonable commercial efforts to obtain all necessary shareholder and other approvals as may be required for the performance of MVM of its obligations under this Agreement;
- (c) from and including the Effective Date through to and including the Time of Closing:
 - (i) conduct its business only in the ordinary course and substantially in the same manner as previously conducted;
 - (ii) maintain its payables and other liabilities at levels consistent with past practices;
 - (iii) maintain insurance, if any, on the MVM Property and all other assets of MVM and the MVM Sub;
 - (iv) do all necessary repairs and maintenance to the assets of MVM and the MVM Sub and take reasonable care to protect and safeguard such assets.
 - (v) make reasonable efforts to maintain the board of directors and management of MVM and the MVM Sub as they are on the date of this Agreement, including in particular any individuals that may be required for the purposes of ensuring compliance with and facilitation of the MMPR Application;
 - (vi) expect as otherwise contemplated hereby, not engage in any material transactions; and
 - (vii) expect as otherwise contemplated hereby, make no distributions, dividends or special bonuses and issue no shares, warrants, options or

other securities convertible into shares, without the prior written consent of MVMD;

- (d) assist MVMD with the preparation of any information and documentation that may be required in connection with the Financing as MVMD may reasonably request;
- (e) maintain the MVM Property in good standing free and clear of all liens and encumbrances, including the payment of all fees, rentals, rates, taxes, bonds and other payments relating to the MVM Property;
- (f) maintain the MMPR Application in good standing and do all such things that may be desirable or necessary to facilitate the progress thereof;
- (g) comply with the terms of this Agreement and faithfully and expeditiously seek to close the Acquisition by the Closing Date, or such other date prior to the Drop Dead Date as may be requested by MVMD, acting reasonably; and
- (h) at the request of MVMD, take reasonable steps to cause MVM Sub to enter into agreements with Joe Cunningham and Benjamin Gaskell to the extent required to ensure their engagement and participation with MVM Sub for the purposes of obtaining the MMPR Application.
- (i) provide the MVM Financial Statements to MVMD on the Closing Date, or as soon as practicable thereafter.

4.3 Given by the MVM Shareholders – Each of the MVM Shareholders covenants and agrees with MVMD that such MVM Shareholder will:

- (a) from and including the Effective Date through to and including the Time of Closing, do all such acts and things reasonably necessary to ensure that all of the representations and warranties of such MVM Shareholder contained in this Agreement remain true and correct in all material respects and not do any such act or thing that would render any such representation or warranty untrue or incorrect in any material respect;
- (b) except as otherwise contemplated hereby, not transfer, sell, encumber or otherwise dispose of any of its MVM Shares or any interest therein without the prior written consent of MVMD;
- (c) enter into such escrow agreements in respect of the Consideration Shares as may be required by the CSE; and
- (d) comply with the terms of this Agreement and faithfully and expeditiously seek to close the Acquisition by the Closing Date.

5. PRIVATE PLACEMENT

MVMD shall use their commercially reasonable best efforts to complete the Financing forthwith following with the completion of the Acquisition and MVM shall assist in any manner that may reasonably be requested by MVMD in connection therewith.

6. BOARD AND MANAGEMENT

MVM will use reasonable efforts to cause the existing board of directors and officers of MVM and the MVM Sub to retain their respective positions as of the Closing Date, except that Benjamin Gaskell will resign as a director of MVM as of the Closing Date.

7. CONDITIONS PRECEDENT

7.1 **In favour of all parties** – The obligations of the Parties under this Agreement are subject to the fulfillment of the following conditions at or prior to the Closing:

- (a) receipt of all necessary consents from the board of directors and shareholders of each of MVM and MVMD, and third parties that are necessary to complete the Acquisition; and
- (b) there not being in force any order or decree restraining or enjoining the consummation of the Acquisition or the transactions contemplated by this Agreement.

7.2 **In favour of MVMD** – MVMD's obligations under this Agreement are subject to the fulfilment of the following conditions at or prior to the Closing:

- (a) MVMD being satisfied, in its sole discretion, with the results of its due diligence regarding MVM, the MVM Sub, the MMPR Application and the MVM Property;
- (b) MVM and all of the MVM Shareholders having complied with all of their respective covenants and agreements contained in this Agreement;
- (c) the representations and warranties of MVM and the MVM Shareholders contained in this Agreement being materially true as if such representations and warranties had been made by MVM and the MVM Shareholders as of the Time of Closing (with modifications necessary to reflect the transactions contemplated by this Agreement); and
- (d) all documents necessary to complete the transfer of legal and beneficial ownership of the MVM Shares shall have been delivered at the Closing.

The conditions precedent set forth above are for the exclusive benefit of MVMD and may be waived by it in whole or in part on or before the Time of Closing.

7.3 **In favour of MVM and the MVM Shareholders** – The obligations of MVM and the MVM Shareholders under this Agreement are subject to the fulfilment of the following conditions:

- (a) MVMD having complied in all material respects with all of its covenants and agreements contained in this Agreement;
- (b) the representations and warranties of MVMD contained in this Agreement being

true in all material respects as if such representations and warranties had been made by MVMD as of the Time of Closing (with modifications necessary to reflect the transactions contemplated by this Agreement); and

- (c) all documents necessary to complete the issuance of all Consideration Shares shall have been delivered at the Closing.

The conditions precedent set forth above are for the exclusive benefit of MVM and the MVM Shareholders and may be waived by MVM (on its own behalf and on behalf of the MVM Shareholders) in whole or in part on or before the Time of Closing.

8. CLOSING

8.1 **Closing** – The Closing shall take place at the Time of Closing at the office of Lotz & Company, or at such other place upon which MVMD and MVM may agree.

8.2 **Deliveries by MVM and the MVM Shareholders** – At the Closing, MVM shall deliver to MVMD the following documents:

- (a) a certified true copy of the resolutions of the directors evidencing that the board of directors of MVM the Acquisition and all of the transactions of MVM and the MVM Shareholders contemplated hereunder and the resolutions shall include specific reference to:
 - (i) the sale and transfer of the MVM Shares from the MVM Shareholders to MVMD as provided for in this Agreement;
 - (ii) the cancellation of the certificates (the "**Old Share Certificates**") representing the MVM Shares held by the MVM Shareholders; and
 - (iii) the issuance of new certificates (the "**New Share Certificates**") representing the MVM Shares registered in the name of MVMD or otherwise as directed by MVMD;
- (b) copies of the Old Share Certificates, and if required, with the form of transfer on the reverse duly executed for transfer or accompanied by a duly executed instrument of transfer (original copies to remain in minute book of MVM);
- (c) a copy of the New Share Certificates (the original copies to remain in the minute book of MVM); and
- (d) such other materials that are, in the opinion of MVMD acting reasonably, required to be delivered by MVM and the MVM Shareholders in order for them to meet their obligations under this Agreement.

8.3 **Deliveries by MVMD** – At the Time of Closing on the Closing Date, MVMD shall deliver to MVM:

- (a) certified true copies of the resolutions of the board of directors of MVMD

evidencing the approval of this Agreement and all of the transactions of MVMD contemplated hereunder, including without limitation the Acquisition and the securities issuable under the Acquisition;

- (b) copies of the share certificates representing the Consideration Shares, all registered in the respective names of the MVM Shareholders as set forth in Schedule "A" (the original copies to remain in the minute book of MVM);
- (c) documentation or other confirmation, to the satisfaction of MVM and its advisors acting reasonably, that the issuance of Consideration Shares to the MVM Shareholders pursuant to this Agreement is exempt from the prospectus requirements of applicable securities laws; and
- (d) such other materials that are, in the opinion of MVM acting reasonably, required to be delivered by MVMD in order for it to meet its obligations under this Agreement.

9. TERMINATION

9.1 **By the parties** – Each of MVM (on its own behalf and on behalf of the MVM Sub and the MVM Shareholders) and MVMD (on its own behalf) shall, in its sole discretion, have the right to terminate this Agreement:

- (a) by mutual written agreement of MVM and MVMD;
- (b) in the event it becomes apparent the requisite approvals cannot be obtained;
- (c) if any of the conditions precedent set out herein are not satisfied, released or waived;
- (d) if any other Party has breached or is in default of any material term of this Agreement and fails to cure or remedy such breach or default within 14 days after receiving written notice thereof from the Party not in breach or default; or
- (e) if the Closing does not occur on or before the Drop Dead Date.

9.2 **Survival** – In the event this Agreement is terminated, the provisions of Sections 11 and 13.4 shall survive the termination.

10. STANDSTILL AGREEMENT

From the Effective Date until completion of the transactions contemplated herein or the earlier termination hereof, MVM, the MVM Sub and the MVM Shareholders will not, directly or indirectly, solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or enter into discussions or negotiations with, or provide information relating to the securities, business, operations, affairs or financial condition of MVM or the MVM Sub to any persons in connection with the acquisition or distribution of any securities of MVM or the MVM Sub, or any amalgamation, merger, consolidation, arrangement, restructuring, refinancing, sale of any material assets of MVM or the MVM Sub, unless such action, matter or transaction is part of the transactions contemplated in this Agreement or is satisfactory to, and is approved

in writing in advance by MVMD or is necessary to carry on the normal course of business.

11. PUBLIC DISCLOSURE

11.1 **Restrictions on disclosure** – No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by any Party without the prior written agreement of MVMD and MVM as to timing, content and method, provided that the obligations herein will not prevent any Party from making, after consultation with MVMD and MVM, such disclosure as its counsel advises is required by Applicable Laws or as is required to carry out the transactions contemplated in this Agreement or the obligations of any of the Parties hereto.

11.2 Confidentiality

- (a) No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by either of MVM or MVMD prior to Closing without the prior approval of the other Party as to timing, content and method, hereto, provided that the provisions of this section will not prevent either MVM or MVMD from making, after consultation with the other, such disclosure as its counsel advises is required by applicable law. Notwithstanding the foregoing, it is agreed that MVM or MVM jointly with MVMD may notify potential subscribers to the Financing of this Agreement and its material terms as well as any third parties with whom MVMD has entered or may enter into an Agreement prior to Closing.
- (b) Following the execution of this Agreement, no public press release in relation to any matter will be issued by MVMD without reasonable notice to and the prior consent of MVM (such consent not to be unreasonably withheld), provided that the provisions of this Section will not prevent MVM or MVMD from making, after consultation with the other Party, such disclosure as its counsel advises is required by applicable law and any press release so issued will conform in all respects with applicable securities laws.
- (c) Each of MVM and MVMD ("**Receiving Party**") understands that the other Party ("**Disclosing Party**") may disclose information concerning the Disclosing Party's business, operations, financial position, forecasts, strategies, marketing plans, product plans, product services, customers, markets, surveys, questionnaires, inventions, software, patents and other intellectual property, trade secrets and technical or proprietary data and methods used or developed and any written or oral plans, lists or other documentation regardless of how memorialized or communicated (including oral, written or electronic communications) by the Disclosing Party, whether furnished before or after the date hereof, whether prepared by the Disclosing Party, its Representatives (as defined below), or otherwise, whether or not marked as being confidential (collectively, the "**Proprietary Information**" of the Disclosing Party).
- (d) Each Receiving Party agrees: (i) to use the Disclosing Party's Proprietary Information solely in accordance with this Agreement; (ii) to hold such Proprietary Information in strict confidence and to take reasonable precautions to protect such Proprietary Information, including, without limitation, all precautions the Receiving

Party employs with respect to its own strictly confidential materials; (iii) not to divulge such Proprietary Information or any information derived therefrom to any third person without the prior written consent of the Disclosing Party, except that the Receiving Party may disclose Proprietary Information to its shareholders, directors, officers, employees, agents, financial advisors and legal counsel (in this Section 11.2, the “**Representatives**”) on a need-to-know basis and subject to the restrictions contained herein; (iv) not to make any use whatsoever at any time of such Proprietary Information except in accordance with this Agreement; and (v) not to copy or reverse engineer any such Proprietary Information. Any Representative granted access to Proprietary Information in accordance herewith will be similarly bound in writing to maintain the confidentiality and degree of non-disclosure contemplated in this Agreement, and each Party will be responsible for any breach of this Agreement by its Representatives and agrees, at its sole expense, to take all reasonable measures to restrain its Representatives from prohibited or unauthorized disclosures or use of the Proprietary Information.

- (e) Without granting any right or license, the Disclosing Party agrees that the term "Proprietary Information" will not include any information that: (i) through no improper action or inaction by the Receiving Party or any subsidiary, affiliate, agent, consultant or employee thereof, is or becomes generally available or known to the public; (ii) through no improper action or inaction by the Receiving Party or any subsidiary, affiliate, agent, consultant or employee thereof, was in possession or known by it prior to receipt from the Disclosing Party; (iii) was disclosed to the Receiving Party by a third party without violation of any confidentiality obligations, provided the Receiving Party complies with any restrictions imposed by said third party; or (iv) was independently developed without use of any Proprietary Information of the Disclosing Party by employees of the Receiving Party who had no access to such information. The Receiving Party may make disclosures of Proprietary Information if required to do so by court order or other enforceable legal process, provided that the Receiving Party uses reasonable efforts to limit disclosure and to obtain confidential treatment or a protective order and notifies the Disclosing Party as promptly as reasonably possible of the required disclosure.. All such information in written or electronic form and documents will, at a Party's request, be promptly returned to the party originally delivering them in the event that the transactions provided for in this Agreement are not completed.

11.3 Personal Information – Each of the MVM Shareholders hereby consents to the disclosure of his or her personal information in connection with the transactions contemplated by this Agreement, including without limitation the Acquisition, and acknowledges and consents to the fact that MVM and MVMD are collecting the personal information (as that term is defined under applicable privacy legislation, including the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect in Canada from time to time) of the MVM Shareholder for the purposes of completing this Agreement and the transactions contemplated hereby. Each MVM Shareholder acknowledges and consents to MVM and MVMD retaining such personal information for as long as permitted or required by law or business practices. Each MVM Shareholder further acknowledges and consents to the fact that MVM and MVMD may be required by applicable securities legislation or the rules and policies of the CSE to provide regulatory authorities with any personal information provided by the MVM

Shareholders in this Agreement and each MVM Shareholder further consents to the public disclosure of such information, including this Agreement in its entirety, by electronic filing or by any other means.

12. POWER OF ATTORNEY

Each of the MVM Shareholders hereby nominates, constitutes and irrevocably appoints each officer of MVM as his true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, and in his name, place and stead, to execute any and all documents, instruments and agreements relating to the Acquisition, including duly executed stock powers of attorney authorizing the transfer to MVMD of MVM Shares held by each respective MVM Shareholder, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully and to all intents and purposes as each of the undersigned MVM Shareholders might or could do in person, and each of the undersigned MVM Shareholders hereby irrevocably ratifies and agrees to ratify and confirm all actions taken by the said attorney-in-fact and agent, or his substitute or substitutes, as they may lawfully do or cause to be done by virtue hereof.

13. GENERAL

13.1 **Time** – Time and each of the terms and conditions of this Agreement shall be of the essence of this Agreement and any waiver by the Parties of this Section or any failure by them to exercise any of their rights under this Agreement shall be limited to the particular instance and shall not extend to any other instance or matter in this Agreement or otherwise affect any of their rights or remedies under this Agreement.

13.2 **Entire agreement** – This Agreement constitutes the entire Agreement between the Parties hereto in respect of the matters referred to herein and there are no representations, warranties, covenants or agreements, expressed or implied, collateral hereto other than as expressly set forth or referred to herein. For the avoidance of doubt, the LOI will terminate as of the Effective Date.

13.3 **Further assurances** – The Parties hereto shall execute and deliver all such further documents and instruments and do all such acts and things as any Party may, either before or after the Closing, reasonably require of the others in order that the full intent and meaning of this Agreement is carried out. The provisions contained in this Agreement which, by their terms, require performance by a Party to this Agreement subsequent to the Closing, shall survive the Closing.

13.4 **Expenses** – MVMD, MVM and each of the MVM Shareholders shall, other than as provided herein, pay their own costs, fees and expenses incurred in connection with the transactions contemplated herein.

13.5 **Amendments** – No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid or binding upon the Parties hereto unless such alteration, amendment, modification or interpretation is in written form executed by all of the Parties to this Agreement.

13.6 **Notices** – Any notice, request, demand, election and other communication of any kind whatsoever to be given under this Agreement shall be in writing and shall be delivered by hand, faxed, emailed or mailed by prepaid registered post to the Parties at their following respective addresses:

if to MVMD:

Mountain Valley MD Inc.

[REDACTED]

[CONTACT INFORMATION
REMOVED]

Attention: Evan Clifford

E-mail: [REDACTED]

With a copy to:

ECS Law

[REDACTED]

Attention: Antonina Szaszkiwicz (which will not constitute service)

E-mail: [REDACTED]

If to MVM or any of the MVM Shareholders:

Mountain Valley Medicinals Inc.

[REDACTED]

Attention: [REDACTED], Director

E-mail: [REDACTED]

With a copy to:

Lotz & Company

[REDACTED]

Attention: Jonathan C. Lotz (which will not constitute service)

E-mail: [REDACTED]

or to such other addresses as may be given in writing by the Parties hereto in the manner provided for in this Section. Any notice delivered, emailed or faxed will be deemed to have been given and received on the Business Day next following the date of delivery or faxing, as the case may be.

13.7 **Assignment** – This Agreement may not be assigned by any Party hereto without

the prior written consent of all of the Parties hereto.

13.8 **Governing law** – This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the Parties hereby attorn to the exclusive jurisdiction of the courts of Ontario.

13.9 **Counterparts** – This Agreement may be executed and delivered in counterpart and by fax or other electronic means, and each copy so signed shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

13.10 **Severability** – If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions will not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless in either case as a result of such determination this Agreement would fail in its essential purpose.

13.11 **Enurement** – This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors, permitted assigns, trustees, representatives, heirs and executors.

[Remainder of page intentionally left blank]

[SIGNATURE PAGE AND SCHEDULES REMOVED]