

SONOMA CAPITAL INC.
77 King Street West, Suite 2905
Toronto, ON M5K 1H1

June 13, 2014

Dear Sonoma Shareholder:

Enclosed with this letter are a number of very important documents relating to a transaction which Sonoma is undertaking. Please review them carefully as the Corporation is requesting your signature on a shareholder resolution approving the Transaction, as more fully described below.

Sonoma Capital Inc. ("**Somona**" or the "**Corporation**") has entered into a securities exchange agreement (the "**Exchange Agreement**") with Nutritional High Ltd. ("**NHL**") and the security holders of NHL. Pursuant to the terms of the Exchange Agreement, Sonoma has agreed to acquire all of the outstanding securities of NHL in exchange for corresponding securities of the Corporation on a one-for-one basis (the "**Transaction**"). Following the completion, of the Transaction, NHL will be a wholly-owned subsidiary of Sonoma. As a part of the acquisition of NHL, the Corporation proposes to change its name to "Nutritional High Inc." Following completion of the Transaction, the Corporation will be running the business of NHL.

Furthermore, following the completion of the Transaction, the Corporation intends to apply to list the common shares of the Sonoma (the "**Sonoma Shares**") on the Canadian Stock Exchange. While the Company intends for its application to list to be successful, there can be no assurance that it will receive either conditional or final approval of its listing application.

The Transaction

Subject to completion of satisfactory due diligence, and receipt of applicable regulatory approvals, the Corporation will acquire all of the issued and outstanding common shares of the NHL in consideration for 60,400,000 Sonoma Shares. The Company will also exchange all of the outstanding convertible securities of NHL on a one-for-one basis for convertible securities of the Corporation with the same terms. The Transaction is an arm's length transaction. Upon closing of the Transaction, the Corporation will have the following securities issued and outstanding:

- 75,913,620 Company Shares;
- 17,000,000 share purchase warrants ("**Sonoma Warrants**") exercisable into Sonoma Shares at a price of \$0.05 per Sonoma Share for a period ending 18 months from the closing date of the Transaction.

The closing of the Transaction is subject to a number of conditions, including but not limited to, the receipt of all requisite regulatory approvals, and the approval of the Corporation's shareholders. The Transaction cannot close until the required shareholder approval is obtained.

In consideration of the Transaction, Sonoma shareholders are being asked to submit 60% of their Sonoma Shares into a four month contractual escrow, whereby you will be restricted from disposing of or otherwise monetizing such Sonoma Shares during the four month period following the closing of the Transaction.

Documents

Enclosed with this memorandum are the following documents:

- a copy of the Exchange Agreement;
- a copy of the Listing Application, which includes a description of the business of NHL;
- a Shareholder Resolution for execution by you; and
- a form of Escrow Undertaking for execution by you.

Please review the attached documents carefully and provide executed copies of the Shareholder Resolution and the Escrow Undertaking to:

Kookie Miller
Foundation Markets Ltd.
77 King Street West, Suite 2905
Toronto, ON M5K 1H1
Email: kmiller@foundationmarkets.com
Facsimile: 416.777.6199

SECURITIES EXCHANGE AGREEMENT

B E T W E E N:

NUTRITIONAL HIGH LTD.

- AND -

SONOMA CAPITAL INC.

- AND -

**ALL OF THE SHAREHOLDERS OF NUTRITIONAL HIGH
LTD. NAMED ON SCHEDULE "A" ATTACHED HERETO**

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SECURITIES EXCHANGE AGREEMENT

THIS SECURITIES EXCHANGE AGREEMENT made as of the 20 day of June, 2014.

B E T W E E N:

Nutritional High Ltd.

a corporation incorporated under the laws of the Province of Ontario
(hereinafter called "NHL")

– AND –

Sonoma Capital Inc.

a corporation incorporated pursuant to the federal laws of Canada
(hereinafter called "Sonoma")

– AND –

**ALL OF THE SHAREHOLDERS OF NHL NAMED ON SCHEDULE "A"
ATTACHED HERETO**

RECITALS:

WHEREAS, on the terms and subject to the conditions hereinafter set forth, on the Closing Date (as defined below) all of the holders of common shares of NHL (the "**Shareholders**") shall exchange 100% of their common shares of NHL for the Consideration Shares (as defined below);

NOW THEREFORE THIS AGREEMENT WITNESSETH in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration and the sum of TWO DOLLARS (\$2.00) in lawful money of Canada now paid by each Party hereto to the other (the receipt and sufficiency of which is hereby irrevocably acknowledged), the Parties hereto represent, warrant, covenant and agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Where used herein or in any amendments or Schedules hereto, the following terms shall have the following meanings:

"**Agreement**" means this securities exchange agreement, including the schedules, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof; "**hereof**", "**hereto**" and "**hereunder**" and similar expressions mean and refer to this Agreement and not to any particular Article, Section, or other subdivision; and "**Article**", "**Section**" or other subdivisions of this Agreement followed by a number means and refers to the specified Article, Section or other subdivision of this Agreement;

"**Assets**" includes all assets having a fair market value in excess of \$5,000;

"**Business Day**" means any day other than a Saturday, a Sunday, a statutory holiday in the Province of Ontario or any other day on which the principal chartered banks located in the City of Toronto are not open for business during normal banking hours;

"**Canadian Securities Laws**" means: (a) the *Securities Act* (Ontario) or the equivalent legislation in each province and territory of Canada; and (b) the instruments and policies adopted by the securities commission of any province and territory of Canada and the Canadian Securities Administrators, each as amended from time to time;

"**CBCA**" means the *Canada Business Corporations Act*, as amended and any legislation enacted in substitution therefore;

"**Closing**" has the meaning ascribed to such term in Section 2.5 hereof;

"**Closing Date**" has the meaning ascribed to such term in Section 2.5 hereof;

"**Consideration Shares**" means the Sonoma Shares to be issued in exchange for all of the NHL Shares pursuant to the terms of this Agreement;

"**Consideration Warrants**" means the Sonoma Warrants to be issued in exchange for all of the NHL Warrants pursuant to the terms of this Agreement;

"**Consideration Securities**" means collectively, the Consideration Shares and the Consideration Warrants;

"**Encumbrances**" means any and all claims, liens, security interests, mortgages, pledges, pre-emptive rights, charges, options, equity interests, encumbrances, proxies, voting agreements, voting trusts, leases, tenancies, easements or other interests of any nature or kind whatsoever, howsoever created;

"**Indemnified Party**" shall have the meaning ascribed to such term in Section 14.4 hereof;

"**Indemnifying Party**" shall have the meaning ascribed to such term in Section 14.4 hereof;

"**Indemnity Claim**" shall have the meaning ascribed to such term in Section 14.4 hereof;

"**Intellectual Property**" means collectively, patents, patent applications and inventions, trademarks (both registered and unregistered), tradenames, trademark or tradename registrations or applications, copyright or copyright registrations or applications for copyright registration and trade secrets, and each licence or licensing contract for any of the foregoing;

"**Law**" or "**Laws**" means all requirements imposed by statutes, regulations, rules, ordinances, by-laws, decrees, codes, policies, judgments, orders, rulings, decisions, approvals, notices, permits, guidelines or directives of any Regulatory Authority;

"**Material Adverse Change**", when used in connection with Sonoma or NHL, means any change, effect, event or occurrence that is, or could reasonably be expected to be, material and adverse to the business, properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise), operations or financial condition of such party and its subsidiaries, taken as a whole, as applicable, other than any change, effect, event or occurrence: (i) relating to the global economy or securities markets in general; or (ii) affecting the solar energy industry in general and which does not have a materially disproportionate effect on Sonoma or NHL;

"**Material Adverse Effect**" means any effect that is, or could reasonably be expected to be, a Material Adverse Change;

"**Material Contract**" is any contract having a monetary value greater than \$10,000 or a term longer than one year;

"**NHL**" has the meaning ascribed to such term in the preamble to this Agreement;

"**NHL Shares**" means the common shares in the capital of NHL;

"**NHL Warrants**" means common share purchase warrants of NHL, each of which is exercisable into one NHL Share at an exercise price of \$0.05 for a period ending on the earlier of: (i) 36 months from the issuance of the NHL Warrants; or (ii) 18 months from the completion of a going public transaction (as defined in the NHL Warrants). For greater certainty, the Transaction qualifies as a going public transaction for this purpose.

"**Parties**" means Sonoma, NHL and the Shareholders and any other Person that may become a party to this Agreement and "**Party**" means any one of them;

"**Person**" includes an individual, partnership, association, unincorporated organization, trust and corporation and a natural person acting in such person's individual capacity or in such person's capacity as trustee, executor, administrator, agent or other legal representative;

"**Public Record**" has the meaning ascribed to such term in section 5.1(j) of this Agreement;

"**Regulatory Authority**" means any government, regulatory or administrative authority, agency, commission, utility or board (federal, provincial, municipal or local, domestic or foreign) having jurisdiction in the relevant circumstances and any person acting under the authority of any of the foregoing and any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances;

"**Shareholders**" has the meaning ascribed to such term in the recitals to this Agreement;

"**Sonoma**" has the meaning ascribed to such term in the preamble to this Agreement;

"**Sonoma Shares**" means common shares in the capital of Sonoma.

"**Sonoma Warrants**" means the common share purchase warrants of Sonoma, each entitling the holder thereof to purchase one Sonoma Share at an exercise price of \$0.05 for a period ending 18 months after the Closing Date.

"**Tax**" and "**Taxes**" shall mean any or all Canadian federal, provincial, local or foreign (i.e. non-Canadian) income, gross receipts, real property gains, goods and services, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, or other taxes, levies, governmental charges or assessments of any kind whatsoever, including, without limitation, any estimated tax payments, interest, penalties or other additions, whether or not disputed.

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Third Party Liability**" shall have the meaning ascribed to such term in Section 14.4 hereof;

"**Time of Closing**" has the meaning ascribed to such term in Section 2.5 hereof;

"**Transaction**" has the meaning ascribed to such term in Section 2.1 hereof;

1.2 Unless otherwise expressly provided, all dollar amounts referred to in this Agreement are in Canadian Funds.

1.3 Except where the context otherwise indicates, words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine and neuter genders, and vice versa.

1.4 The division of this Agreement into articles and sections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 The following Schedules annexed hereto are incorporated by reference and deemed to form a part of this Agreement:

Schedule "A"	Shareholders of NHL
Schedule "B"	Material Contracts of NHL
Schedule "C"	Resulting Issuer Share Capital

ARTICLE 2

AGREEMENT TO EXCHANGE

2.1 Subject to the terms and conditions hereof, on the Closing Date each of: (i) the NHL Shares will be exchanged for the Consideration Shares one a one-for-one basis; and (ii) the NHL Warrants will be exchanged for the Consideration Warrants on a one-for-one basis (hereinafter referred to as the "**Transaction**"), as set out in Schedule "A" pursuant to the Transaction.

2.2 The Shareholders acknowledge and agree that the Consideration Securities may be subject to resale restrictions under applicable laws and that the Consideration Securities shall not be transferable except in accordance with such resale restrictions and that the certificates issued for the Consideration Securities may bear a

legend or legends to that effect. Furthermore, the Shareholders acknowledge and agree that 60% of their Consideration Shares will be subject to a four month escrow agreement in addition to any escrow provisions required by applicable regulatory authorities and stock exchanges on which the Consideration Shares are or may be listed.

2.3 The Shareholders hereby consent to the disclosure of (a) this Agreement and its terms and conditions and (b) the shareholdings of the Shareholders by Sonoma and NHL in the public disclosure documents.

2.4 Sonoma does not assume and shall not be liable for any taxes under the Tax Act or any other taxes whatsoever which may be or become payable by the Shareholders including, without limiting the generality of the foregoing, any taxes resulting from or arising as a consequence of the sale by the Shareholders, as the case may be, to Sonoma of the NHL Shares herein contemplated, and the Shareholders shall indemnify and save harmless Sonoma from and against all such taxes.

2.5 The completion of the Transaction shall be closed (the "**Closing**") at the offices of NHL's counsel, Fogler, Rubinoff LLP, 77 King Street West, Suite 3000, Toronto, Ontario, at 10:00 a.m. local time in Toronto, Ontario (the "**Time of Closing**") on June 27, 2014 (the "**Closing Date**") or on such other date or at such other time and place as the Parties may agree.

2.6 Any cheque, document, instrument or thing which is to be delivered by any Party hereto at the Closing shall be tabled at the Closing at the place of closing referred to above by the Party which is to deliver such cheque, document, instrument or thing, and any cheque, document, instrument or thing so tabled by a Party hereto shall:

- (a) be deemed to have been delivered by such Party for the purposes of this Agreement;
- (b) be held in escrow by counsel for such Party to be dealt with in accordance with paragraphs (c) and (d);
- (c) be delivered to the Party to which it is to be delivered pursuant to the terms hereof, if all cheques, documents, instruments and things which are to be delivered at the Closing are tabled in accordance with this section at the Closing; and
- (d) be delivered to, or in accordance with the directions of, the Party which tabled it if paragraph (c) does not apply.

ARTICLE 3 **REPRESENTATIONS AND WARRANTIES OF NHL**

3.1 NHL hereby represents and warrants to Sonoma as at the date hereof and as at the Closing Date and acknowledges and confirms that Sonoma is relying upon such representations and warranties in connection with the Transaction, as follows:

- (a) NHL is a corporation duly incorporated, organized and validly subsisting under the laws of the Province of Ontario and has the corporate power to own or lease its property and to carry on its business as it is now being conducted and as proposed to be conducted and on the Closing Date will have the corporate power to execute, deliver and perform its obligations under this Agreement, and has made all necessary filings under all applicable corporate, securities and taxation laws or any other laws to which NHL is subject;
- (b) the authorized share capital of NHL consists of an unlimited number of common shares, of which 60,400,011 common shares are currently issued and outstanding as of the date hereof and such issued and outstanding common shares have been validly issued and are outstanding as fully paid and non-assessable and 13,500,006 NHL Warrants;
- (c) NHL has two wholly-owned subsidiaries, Nutritional High (Colorado), Inc. and NHC Edibles, LLC;

- (d) all of the issued and outstanding NHL Shares and NHL Warrants are beneficially owned and registered in the name of the Shareholder as set out in Schedule "A" hereto;
- (e) NHL does not have any agreements, options or commitments to acquire any shares or securities of any corporation or to acquire or lease any business operations, real property or assets other than as described elsewhere in this Agreement including the Townsend Option Agreement referred to in Schedule "B" hereto;
- (f) the entering into of this Agreement and the consummation of the Transaction as contemplated hereby have been duly authorized by all necessary corporate action on behalf of NHL and this Agreement has been duly executed and delivered by NHL and is a valid and binding obligation of NHL enforceable in accordance with its terms, subject however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws generally affecting creditors' rights and, to the extent that equitable remedies, such as specific performance and injunction, are in the discretion of the court from which they are sought;
- (g) neither the execution and delivery of this Agreement by NHL nor the consummation of the Transaction
 - (i) will conflict with or result in or create a state of facts which after notice or lapse of time or delay or both, will conflict with or result in:
 - (A) a violation, contravention or breach by NHL of any of the terms, conditions or provisions of the charter documents, by-laws or resolutions of NHL or of any agreement or instrument to which NHL is a party or by which it is bound or constitute a default of NHL thereunder, or of any statute, regulation, judgement, decree or law by which NHL, NHL's Assets or the NHL Shares are subject or bound; or
 - (B) a violation by NHL of any law or regulation or any applicable order of any court, arbitrator or governmental authority having jurisdiction over NHL, or require NHL, prior to the Closing or as a condition precedent thereof, to make any governmental or regulatory filings, obtain any consent, authorization, approval, clearance or other action by any Person or await the expiration of any applicable waiting period; or
 - (ii) do not and will not result in the imposition of an Encumbrance upon any of NHL's Assets or the NHL Shares that would, individually or in the aggregate, have a Material Adverse Effect on NHL;
- (h) the minute books of NHL contain full, true and correct copies of the constating documents of NHL, and contain copies of all minutes of all meetings and all resolutions of the directors, committees of directors and shareholders of NHL, and all such meetings were duly called and properly held and such minutes were properly adopted and approved;
- (i) NHL has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules and regulations of each jurisdiction in which its business is carried on and holds necessary licences, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise, to enable its business to be carried on as now conducted and its property and assets to be owned, leased and operated, and the same are validly existing and in good standing and none of such licenses, permits, approvals, consents, certificates, registrations and authorizations contains any burdensome term, provision, condition or limitation, which has or would reasonably be expected to have a Material Adverse Effect on the operation of its business as now carried on;
- (j) NHL has not received any notice of proceedings relating to the revocation or modification of any certificate, authority, permit or license which, if the subject of an unfavourable decision, ruling or

finding would materially and adversely affect the conduct of the business, operations, financial condition or income of NHL;

- (k) NHL has not granted or entered into any agreement, option, understanding or commitment or any encumbrance of or disposal of NHL's Assets or an interest therein or any right or privilege capable of becoming an agreement or option with respect to NHL's Assets and will not do so prior to Closing, save and except for any disposal of assets in the normal course of business;
- (l) except as disclosed in Schedule "A", no Person holds any securities convertible or exchangeable into securities of NHL nor will any agreement, warrant, option, right or privilege being or capable of becoming an agreement, warrant, option or right for the purchase, subscription or issuance of any unissued common shares or other securities of NHL have been authorized or agreed to be issued or will be outstanding as at Closing;
- (m) There is no pending, or to the knowledge of NHL, after due inquiry, threatened or contemplated, any suit, action, legal proceeding, litigation or governmental investigation of any sort, nor is there any present state of facts or circumstances which can be reasonably anticipated to be a basis for any such suit, action, legal proceeding, litigation or governmental investigation nor is there presently outstanding against NHL, any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality, or arbitrator, to which NHL is a party or to which the property of NHL is subject;
- (n) Since June 13, 2014, NHL has not:
 - (i) carried on the business of NHL in other than its usual and ordinary course;
 - (ii) entered into any transaction out of the usual and ordinary course of business other than the Transaction;
 - (iii) amended its articles, by-laws or other governing documents; and
 - (iv) made any change in its accounting principles and practices including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained;
- (o) since June 13, 2014, there has been no change in the affairs, business, operations or condition of NHL, financial or otherwise, whether arising as a result of any legislative or regulatory change, revocation of any licence or right to do business, fire, explosion, accident, casualty, labour dispute, flood, drought, riot, storm, condemnation, act of God, public force or otherwise, except changes occurring in the usual and ordinary course of business which have not had a Material Adverse Effect on NHL;
- (p) the books, records and accounts of NHL, in all material respects, have been maintained in accordance with good business practices on a basis consistent with prior periods and accurately and fairly reflect the basis for NHL's financial statements;
- (q) NHL has not withheld, and will not withhold, from Sonoma any material facts or material information relating to NHL or the Transaction;
- (r) NHL has filed and shall continue to file all documents required to be filed by it under any applicable taxing legislation and has paid all taxes, licence fees or other charges that are due and payable and has paid all assessments and reassessments and all other taxes (including federal and provincial sales taxes, governmental charges, penalties, interest and fines) due and payable on or before the date hereof;
- (s) NHL has withheld from each payment to its officers, directors, employees and shareholders the amount of all taxes and other deductions required to be withheld therefrom and has paid the same to the proper receiving officer within the time required under applicable legislation;

- (t) NHL is in material compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and has not and is not engaged in any unfair labour practice;
- (u) no unfair labour practice complaint against NHL is pending before any labour relations board or similar governmental tribunal or agency and no such complaint has been filed within the two (2) year period preceding the date hereof and no notice has been received by NHL of any complaints filed by any employees against NHL claiming that NHL has violated any employee or human rights or similar legislation in any jurisdiction in which the business of NHL is conducted, and no such complaint has been filed since the incorporation of NHL;
- (v) to the knowledge of NHL, after due inquiry, there will not be any Material Adverse Change in the relationship with the employees of NHL as a result of the Transaction;
- (w) NHL does not have any obligations or liabilities to pay any amount to their officers, directors or employees relating to salary and directors' fees in the ordinary course, including but not limited to the obligations of NHL to officers, directors or employees for severance, retention, termination or bonus payments as a result of the Transaction. Notwithstanding the foregoing, NHL shall be obligated to pay any bonus, incentives, reimbursement or other cash payments to its employees, directors and/officers if such payment arises from such individuals carrying out their duties to NHL;
- (x) to the knowledge of NHL, after due inquiry, no Person is entitled to any royalties or other interests or any revenues of NHL whether derived from utilization of any intellectual property or proprietary information or equipment of NHL or otherwise;
- (y) there is no Person acting or purporting to act at the request of NHL, who is entitled to any commission, brokerage or finder's fee in connection with the Transaction;
- (z) except as disclosed to Sonoma, NHL owns all right, title and interest in and to its Assets free and clear of all Encumbrances;
- (aa) NHL is the beneficial owner of its Assets and properties or interests therein and any and all agreements pursuant to which NHL holds any such interests in its Assets and properties are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, and NHL is not in material default of any of the provisions of any such agreement nor has any default been alleged and, to the knowledge of NHL, after due inquiry, such properties are in good standing under the applicable statutes, rules, regulations, licences and permits of the jurisdictions in which they are situated and all leases pursuant to which NHL derives its interest in such properties are in good standing and there has been no default under any of such leases;
- (bb) each Material Contract of NHL is set out in Schedule "B" hereto and is a legal, valid and binding obligation of NHL, enforceable against NHL in accordance with its terms, and neither NHL nor, to the knowledge of NHL, after due inquiry, any other party to a Material Contract is in material default thereunder;
- (cc) NHL is not a party to any agreement of guarantee, indemnification or assumption of the obligations of a third party or other like commitment;
- (dd) NHL has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing;
- (ee) there is not in the constating documents of NHL or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which NHL is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of NHL or the payment of dividends by NHL to the holders of the common shares of NHL;

- (ff) to the knowledge of NHL, after due inquiry, there is not pending, or threatened or contemplated, any suit, action, legal proceeding, litigation or governmental investigation of any sort.
- (gg) NHL owns all rights in or have obtained valid and enforceable licenses or other rights to use the Intellectual Property owned by it. Such Intellectual Property and such rights and licences are in full force and effect and, to the knowledge of NHL, have not been used or enforced or failed to be used or enforced in a manner that would result in the abandonment, cancellation or unenforceability of any of the Intellectual Property or such rights or licences. All registrations and filings necessary to preserve the rights of NHL in and to such Intellectual Property have been made.
- (hh) to the knowledge of NHL, after due inquiry, the conduct of the business of NHL does not infringe upon the trademarks, trade names, service marks or copyrights, trade secrets, know-how, designs or other proprietary rights or technology, domestic or foreign, of any other Person;
- (ii) NHL is not a "reporting issuer" under applicable Canadian Securities Laws, there is no published market in respect of the NHL Shares; and
- (jj) none of the foregoing representations and warranties knowingly contains any untrue statement of a material fact or knowingly omits to state any material fact necessary to make any such warranty or representation not misleading to Sonoma.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS

4.1 Each of the Shareholders, on its own behalf and not on behalf of any other Shareholder, hereby severally represents and warrants to Sonoma as at the date hereof and as at the Closing Date and acknowledges and confirms that Sonoma is relying upon the Shareholders' representations and warranties in connection with the Transaction, as follows:

- (a) neither the execution and delivery of this Agreement by such Shareholder nor the performance by such Shareholder of its obligations hereunder will conflict with or result in:
 - (i) a violation, contravention or breach by such Shareholder of any of the terms, conditions or provisions of any agreement or instrument to which such Shareholder is a party, or such Shareholder is bound or constitute a default by such Shareholder thereunder, or, to the knowledge of such Shareholder, after due inquiry, under any statute, regulation, judgment, decree or law by which such Shareholder is subject or bound, or result in the creation or imposition of any mortgage, lien, charge or Encumbrance of any nature whatsoever upon any of the NHL Shares; or
 - (ii) a violation by such Shareholder of any law or regulation or any applicable order of any court, arbitrator or governmental authority having jurisdiction over such Shareholder, or require such Shareholder, prior to the Closing or as a condition precedent thereof, to make any governmental or regulatory filings, obtain any consent, authorization, approval, clearance or other action by any Person, or await the expiration of any applicable waiting period;
- (b) no Person has any agreement or option or any right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option for the purchase of the NHL Shares, as the case may be, from such Shareholder;
- (c) such Shareholder has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by such Shareholder as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments;

- (d) the execution and delivery of this Agreement and such other agreements and instruments and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of such Shareholder, as may be required;
- (e) this Agreement constitutes a valid and binding obligation of such Shareholder enforceable against such Shareholder in accordance with its terms subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought;
- (f) such Shareholder is the registered and beneficial owner of the NHL Shares as set out on Schedule "A" hereto, and has good and valid title thereto free and clear of any Encumbrances;
- (g) such Shareholder has the exclusive right and full power to exchange the NHL Shares with Sonoma as contemplated herein free and clear of any Encumbrances;
- (h) there is not pending or, to the knowledge such Shareholder, after due inquiry, threatened or contemplated, any suit, action, legal proceeding, litigation or governmental investigation of any sort which would:
 - (i) in any manner restrain or prevent any of Shareholder from effectually or legally exchanging the NHL Shares in accordance with this Agreement;
 - (ii) cause any Encumbrance to be attached to the NHL Shares;
 - (iii) divest title to the NHL Shares; or
 - (iv) make Sonoma or NHL liable for damages in connection with the Transaction;
- (i) such Shareholder has not entered into any agreement that would entitle any person to any valid claim against Sonoma for a broker's commission, finder's fee, or any like payment in respect of the exchange of the NHL Shares or any other matters contemplated by this Agreement, and in the event that any Person acting or purporting to act for such Shareholder establishes a claim for any fee from Sonoma, such Shareholder severally covenants to indemnify and hold harmless Sonoma with respect thereto and with respect to all costs reasonably incurred in the defence thereof; and
- (j) none of the foregoing representations and warranties knowingly contains any untrue statement of material fact or knowingly omits to state any material fact necessary to make any such covenant, warranty or representation not misleading to a prospective purchaser seeking full information as to the NHL Shares.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF SONOMA

5.1 Sonoma represents and warrants to NHL and the Shareholders as at the date hereof and as at the Closing Date and acknowledges that NHL and the Shareholders are relying upon such representations and warranties in connection with the Transaction, as follows:

- (a) Sonoma is a corporation duly incorporated, organized and validly subsisting under the federal laws of Canada and has the corporate power to own or lease its property and to carry on its business as it is now being conducted and as proposed to be conducted and on the Closing Date will have the corporate power to execute, deliver and perform its obligations under this Agreement and has made all necessary filings under all applicable corporate securities and taxation or any other laws to which Sonoma is subject;
- (b) Sonoma has one subsidiary, Sonoma Energy Inc., a Nevada company;

- (c) the entering into of this Agreement and the consummation of the Transaction as contemplated hereby have been duly authorized by all necessary corporate action on behalf of Sonoma and this Agreement has been duly executed and delivered by Sonoma and is a valid and binding obligation of Sonoma enforceable in accordance with its terms, subject however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws generally affecting creditor's rights and to the extent that equitable remedies, such as specific performance and injunction, are in the discretion of the court from which they are sought;
- (d) Sonoma is a reporting issuer in good standing in the Province of Quebec and is not in default of any applicable securities, taxation and corporate legislation, regulations, orders, notices and policies in force therein;
- (e) Sonoma will take all necessary steps to cause the issuance of the Consideration Securities at the Time of Closing, and the Consideration Shares will be duly and validly authorized and issued as fully paid and non-assessable shares and the Consideration Warrants will be duly and validly authorized as issued and fully paid;
- (f) neither the execution and delivery of this Agreement by Sonoma nor the consummation of the Transaction:
 - (i) will conflict with or result in or create a state of facts which after notice or lapse of time or delay or both, will conflict with or result in:
 - (A) a violation, contravention or breach by Sonoma of any of the terms, conditions or provisions of the charter documents, by-laws or resolutions of Sonoma or of any agreement or instrument to which Sonoma is a party or by which it is bound or constitute a default of Sonoma thereunder, or of any statute, regulation, judgement, decree or law by which Sonoma or the Assets of Sonoma are subject or bound; or
 - (B) a violation by Sonoma of any law or regulation or any applicable order of any court, arbitrator or governmental authority having jurisdiction over Sonoma, or require Sonoma, prior to the Closing or as a condition precedent thereof, to make any governmental or regulatory filings, obtain any consent, authorization, approval, clearance or other action by any Person or await the expiration of any applicable waiting period; or
 - (ii) do not and will not result in the imposition of an Encumbrance upon any Assets of Sonoma that would, individually or in the aggregate, have a Material Adverse Effect on Sonoma;
- (g) the authorized share capital of Sonoma consists of an unlimited number of common shares of which 11,513,620 Sonoma Shares are currently issued and outstanding as of the date hereof and such issued and outstanding Sonoma Shares have been validly issued and are outstanding as fully paid and non-assessable.
- (h) Sonoma does not have any agreements, options or commitments to acquire any shares or securities of any corporation or to acquire or lease any business operations, real property or assets;
- (i) the minute books of Sonoma contain full, true and correct copies of the constating documents of Sonoma at the Time of Closing, and contain copies of all minutes of all meetings and all resolutions of the directors, committees of directors and shareholders of Sonoma and all such meetings were duly called and properly held and such minutes were properly adopted and approved;
- (j) Sonoma has made all filings required under applicable securities laws with the applicable regulatory authorities, all such filings have been made in a timely manner, and all such filings and

information and statements contained therein and any other information or statements disseminated to the public by Sonoma (the "**Public Record**"), were true, correct and complete and did not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) as at the date of such filing which has not been corrected;

- (k) Sonoma has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules and regulations of each jurisdiction in which its business is carried on and holds necessary licences, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise, to enable its business to be carried on as now conducted and its property and assets to be owned, leased and operated, and the same are validly existing and in good standing and none of such licenses, permits, approvals, consents, certificates, registrations and authorizations contains any burdensome term, provision, condition or limitation, which has or would reasonably be expected to have a Material Adverse Effect on the operation of its business as now carried on;
- (l) Sonoma has not received any notice of proceedings relating to the revocation or modification of any certificate, authority, permit or license which, if the subject of an unfavourable decision, ruling or finding would materially and adversely affect the conduct of the business, operations, financial condition or income of Sonoma;
- (m) Sonoma has not granted or entered into any agreement, option, understanding or commitment or any Encumbrance of or disposal of its Assets or an interest therein or any right or privilege capable of becoming an agreement or option with respect to its Assets and will not do so prior to Closing;
- (n) no Person holds any securities convertible or exchangeable into securities of Sonoma nor will any agreement, warrant, option, right or privilege being capable of becoming an agreement, warrant, option or right for the purchase, subscription or issuance of any unissued common shares or other securities of Sonoma have been authorized or agreed to or will be outstanding as at Closing;
- (o) there is not pending, or to the knowledge of Sonoma, after due inquiry, threatened or contemplated any suit, action, legal proceeding, litigation or governmental investigation of any sort, nor is there any present state of facts or circumstances which can be reasonably anticipated to be a basis for any such suit, action, legal proceeding, litigation or governmental investigation nor is there presently outstanding against Sonoma, any judgement, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality, or arbitrator, to which Sonoma is a party or to which the property of Sonoma is subject;
- (p) the audited financial statements of Sonoma for the period ended on July 31, 2013 and July 31, 2012 and the unaudited interim financial statements for the six month period ending January 31, 2014:
 - (i) are in accordance with the books and accounts as at April 30, 2014, as the case may be;
 - (ii) are true and correct and present fairly the financial position of Sonoma as at April 30, 2014, as the case may be;
 - (iii) have been prepared in accordance with Canadian generally accepted accounting principles consistently applied and IFRS as applicable; and
 - (iv) present fairly all of the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of Sonoma as at April 30, 2014, including, all material liabilities (absolute, accrued, contingent or otherwise) of Sonoma;
- (q) since April 30, 2014, Sonoma has not:
 - (i) carried on the business of Sonoma in other than its usual and ordinary course;

- (ii) entered into any transaction out of the usual and ordinary course of business other than the Transaction;
 - (iii) amended its articles, by-laws or other governing documents; and
 - (iv) made any change in its accounting principles and practices including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained;
- (r) since April 30, 2014, there has been no change in the affairs, business, operations or condition of Sonoma, financial or otherwise, whether arising as a result of any legislative or regulatory change, revocation of any licence or right to do business, fire, explosion, accident, casualty, labour dispute, flood, drought, riot, storm, condemnation, act of God, public force or otherwise, except changes occurring in the usual and ordinary course of business which have not had a Material Adverse Effect on Sonoma;
- (s) there has never been any reportable event (within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations*) with the present or any former auditors of Sonoma;
- (t) the books, records and accounts of Sonoma, in all material respects, have been maintained in accordance with good business practices on a basis consistent with prior periods and accurately and fairly reflect the basis for Sonoma's financial statements;
- (u) Sonoma has not withheld, and will not withhold, from NHL or the Shareholders any material facts or material information relating to Sonoma or the Transaction;
- (v) Sonoma has filed and shall continue to file all documents required to be filed by it under any applicable taxing legislation and has paid all taxes, licence fees or other charges that are due and payable and has paid all assessments and reassessments and all other taxes (including federal and provincial sales taxes, governmental charges, penalties, interest and fines) due and payable on or before the date hereof;
- (w) Sonoma has withheld from each payment to its officers, directors, employees and shareholders the amount of all taxes and other deductions required to be withheld therefrom and has paid the same to the proper receiving officer within the time required under applicable legislation;
- (x) Sonoma is in material compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and has not and is not engaged in any unfair labour practice;
- (y) no unfair labour practice complaint against Sonoma is pending before any labour relations board or similar governmental tribunal or agency and no such complaint has been filed within the two (2) year period preceding the date hereof and no notice has been received by Sonoma of any complaints filed by any employees against Sonoma claiming that Sonoma has violated any employee or human rights or similar legislation in any jurisdiction in which the business of Sonoma is conducted, and no such complaint has been filed within the two (2) year period preceding the date hereof;
- (z) to the knowledge of Sonoma, after due inquiry, there will not be any Material Adverse Change in the relationship between Sonoma and its employees as a result of the Transaction;
- (aa) there is no Person acting or purporting to act at the request of Sonoma, who is entitled to any commission, brokerage or finder's fee in connection with the Transaction;
- (bb) Sonoma is not a party to any agreement of guarantee, indemnification or assumption of the obligations of a third party, or other like commitment;

- (cc) Sonoma has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing;
- (dd) there is not in the constating documents of Sonoma or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which Sonoma is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of Sonoma or the payment of dividends by Sonoma to the holders of the common shares of Sonoma;
- (ee) to the knowledge of Sonoma, after due inquiry, there is not pending or, threatened or contemplated, any suit, action, legal proceeding, litigation or governmental investigation of any sort.
- (ff) to the knowledge of Sonoma, after due inquiry, the conduct of the business of Sonoma does not infringe upon the trademarks, trade names, service marks or copyrights, trade secrets, know-how, designs or other proprietary rights or technology, domestic or foreign, of any other Person;
- (gg) to the knowledge of Sonoma, after due inquiry, no person is entitled to any royalties or other interests or any revenues of Sonoma whether derived from utilization of any intellectual property or proprietary information or equipment of Sonoma or otherwise;
- (hh) Sonoma does not own any Assets other than cash which it owns all right, title and interest in and to its Assets free and clear of all Encumbrances;
- (ii) Sonoma is not a party to any Material Contracts;
- (jj) except for liabilities disclosed in the unaudited financial statements of Sonoma for the period ended on April 30, 2014 and for liabilities incurred by Sonoma in the ordinary course, Sonoma has no liabilities;
- (kk) Sonoma has no obligations or liabilities to pay any amount to its officers, directors or employees relating to salary and directors' fees in the ordinary course, including but not limited to the obligations of Sonoma to officers, employees or directors for severance, retention, termination or bonus payments as a result of the Transaction or change of control arrangements;
- (ll) to the knowledge of Sonoma, after due inquiry, there are no unanimous shareholders' agreements, shareholders' agreements, voting trusts, pooling agreements or similar agreements in effect in respect of any securities of Sonoma;
- (mm) the board of directors of Sonoma has unanimously approved the Transaction and this Agreement, has determined that the Transaction is fair, from a financial point of view, to holders of the common shares of Sonoma and has resolved to unanimously recommend that holders of common shares vote to approve the Transaction; and
- (nn) none of the foregoing representations and warranties knowingly contains any untrue statement of material fact or knowingly omits to state any material fact necessary to make any such covenant, warranty or representation not misleading to NHL or the Shareholders.

ARTICLE 6
SURVIVAL AND LIMITATIONS OF REPRESENTATIONS AND WARRANTIES

6.1 Survival of Warranties by NHL

To the extent that they have not been fully performed at or prior to the Time of Closing, and unless otherwise provided, the covenants, representations and warranties of NHL contained in this Agreement and any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement shall survive the Closing and shall continue for the benefit of Sonoma for a period of one (1) year notwithstanding such Closing, nor any investigation made by or on behalf of Sonoma or any knowledge of Sonoma, except that:

- (a) the representations and warranties set out in sections 3.1(r) and 3.1(s), and the corresponding representations and warranties set out in the certificates to be delivered pursuant to Section 8.1(a), shall survive the Closing and continue in full force and effect until, but not beyond, the expiration of the period, if any, during which an assessment or other form of recognized document assessing liability for Tax, interest or penalties under Laws applicable to Tax in respect of any taxation year to which such representations and warranties extend could be issued under such Laws to NHL, including any additional period resulting from NHL filing a waiver or other document extending such period prior to the Closing;
- (b) a claim for breach of any such representation or warranty, to be effective, must be asserted in writing on or prior to the applicable expiration time set out in this Section 6.1, provided that a claim for any breach of any of the representations and warranties contained in this Agreement or in any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement involving fraud or fraudulent misrepresentations may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Law; and
- (c) no claim for any breach of any of the covenants, representations and warranties contained in this Agreement or in any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement may be made after the applicable expiration time set out in this Section 6.1, notwithstanding that such breach was not objectively discoverable.

6.2 Survival of Warranties by Shareholders

To the extent that they have not been fully performed at or prior to the Time of Closing, and unless otherwise provided, the covenants, representations and warranties of the Shareholders contained in this Agreement and any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement shall survive the Closing and shall continue for the benefit of Sonoma for a period of one (1) year notwithstanding such Closing, nor any investigation made by or on behalf of Sonoma or any knowledge of Sonoma, except that:

- (a) a claim for breach of any such representation or warranty, to be effective, must be asserted in writing on or prior to the applicable expiration time set out in this Section 6.2, provided that a claim for any breach of any of the representations and warranties contained in this Agreement or in any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement involving fraud or fraudulent misrepresentations may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Law; and
- (b) no claim for any breach of any of the covenants, representations and warranties contained in this Agreement or in any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement may be made after the applicable expiration time set out in this Section 6.2, notwithstanding that such breach was not objectively discoverable.

6.3 Survival of Warranties by Sonoma

To the extent that they have not been fully performed at or prior to the Time of Closing, and unless otherwise provided, the covenants, representations and warranties of Sonoma contained in this Agreement and any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement shall survive the Closing and shall continue for the benefit of NHL and the Shareholders for a period of one (1) year notwithstanding such Closing, nor any investigation made by or on behalf of NHL or the Shareholders or any knowledge of NHL or the Shareholders, except that:

- (a) the representations and warranties set out in sections 5.1(v) and 5.1(w), and the corresponding representations and warranties set out in the certificates to be delivered pursuant to Section 8.1(a), shall survive the Closing and continue in full force and effect until, but not beyond, the expiration of the period, if any, during which an assessment or other form of recognized document assessing liability for Tax, interest or penalties under Laws applicable to Tax in respect of any taxation year to which such representations and warranties extend could be issued under such Laws to Sonoma,

including any additional period resulting from Sonoma filing a waiver or other document extending such period prior to the Closing;

- (b) a claim for breach of any such representation or warranty, to be effective, must be asserted in writing on or prior to the applicable expiration time set out in this Section 6.3, provided that a claim for any breach of any of the representations and warranties contained in this Agreement or in any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement involving fraud or fraudulent misrepresentations may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Law; and
- (c) no claim for any breach of any of the covenants, representations and warranties contained in this Agreement or in any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement may be made after the applicable expiration time set out in this Section 6.3, notwithstanding that such breach was not objectively discoverable.

6.4 Limitations on Claims

- (a) Neither NHL, the Shareholders, nor Sonoma shall be entitled to make a claim if NHL, the Shareholders or Sonoma, as applicable, has been advised in writing or otherwise has actual knowledge prior to the Closing of the inaccuracy, non-performance, non-fulfillment or breach which is the basis for such claim and NHL, the Shareholders or Sonoma, as applicable, completes the transactions hereunder notwithstanding such inaccuracy, non-performance, non-fulfillment or breach.
- (b) The amount of any damages which may be claimed by NHL, the Shareholders or Sonoma, as applicable, pursuant to a claim shall be calculated to be the cost or loss to NHL, the Shareholders or Sonoma, as applicable, after giving effect to:
 - (i) any insurance proceeds available to NHL, the Shareholders or Sonoma, as applicable, in relation to the matter which is the subject of the claim, and
 - (ii) the value of any related, determinable tax benefits realized, or to be realized within a two year period following the date of incurring such cost or loss, by NHL, the Shareholders or Sonoma, as applicable, in relation to the matter which is the subject of the claim.
- (c) Neither NHL, the Shareholders, nor Sonoma shall be entitled to make any claim until the aggregate amount of all damages, losses, liabilities and expenses incurred by NHL, the Shareholders, or Sonoma, as applicable, as a result of all misrepresentations and breaches of warranties contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated hereby, after taking into account paragraph (b) of this section, is equal to \$10,000. After the aggregate amount of such damages, losses, liabilities and expenses incurred by NHL, the Shareholders or Sonoma, as applicable, exceeds \$10,000, NHL, the Shareholders or Sonoma, as applicable, shall only be entitled to make claims to the extent that such aggregate amount, after taking into account the provisions of paragraph (b) of this section, exceeds \$10,000.

ARTICLE 7

MUTUAL CONDITIONS PRECEDENT

7.1 The respective obligations of Sonoma and NHL to complete the Transaction are subject to the fulfillment prior to or at the Closing of each of the following conditions:

- (a) if required by any applicable law or any securities regulatory authority, the shareholders of NHL shall have approved the Transaction and approved or consented to such other matters as NHL and Sonoma shall consider necessary or desirable in connection with the Transaction in the manner required thereby;

- (b) if required by any applicable law or any securities regulatory authority, the shareholders of Sonoma shall have approved the Transaction and approved or consented to such other matters as NHL and Sonoma shall consider necessary or desirable in connection with the Transaction in the manner required thereby;
- (c) all governmental, court, regulatory, third person and other approvals, consents, waivers, orders, exemptions, agreements and all amendments and modifications to agreements, indentures and arrangements which NHL and Sonoma shall consider necessary or desirable in connection with the Transaction and not otherwise specifically described in this agreement shall have been obtained in form satisfactory to NHL and Sonoma; and
- (d) there shall have been no action taken under any applicable law or by any government or governmental or regulatory authority which
 - (i) makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the completion of the Transaction, or
 - (ii) results or could reasonably be expected to result in a judgment, order, decree or assessment of damages directly or indirectly, relating to the Transaction which is, or could be, materially adverse to NHL and Sonoma, respectively, on a consolidated basis.

The conditions precedent in this Article 7 are for the mutual benefit of Sonoma and NHL and may be waived, in whole or in part, at any time if waived by both Sonoma and NHL, such waiver being without prejudice to any other right that any party may have. In case any of the foregoing conditions cannot be fulfilled on or before the Closing Date to the satisfaction of Sonoma and NHL, any of Sonoma and NHL may rescind this Agreement by notice to the other Party and in such event each of NHL, the Shareholders and Sonoma shall be released from all obligations hereunder.

ARTICLE 8

CONDITIONS PRECEDENT TO SONOMA'S OBLIGATIONS REQUIRED FOR CLOSING

8.1 All obligations of Sonoma to exchange the Consideration Shares under this Agreement are subject to the fulfillment prior to or at the Closing of each of the following conditions:

- (a) NHL shall have performed and complied in all material respects with all of the covenants and obligations thereof required to be performed by NHL prior to the completion of the Transaction;
- (b) the representations and warranties of NHL contained in this Agreement shall be true and accurate, in all material respects, when made and on and as of the completion of the Transaction with the same force and effect as if they had been made at the completion of the Transaction;
- (c) The holders of Sonoma Shares shall have approved the Transaction either by unanimous written shareholder resolution or at a duly called meeting of holders of Sonoma Shares;8.1(c); and
- (d) The holders of NHL Shares have entered into escrow agreements agreeing to have 60% of their Consideration Shares to be held in escrow for a period of four months following Closing, subject to waiver or modification, in Sonoma's sole discretion, to provide for fewer Consideration Shares being held in escrow;
- (e) there shall not have been any event or change that has had or would be reasonably likely to have a material adverse effect on NHL and, for the purposes hereof, material adverse effect means a material adverse effect on the business, operations, results of operations, prospects, assets, liabilities or financial condition of NHL taken as a whole.

In case any of the foregoing conditions cannot be fulfilled on or before the Closing Date to the satisfaction of Sonoma, Sonoma may rescind this Agreement by notice to the Shareholders and NHL and in such event each of

Sonoma, the Shareholders and NHL shall be released from all obligations hereunder; provided, however, that any such conditions may be waived in whole or in part by Sonoma without prejudice to its rights of rescission in the event of the non-fulfillment of any other condition or conditions, and that the Closing of the Transaction as contemplated by the Agreement shall be deemed to be a waiver of any unfulfilled conditions.

ARTICLE 9
CONDITIONS PRECEDENT TO THE SHAREHOLDERS' AND NHL'S OBLIGATIONS REQUIRED FOR CLOSING

9.1 The obligations of NHL and the Shareholders to complete the transactions contemplated herein including, without limitation, the obligations of the Shareholders to exchange the NHL Shares under this Agreement, are subject to the fulfillment prior to or at the Closing of each of the following conditions:

- (a) The holders of Sonoma Shares shall have approved the Transaction either by unanimous written shareholder resolution or at a duly called meeting of holders of Sonoma Shares;
- (b) The board of directors being comprised as follows at Closing: David Posner, Stasis Rizas, Michael Dacks, Adam Szweras, David Caplan and one additional nominee to be determined by NHL;
- (c) Sonoma shall have performed and complied in all material respects with all of the covenants and obligations thereof required to be performed by Sonoma prior to the completion of the Transaction;
- (d) the representations and warranties of Sonoma contained in this Agreement shall be true and accurate, in all material respects, when made and on and as of the completion of the Transaction with the same force and effect as if they had been made at the completion of the Transaction;
- (e) The holders of Sonoma Shares have entered into escrow agreements agreeing to have 60% of their Sonoma Shares to be held in escrow for a period of four months following Closing subject to waiver or modification, in Sonoma's sole discretion, to provide for fewer Sonoma Shares being held in escrow; and
- (f) there shall not have been any event or change that has had or would be reasonably likely to have a material adverse effect on the Sonoma and for the purposes hereof, material adverse effect means a material adverse effect on the business, operations, results of operations, prospects, assets, liabilities or financial condition of the Sonoma taken as a whole.

In case any of the foregoing conditions cannot be fulfilled on or before the Closing Date to the satisfaction of the Shareholders and NHL, the Shareholders or NHL may rescind this Agreement by notice to Sonoma and in such event each of NHL, the Shareholders and Sonoma shall be released from all obligations hereunder, provided, however, that any such conditions may be waived in whole or in part by the Shareholders and NHL without prejudice to its rights of rescission in the event of the non-fulfilment of any other condition or conditions, and that the Closing of the Transaction as contemplated by the Agreement shall be deemed to be a waiver of any unfulfilled conditions.

ARTICLE 10
COVENANTS OF NHL AND THE SHAREHOLDERS

10.1 Each of the Shareholders and NHL covenant and agree that during the period commencing on the date of this Agreement and continuing until Closing or the earlier termination of this Agreement, NHL will and each of the Shareholders shall use their best efforts in their capacity as shareholders of NHL and will exercise their voting rights, as the case may be, for the purpose that, NHL will:

- (a) carry on its business in, and only in, the ordinary course in substantially the same manner as heretofore conducted;
- (b) not declare any dividends on or make any other distributions in respect of its outstanding shares and it will not amend its articles or by-laws;

- (c) not issue, authorize or propose the issuance of, or purchase or propose the purchase of, any shares of its capital stock of any class or securities convertible into, or rights, warrants or options to acquire, any such shares or other convertible securities other than those currently outstanding and other than those listed in Schedule "A" hereto;
- (d) not acquire or agree to acquire by amalgamating, merging or consolidating with, purchasing substantially all of the assets of or otherwise, any business or any corporation, partnership, association or other business organization or division thereof, which acquisition would be material to the business or financial condition of NHL;
- (e) not sell, lease or otherwise dispose of any of its Assets;
- (f) use its reasonable efforts to comply promptly with all requirements which applicable law may impose on NHL with respect to the Transaction;
- (g) not guarantee the payment of indebtedness or incur indebtedness for money borrowed or issue or sell any debt securities;
- (h) not grant any executive officer or employee any increase in compensation or in severance or termination pay whether or not such compensation or pay is payable in cash, or enter into any employment agreement with any person;
- (i) not enter into any Material Contracts or contracts, commitments or obligations which it cannot terminate on 30 days' notice or less without penalty except in the ordinary course of business;
- (j) promptly advise Sonoma orally and in writing of any Material Adverse Change of NHL;
- (k) cooperate in obtaining all necessary and desirable consents and regulatory approvals in connection with the Transaction;
- (l) ensure that the financial statements of NHL will present fairly NHL's financial position as of the dates provided therein and the results of its operations and changes in financial position for the periods then ended and will be prepared in accordance with Canadian generally accepted accounting principles consistently applied;
- (m) in a timely and expeditious manner, prepare, in cooperation with Sonoma, any mutually agreed upon (or otherwise required by applicable laws) amendments or supplements to the Listing Application;
- (n) not initiate or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any offer, "business combination" or "takeover bid," exempt or otherwise, within the meaning of the Canadian Securities Laws, for securities or assets of NHL, nor to undertake any transaction or negotiate any transaction which would be or potentially could reasonably be in conflict with the Transaction, nor to permit any of its shareholders, officers or directors to do so, except as required by statutory obligations;
- (o) support the Transaction and use its best efforts to satisfy all of the conditions precedent to the completion of the Transaction and to apply for and obtain, and will cooperate with Sonoma in applying for and obtaining, such consents, orders and approvals necessary for Sonoma or NHL respectively to complete the Transactions
- (p) maintain its corporate status and comply with all applicable securities requirements (including any applicable filing requirements);
- (q) provide Sonoma and its representatives with full copies of, and access to, all contracts, financial records and statements, books, records, consultant reports, laboratory test results, documents and other such information regarding its previous businesses as they may require, as well as access to

NHL's auditors and to such premises and personnel of NHL, if any, as may be reasonably requested;

- (r) subject to the obtaining of any required consents, NHL will promptly provide Sonoma with any information in the possession or control of NHL and relating to NHL requested by Sonoma or its counsel so that Sonoma may complete its due diligence investigations of the NHL;
- (s) NHL shall conduct its business only in, and shall not take any action except in, the usual, ordinary and regular course of business and consistent with past practices of NHL; and
- (t) NHL will deliver to Sonoma the audited financial statements of NHL for the period commencing on the date of incorporation to June 13, 2014 at least two Business Days in advance of Closing, and such audited financial statements:
 - (i) will be in accordance with the books and accounts of NHL as at June 13, 2014;
 - (ii) will be true and correct and present fairly the financial position of NHL as at June 13, 2014;
 - (iii) will have been prepared in accordance with Canadian generally accepted accounting principles consistently applied and International Financial Reporting Standards ("**IFRS**"), as applicable; and
 - (iv) will present fairly all of the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of NHL as at June 13, 2014 including, all material liabilities (absolute, accrued, contingent or otherwise) of NHL as at June 13, 2014;

ARTICLE 11 **COVENANTS OF SONOMA**

11.1 Sonoma covenants and agrees that during the period commencing on the date of this Agreement and continuing until Closing or the earlier termination of this Agreement it will:

- (a) carry on its business in, and only in, the ordinary course in substantially the same manner as heretofore conducted;
- (b) not declare any dividends on or make any other distributions in respect of its outstanding shares and it will not amend its articles or by-laws;
- (c) not issue, authorize or propose the issuance of, or purchase or propose the purchase of, any shares of its capital stock of any class or securities convertible into, or rights, warrants or options to acquire, any such shares or other convertible securities other than those currently outstanding;
- (d) not acquire or agree to acquire by amalgamating, merging or consolidating with, purchasing substantially all of the assets of or otherwise, any business or any corporation, partnership, association or other business organization or division thereof, which acquisition would be material to the business or financial condition of Sonoma;
- (e) not sell, lease or otherwise dispose of any of its Assets;
- (f) use its reasonable efforts to comply promptly with all requirements which applicable law may impose on Sonoma with respect to the Transaction;
- (g) not guarantee the payment of indebtedness or incur indebtedness for money borrowed or issue or sell any debt securities;

- (h) not grant any executive officer or employee any increase in compensation or in severance or termination pay whether or not such compensation or pay is payable in cash, or enter into any employment agreement with any person;
- (i) not enter into any Material Contracts or contracts, commitments or obligations which it cannot terminate on 30 days' notice or less without penalty except in the ordinary course of business;
- (j) promptly advise NHL orally and in writing of any Material Adverse Change;
- (k) cooperate in obtaining all necessary consents and regulatory approvals in connection with the Transaction;
- (l) maintain its corporate status and comply with all applicable securities requirements (including any applicable filing requirements);
- (m) provide NHL and its representatives with full copies of, and access to, all contracts, financial records and statements, books, records, consultant reports, laboratory test results, documents and other such information regarding its previous businesses as they may require, as well as access to Sonoma's auditors and to such premises and personnel of Sonoma, if any, as may be reasonably requested;
- (n) in a timely and expeditious manner, prepare, in cooperation with NHL, the Listing Application;
- (o) ensure that the financial statements of Sonoma will present fairly Sonoma's financial position as of the dates provided therein and the results of its operations and changes in financial position for the periods then ended and will be prepared in accordance with Canadian generally accepted accounting principles consistently applied;
- (p) subject to the obtaining of any required consents, Sonoma will promptly provide NHL with any information in the possession or control of Sonoma and relating to Sonoma requested by NHL or its counsel so that NHL may complete its due diligence investigations of the Sonoma;
- (q) support the Transaction and use its best efforts to satisfy all of the conditions precedent to the completion of the Transaction and will use the best efforts thereof to apply for and obtain, and will cooperate with NHL in applying for and obtaining, such consents, orders and approvals necessary for Sonoma or NHL respectively to complete the Transaction;
- (r) not initiate or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any offer, "business combination", "takeover bid," or "qualifying transaction", exempt or otherwise, within the meaning of the Canadian Securities Laws or the TSXV Corporate Finance Manual, as applicable, for securities or assets of Sonoma, nor to undertake any transaction or negotiate any transaction which would be or potentially could reasonably be in conflict with the Transaction, nor to permit any of its shareholders, officers or directors to do so, except as required by statutory obligations; and
- (s) conduct its business only in, and shall not take any action except in, the usual, ordinary and regular course of business and consistent with past practices of Sonoma.

ARTICLE 12
NATURE OF COVENANTS REPRESENTATIONS AND WARRANTIES

12.1 All representations, warranties and covenants contained in this Agreement, the Schedules hereto, in any certificate or other instrument delivered at the Closing by or on behalf of any of the Parties pursuant to this Agreement shall be deemed to be covenants, representations and warranties by any such Party hereunder.

12.2 Regardless of any investigation at any time made by or on behalf of any Party hereto or of any information any Party may have in respect thereof, all covenants, agreements, representations and warranties of the Shareholders

made hereunder or pursuant hereto or in connection with the Transaction as contemplated hereby shall survive the Closing for a period of one (1) year provided that to the extent that any Party hereto or its professional advisors shall be found by a court of competent jurisdiction to have had actual knowledge at or prior to the date hereof of any matter which such Party at any time considers to result in or have resulted in a breach of any representation, warranty or covenant of the Shareholders of any other Party hereto, such representation, warranty or covenant of the Shareholders shall be deemed to have been extinguished.

12.3 This Agreement, the Schedules hereto and the documents specifically referred to herein or executed and delivered concurrently herewith or at the Closing constitute the entire agreement, understanding, representations and warranties of the Parties hereto and supersede any prior agreement, understanding, representation, warranty or documents relating to the subject matter of this Agreement.

ARTICLE 13 **CLOSING DELIVERIES**

13.1 On or prior to Closing, NHL and the Shareholders shall deliver to Sonoma, or shall cause to be delivered to Sonoma, the following documents:

- (i) *NHL Shares*: Duly endorsed certificates representing all of the NHL Shares.
- (ii) *Constituting Documents and Certificate of Corporate Existence*. (i) a copy of the constituting documents of NHL, certified by a duly authorized officer of NHL, to be true and complete as of the Effective Date; and (ii) a certificate or the equivalent, dated not more than five business days prior to the Closing Date, of the jurisdiction of incorporation for NHL as to the corporate good standing thereof.
- (iii) *Proof of Corporate Action*. A copy, certified by a duly authorized officer of NHL to be true and complete as of the Closing Date, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby, including if necessary, the approval of its shareholders for this Agreement and the transactions contemplated hereby.
- (iv) *Incumbency Certificates*. An incumbency certificate, dated the Closing Date, signed by a duly authorized officer thereof and giving the name and bearing a specimen signature of each individual who shall be authorized to sign, in the name and on behalf of NHL, this Agreement and any other documents necessary to complete the transactions contemplated hereby.
- (v) *Representations and Warranties*. The certificates of the Chief Executive Officer and the Chief Financial Officer of NHL dated the Closing Date confirming that the representations and warranties of NHL contained in this Agreement will be true and correct in all material aspects at the Closing Date, with the same force and effect as if such representations and warranties were made at and as of such date, except as specifically permitted or contemplated by this Agreement, such certificates to be in form and substance satisfactory to Sonoma, acting reasonably.
- (vi) *Covenants*. The certificates of the Chief Executive Officer and the Chief Financial Officer of NHL dated the Closing Date confirming that all of the terms, covenants and conditions of this Agreement to be complied with or performed by NHL in all material aspects at or before the Closing Date will have been complied with or performed, such certificates to be in form and substance satisfactory to Sonoma, acting reasonably.
- (vii) *Regulatory Consents*. Such regulatory authorizations as are required to be obtained by NHL to consummate the Transaction, if any, in form and substance satisfactory to Sonoma, acting reasonably.
- (viii) *Closing Documents*. Customary closing documents in form and substance satisfactory to Sonoma and its counsel, acting responsibly.

13.2 If any of the deliveries contained in this Section 13.1 have not been performed or fulfilled at or prior to the Closing Date to the satisfaction of Sonoma, acting reasonably, Sonoma may, by notice to NHL, terminate this Agreement and the obligations of Sonoma and NHL under this Agreement. Any such delivery may be waived in whole or in part by Sonoma without prejudice to any claims it may have for breach of covenant, representation or warranty or otherwise.

13.3 On or prior to Closing, Sonoma shall deliver to NHL, or shall cause to be delivered to NHL, the following documents:

- (i) *Consideration Securities*: Certificates representing the Consideration Securities, subject to the terms of any required escrow deliveries.
- (ii) *Constituting Documents and Certificate of Corporate Existence*. (i) a copy of the constituting documents of Sonoma, certified by a duly authorized officer of Sonoma to be true and complete as of the Closing Date; and (ii) a certificate or the equivalent, dated not more than three days prior to the Closing Date, of the jurisdiction of incorporation of Sonoma as to the corporate good standing thereof.
- (iii) *Proof of Corporate Action*. A copy, certified by a duly authorized officer to be true and complete as of the Closing Date, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby.
- (iv) *Incumbency Certificates*. An incumbency certificate, dated the Closing Date, signed by a duly authorized officer thereof and giving the name and bearing a specimen signature of each individual who shall be authorized to sign, in the name and on behalf of Sonoma, this Agreement and any other documents necessary to complete the transactions contemplated hereby.
- (v) *Representations and Warranties*. The certificates of the Chief Executive Officer and the Chief Financial Officer of Sonoma dated the Closing Date confirming that the representations and warranties of Sonoma contained in this Agreement will be true and correct in all material aspects at the Closing Date, with the same force and effect as if such representations and warranties were made at and as of such date, except as specifically permitted or contemplated by this Agreement, such certificates to be in form and substance satisfactory to NHL, acting reasonably.
- (vi) *Covenants*. The certificates of the Chief Executive Officer and the Chief Financial Officer of Sonoma dated the Closing Date confirming that all of the terms, covenants and conditions of this Agreement to be complied with or performed by Sonoma in all material aspects at or before the Closing Date will have been complied with or performed, such certificates to be in form and substance satisfactory to NHL, acting reasonably.
- (vii) *Regulatory Consents*. Such authorizations as are required to be obtained by Sonoma to consummate the Transaction, in each case in form and substance satisfactory to NHL, acting reasonably.
- (viii) *Release by Directors and Officers*. Releases of each of the directors and officers of Sonoma in favour of Sonoma in form and substance satisfactory to NHL, acting reasonably.
- (ix) *Closing Documents*. Customary closing documents in form and substance satisfactory to NHL and its counsel, acting responsibly.

13.4 If any of the deliveries contained in this Section 13.3 have not been performed or fulfilled at or prior to the Closing Date to the satisfaction of NHL, acting reasonably, NHL may, by notice to Sonoma, terminate this Agreement and the obligations of Sonoma and NHL under this Agreement. Any such delivery may be waived in whole or in part by NHL without prejudice to any claims it may have for breach of covenant, representation or warranty or otherwise

13.5 Each party to this Agreement covenants and agrees that, from time to time prior to and subsequent to the Transaction, it will execute and deliver all such documents, including all such additional conveyances, transfers, consents and other assurances and do all such other acts and things as the other party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

ARTICLE 14
INDEMNIFICATION

14.1 Indemnity by NHL

- (a) NHL hereby agrees to indemnify and save Sonoma harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense which may be made or brought against Sonoma or which Sonoma may suffer or incur as a result of, in respect of or arising out of:
 - (i) any non-performance or non-fulfillment of any covenant or agreement on the part of the NHL contained in this Agreement or in any document given in order to carry out the transactions contemplated hereby;
 - (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by NHL contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated hereby; or
 - (iii) all reasonable costs and expenses including, without limitation, reasonable legal fees on a substantial indemnity basis, incidental to or in respect of the foregoing.
- (b) The obligations of indemnification by NHL pursuant to paragraph (a) of this section will be:
 - (i) subject to the limitations referred to in section 6.1 hereof with respect to the survival of the representations and warranties by NHL; and
 - (ii) subject to the limitations referred to in sections 6.4 and 14.4 hereof.

14.2 Indemnity by the Shareholders

- (a) The Shareholders hereby agree to indemnify and save Sonoma harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense which may be made or brought against Sonoma or which Sonoma may suffer or incur as a result of, in respect of or arising out of:
 - (i) any non-performance or non-fulfillment of any covenant or agreement on the part of the Shareholders contained in this Agreement or in any document given in order to carry out the transactions contemplated hereby;
 - (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Shareholders contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated hereby; and
 - (iii) all reasonable costs and expenses including, without limitation, reasonable legal fees on a substantial indemnity basis, incidental to or in respect of the foregoing.
- (b) The obligations of indemnification by the Shareholders pursuant to paragraph (a) of this section will be:

- (i) subject to the limitations referred to in section 6.2 hereof with respect to the survival of the representations and warranties by the Purchaser; and
- (ii) subject to the limitations referred to in sections 6.4 and 14.4 hereof.

14.3 Indemnity by Sonoma

- (a) Sonoma hereby agrees to indemnify and save NHL and each of the Shareholders harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense which may be made or brought against NHL or each of the Shareholders or which NHL or each of the Shareholders may suffer or incur as a result of, in respect of or arising out of:
 - (i) any non-performance or non-fulfillment of any covenant or agreement on the part of Sonoma contained in this Agreement or in any document given in order to carry out the transactions contemplated hereby;
 - (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by Sonoma contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated hereby; and
 - (iii) all reasonable costs and expenses including, without limitation, reasonable legal fees on a substantial indemnity basis, incidental to or in respect of the foregoing.
- (b) The obligations of indemnification by the Shareholders pursuant to paragraph 14.2(a) of this section will be:
 - (i) subject to the limitations referred to in section 6.3 hereof with respect to the survival of the representations and warranties by the Purchaser; and
 - (ii) subject to the limitations referred to in sections 6.4 and 14.4 hereof.

14.4 Provisions Relating to Indemnity Claims

The following provisions will apply to any claim by the either NHL, the Shareholders or Sonoma (the "**Indemnified Party**") for indemnification by the others (the "**Indemnifying Party**") pursuant to section 14.1, 14.2 or 14.3 hereof, as the case may be (hereinafter, in this section, called an "**Indemnity Claim**").

- (a) Promptly after becoming aware of any matter that may give rise to an Indemnity Claim, the Indemnified Party will provide to the Indemnifying Party written notice of the Indemnity Claim specifying (to the extent that information is available) the factual basis for the Indemnity Claim and the amount of the Indemnity Claim or, if an amount is not then determinable, an estimate of the amount of the Indemnity Claim, if an estimate is feasible in the circumstances.
- (b) If an Indemnity Claim relates to an alleged liability to any other person (hereinafter, in this section, called a "**Third Party Liability**"), including without limitation any governmental or regulatory body or any taxing authority, which is of a nature such that the Indemnified Party is required by applicable law to make a payment to a third party before the relevant procedure for challenging the existence or quantum of the alleged liability can be implemented or completed, then the Indemnified Party may, notwithstanding the provisions of paragraphs (c) and (d) of this section, make such payment and forthwith demand reimbursement for such payment from the Indemnifying Party in accordance with this Agreement; provided that, if the alleged liability to the third party as finally determined upon completion of settlement negotiations or related legal proceedings is less than the amount which is paid by the Indemnifying Party in respect of the related Indemnity Claim, then the Indemnified Party shall forthwith following the final determination pay to the Indemnifying Party the amount by which the amount of the liability as finally determined is less than the amount which is so paid by the Indemnifying Party.

- (c) The Indemnified Party shall not negotiate, settle, compromise or pay (except in the case of payment of a judgment) any Third Party Liability as to which it proposes to assert an Indemnity Claim, except with the prior consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed), unless there is a reasonable possibility that such Third Party Liability may materially and adversely affect the condition of the Indemnified Party, in which case the Indemnified Party shall have the right, after notifying the Indemnifying Party, to negotiate, settle, compromise or pay such Third Party Liability without prejudice to its rights of indemnification hereunder.
- (d) With respect to any Third Party Liability, provided the Indemnifying Party first admits the Indemnified Party's right to indemnification for the amount of such Third Party Liability which may at any time be determined or settled, then in any legal, administrative or other proceedings in connection with the matters forming the basis of the Third Party Liability, the following procedures will apply:
- (i) except as contemplated by subparagraph (iii) below, the Indemnifying Party will have the right to assume carriage of the compromise or settlement of the Third Party Liability and the conduct of any related legal, administrative or other proceedings, but the Indemnified Party shall have the right and shall be given the opportunity to participate in the defence of the Third Party Liability, to consult with the Indemnifying Party in the settlement of the Third Party Liability and the conduct of related legal, administrative and other proceedings (including consultation with counsel) and to disagree on reasonable grounds with the selection and retention of counsel, in which case counsel satisfactory to the Indemnifying Party and the Indemnified Party shall be retained by the Indemnifying Party;
 - (ii) the Indemnifying Party will co-operate with the Indemnified Party in relation to the Third Party Liability, will keep it fully advised with respect thereto, will provide it with copies of all relevant documentation as it becomes available, will provide it with access to all records and files relating to the defence of the Third Party Liability and will meet with representatives of the Indemnified Party at all reasonable times to discuss the Third Party Liability, and
 - (iii) notwithstanding subparagraphs (i) and (ii), the Indemnifying Party will not settle the Third Party Liability or conduct any legal, administrative or other proceedings in any manner which could, in the reasonable opinion of the Indemnified Party, have a material adverse affect on the condition of the Indemnified Party, except with the prior written consent of the Indemnified Party.
- (e) If, with respect to any Third Party Liability, the Indemnifying Party does not admit the Indemnified Party's right to indemnification or decline to assume carriage of the settlement or of any legal, administrative or other proceedings relating to the Third Party Liability, then the following provisions will apply:
- (i) the Indemnified Party, at its discretion, may assume carriage of the settlement or of any legal, administrative or other proceedings relating to the Third Party Liability and may defend or settle the Third Party Liability on such terms as the Indemnified Party, acting in good faith, considers advisable, and
 - (ii) any cost, lost, damage or expense incurred or suffered by the Indemnified Party in the settlement of such Third Party Liability or the conduct of any legal, administrative or other proceedings shall be added to the amount of the Indemnity Claim.

ARTICLE 15
TERMINATION

15.1 Subject to Section 15.2 hereto, this Agreement may, by notice given before or at the Closing, be terminated by:

- (a) mutual agreement of Sonoma and NHL;
- (b) either Sonoma or NHL upon notice to the other in the event that any condition set forth in this Agreement for their benefit is not satisfied to the satisfaction of such party or becomes incapable of being satisfied and such party does not waive such condition;
- (c) either Sonoma or NHL, if there shall be any applicable law that makes consummation of the Transaction illegal or otherwise prohibited, or if any judgment, injunction, order or decree of a competent governmental entity enjoining Sonoma or NHL from consummating the Transaction shall be entered and such judgment, injunction, order or decree shall have become final and non-appealable;
- (d) either Sonoma or NHL upon notice to the other in the event that the Transaction is not completed before September 30, 2014, or such other date as Sonoma and NHL may agree in writing;
- (e) Sonoma, if NHL or the Shareholders has breached any of their respective representations, warranties or covenants in this Agreement and such breach is not curable or if curable, is not cured within five (5) business days after notice thereof has been received by the Party alleged to be in breach; or
- (f) NHL, if Sonoma has breached any of its representations, warranties or covenants in this Agreement and such breach is not curable or if curable, is not cured within five (5) business days after notice thereof has been received by the Party alleged to be in breach.

15.2 Each Party's right of termination under Section 15.1 hereto is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of such right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 15.1 hereto, all obligations of the Parties under this Agreement will terminate, except as provided under Section 14.4 hereto; provided, however, that for greater certainty if this Agreement is terminated by a Party because of the breach of the Agreement by another Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of any other Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

15.3 In the event of termination of this Agreement at or prior to the Time of Closing pursuant to Section 15.1 of this Agreement, the provisions of Section 18.5 hereto shall survive such termination indefinitely.

ARTICLE 16
NOTICES

16.1 All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given, if delivered in person, telegraphed, or mailed by certified registered mail, postage prepaid:

- (a) If to the Shareholders, at the address listed in Schedule "A"
- (b) If to Sonoma, addressed as follows:

77 King Street West
Suite 2905
Toronto, ON M5K 1H1

Attention: Yvan Routhier
Tel: (514) 352-5546
Email: yvanrouthier@deltapac.ca

(c) If to NHL, addressed as follows:

77 King Street West
Suite 2905
Toronto, ON M5K 1H1

Attention: David Posner
Email: dposner@gmail.com
Tel: 647-985-6727

or to such other address as the Party to be notified shall have furnished to the other Parties in writing. Any notice given in accordance with the foregoing shall be deemed to have been given when delivered in person or on the next business day following the date on which it shall have been telegraphed or mailed.

ARTICLE 17 **AMENDMENTS**

17.1 This Agreement may be amended or modified only by a written instrument executed by the Parties affected thereby, or by their respective successors and permitted assigns.

ARTICLE 18 **GENERAL**

18.1 This Agreement:

- (a) shall be construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein; and
- (b) shall enure to the benefit of and be binding upon Sonoma, the Shareholders and NHL and their respective executors, administrators, legal representatives, successors and permitted assigns, nothing in this Agreement, express or implied, being intended to confer upon any other person any rights or remedies hereunder.

18.2 Time shall be of the essence hereof.

18.3 Each of the Parties hereto covenants and agrees that at any time and from time to time after the Closing Date such Party will, upon the request of the other Parties, do, execute, acknowledge and deliver all such further acts, documents and assurances as may be reasonably required for the better carrying out of the terms of this Agreement.

18.4 This Agreement may be executed by facsimile and in one or more counterparts, each of which shall be considered an original but all of which together shall constitute one and the same agreement.

18.5 Unless otherwise provided, each of Sonoma, NHL and the Shareholders shall be responsible for the expenses (including fees and expenses of legal advisors, accountants and other professional advisors) incurred by them, respectively, in connection with the negotiation and settlement of this Agreement and the completion of the Transaction. In the event of termination of this Agreement, the obligation of each Party to pay its own expenses will be subject to any rights of such Party arising from a breach of this Agreement by another Party. It is expressly understood that NHL's legal counsel will be principally responsible for preparing the documents required to complete the Transaction.

18.6 The Parties hereto agree to file in a timely manner all forms required to be filed after the Closing Date by applicable law and by the regulations and policies of all applicable securities regulatory authorities in connection with the Transaction.

18.7 Neither this Agreement nor any right or obligation hereunder shall be assignable by any Party hereto without the prior written consent of the other Parties hereto.

18.8 Until immediately after the Time of Closing, all documents and information exchanged or received hereunder by Sonoma, the Shareholders or NHL and their respective auditors and solicitors shall be treated as confidential information except as may be required by law, or regulation. Any press releases shall be subject to joint approval.

ARTICLE 19
INDEPENDENT LEGAL ADVICE

19.1 Each of the Shareholders, NHL and Sonoma hereby represent and warrant to each other and acknowledge and agree that they have each had the opportunity to seek and were not prevented nor discouraged from seeking independent legal advice prior to the execution and delivery of this Agreement and that, in the event that they did not avail themselves of that opportunity prior to signing this Agreement, they did so voluntarily without any undue pressure and agree that their failure to obtain independent legal advice shall not be used by them as a defence to the enforcement of their obligations under this Agreement.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first above written.

NUTRITIONAL HIGH LTD.

Per: /s/ "David Posner"
Name: David Posner
Title: President and Chief Executive Officer
I have authority to bind the corporation

SONOMA CAPITAL INC.

Per: /s/ "Yvan Routhier"
Name: Yvan Routhier
Title: Chief Executive Officer
I have authority to bind the corporation

**NUTRITIONAL HIGH LTD., AS ATTORNEY, ON
BEHALF OF THE SHAREHOLDERS LISTED IN
SCHEDULE "A"**

/s/ "David Posner"
Name: David Posner
Title: President & Chief Executive Officer of
Nutritional High Ltd., as attorney

NUTRITIONAL HIGH INC.

FORM 2A LISTING STATEMENT

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2. Corporate Structure

2.1. Corporate Name

NUTRITIONAL HIGH INC.
77 King Street West, Suite 2905
Toronto-Dominion Centre
Toronto, ON M5K 1H1

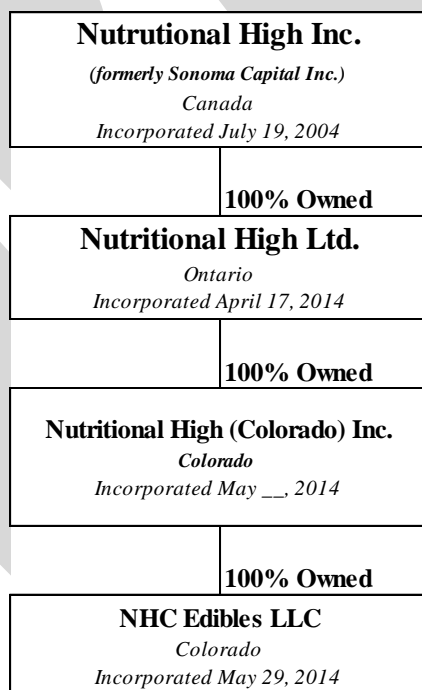
2.2. Incorporation

Nutritional High Inc. (the "**Company**" or "**NHI**") was incorporated under the Canada Business Corporations Act on July 19, 2004 as "**Sonoma Capital Inc.**" The Company filed a final prospectus ("**Prospectus**") on January 31, 2007, in Quebec only and is therefore a reporting issuer in Quebec. The Company did not raise any proceeds relating to this prospectus offering and all deferred share issuance fees relating to this offering were expensed.

On June 27, 2014, the Company has completed an acquisition ("**Acquisition**") of all issued and outstanding shares of Nutritional High Ltd. ("**NHL**"), changed its name to "**Nutritional High Inc.**" and re-filed its article of incorporation to this effect.

2.3. Intercorporate Relationships

Through NHL Acquisition, NHL became a wholly owned subsidiary of the Company. NHL has one wholly owned subsidiary Nutritional High (Colorado) Inc. ("**NHCI**"), which has one wholly owned subsidiary NHC Edibles LLC. ("**NHC**"). NHC's activities will be limited to being a holding company of NHC and NHC is in focused on developing marijuana recipes and products for in Colorado.



2.4. Requalification

The Company is not requalifying following a fundamental change and is not proposing an acquisition, amalgamation, merger, reorganization or arrangement

2.5. Incorporation outside Canada

The Company is not incorporated outside of Canada.

3. General Development of the Business

3.1. General Business

Prior to the closing of the Acquisition, the Company had no active business operations and was seeking business opportunities including assets or businesses with good growth potential to merge with or acquire. The Company did not restrict its search to any industry segment or geographic area and considered acquisitions of assets or businesses operated or located both inside and outside of Canada. All potential acquisitions were screened initially by management of the Company to determine their economic viability. Prior to the closing of the Acquisition, the Company's management and its board examined the proposed Acquisition having regard to sound business fundamentals, utilizing the expertise and experience of the directors, and on June __, 2014 NHL issued a press release announcing that it has signed a share purchase agreement (the "**Share Exchange Agreement**") on June 27, 2014 outlining proposed terms of the Acquisition.

After completing the Acquisition the Company continued NHL's efforts to develop its business in the marijuana business sector. Further details are provided in Section 4.1. herein.

3.2. Significant Acquisitions and Dispositions

Significant acquisitions and dispositions after the fiscal year ended July 31, 2013 and up to the date of this Application

Acquisition

On June 27, 2014 ("**Acquisition Date**"), the Company and NHL entered into a Share Exchange Agreement with the holders of common shares in the capital of NHL (collectively, the "**Vendors**"), pursuant to which the Company has purchased and the Vendors sold an aggregate of:

- 60,400,011 common shares in the capital of NHL ("**NHL Shares**");
- 13,500,006 purchase warrants ("**NHL Warrants**") exercisable into NHL Shares at a price of \$0.05 per NHL Share;

being all of issued and outstanding NHL Shares and NHL Warrants held by the Vendors (collectively, the "**Purchased Shares**"), in exchange for:

- 60,400,011 common shares in the capital of the Company ("**Company Shares**");
- 13,500,006 purchase warrants ("**Company Warrants**") exercisable into Company Shares at a price of \$0.05 per Company Share at any time prior to December 27, 2014 ;

Approximately 25,833,277 Company Shares and 266,638 Company Warrants issued by the Company to the Vendors shall be subject to escrow restrictions pursuant to the policies of the CNSX and approximately 27,648,213 Company Shares and 7,940,020 Company Warrants, in addition to 4,000,000 Company Shares and 2,000,000 Company Warrants to be issued concurrently with the commencement of

trading of the Company Shares, will be subject to a four month hold. Upon completion of the Acquisition, NHL became a wholly owned subsidiary of the Company.

Significant acquisitions and dispositions during and prior to fiscal year ended July 31, 2013

The Company has completed no significant acquisitions or dispositions during and prior to fiscal year ended July 31, 2013.

3.3. Trends, Commitments, Events or Uncertainties

The Company has had no active business until completing the Acquisition, after which it has diversified into the marijuana business sector; consequently, is the Company currently has no production, sales or inventory. There are no current trends in the Company's business that are likely to impact on the Company's performance.

Refer to discussions set out in 4. Narrative Description of the Business, 6. Management's Discussion and Analysis and 17. Risk Factors.

4. Narrative Description of the Business

4.1. General

(a) Business Objectives

The Company's objective is to take advantage of the changing regulatory environment governing the marijuana industry in the United States and Canada. The Company is taking a multi-pronged approach to the two markets. Over the next 12-month period, the Company's objectives are as follows:

In the United States. The Company's focus is on designing products and brands for the marijuana infused edible products market in states which have legalized the production and sale of marijuana infused edible products for medicinal and/or recreational use. All US states that have legalized marijuana for medical or recreational use require anyone selling ("**Operators**") marijuana and marijuana infused edible products to be granted a license (a "**License**") by applicable state authorities. In most states, for an Operator to be eligible to be granted a License, all owners of the Operator must be residents of that state. As such, listed companies or other widely held enterprises are generally ineligible for Licensing.

As such, the Company has developed a business model whereupon it will undertake the following in each US State where the Company chooses to conduct business:

- (i) acquire commercial real estate facilities for rental to Operators who are properly Licensed ("**Licensed Operators**") or other parties related to marijuana industries;
- (ii) develop recipes, know-how and other intellectual property for the preparation of marijuana infused edible products, to be licensed to Licensed Operators for their use;
- (iii) develop recognizable brands for marijuana infused edible products to be licensed to Licensed Operators for their use;
- (iv) provide Licensed Operators with financing facilities and consulting services.

The Company's initial market focus is the State of Colorado, the first state to enact legislation to allow the production and sale of marijuana infused edible products by Licensed Operators for recreational use. In the next 12 months, it is the objective of the Company to acquire a commercial property in Colorado,

to rent that commercial property to a Licensed Operator in Colorado, and to license that Licensed Operator to use its brands, recipes and other know-how in the production of marijuana infused edible products.

The Company's growth plans include expansion to other US States if and when legislation permits on a state-by-state basis as the Company determines that a suitable business opportunity exists. By developing product and brand designs that can be licensed to local manufacturers together with the other support services, the Company believes it will be well-positioned to enter new states quickly and be a first mover in new markets. To this end the Company is currently reviewing the regulations of various states and has started a process of identifying suitable local partners in a number of other states.

In addition to the Company's strategy in the United States in the marijuana infused edible products market, the Company will also consider other synergistic opportunities throughout the marijuana value chain that could be accretive to the Company's business.

In Canada. The Company has signed an option to acquire a 50% interest in a company that has the right to lease a 30,000 square foot greenhouse facility located in southwestern Ontario currently in the process of applying for a producer license under the Marijuana for Medical Purposes Regulation ("MMPR"). The Company may exercise the option, at its sole discretion, upon receipt of ready to build approval from Health Canada by issuing 10 million common shares of the Company. The Company will then be responsible for 50% of the costs to build out the facility. The site also includes 48 acres of vacant land zoned for agricultural use that is available for the construction of further facilities to expand future production capacity.

The Company's objective is to exercise its option within the next 12 month period subject to receipt of ready to build approval from Health Canada.

The Company believes it is well positioned to take advantage of growth in the Marijuana industry in both the U.S. and Canada with its multi-pronged strategy and experienced management team. The Company is also cognizant that the legal Marijuana industry is in its infancy and rapidly evolving which presents risks in addition to opportunities. There is no certainty that the Company will not be adversely affected by changes in regulation and other factors in the future. The Company aims to mitigate these risks by closely monitoring regulatory changes and maintaining the highest standards possible with respect to legal, accounting and security controls, as well as proactively taking a leadership role in working with regulatory bodies and other stakeholders to build the necessary institutional infrastructure typically available to other types of businesses.

(b) Significant Event and Milestones

To accomplish its business objectives stated above, the Company is working to working capital to achieve the following:

In United States:

- The Company has hired Melissa Parks, a Cordon Bleu trained chef with previous experience working with marijuana infused edible products and creating high-end baked goods and confectionary products incorporating marijuana extracts, as the VP Product Development. In addition, the Company has acquired the following 4 recipes from Ms. Parks (the "**Acquired Recipes**"), developed specifically for marijuana infused edible products: "TOOTISE ROLL"-Chocolate Chew Recipe, Colorado Peach Pound Cake, High Altitude Hard Candy Recipe and Caramel Cashew Popcorn with Chocolate Drizzle, and an additional 30 medicated recipes. Ms. Parks is also developing additional recipes which will be proprietary to the Company and will,

along with the Acquired Recipes, form a library of proprietary recipes for marijuana infused edible products to license to Licensed Operators.

- The Company is also considering licensing marijuana infused edible products on sale in certain States for manufacturing and distribution in other states.
- The Company has entered into an agreement to acquire a commercial property (the "**Initial Location**") in Colorado which the Company believes is suitable for the Licensed manufacture of marijuana infused edible products. The Initial Location is located 7 miles outside of Pueblo, Colorado, approximately two hours from Denver. The Initial Location is comprised of three main buildings, several smaller storage buildings, an old boiler building and oversized 2-car garage on approximately 4 acres. Total purchase price is \$885,000 and closing is conditional on financing and the Company securing a tenant that is a Licensed Operator. The Company has paid \$20,000 in earnest money to secure the property and is currently conducting due diligence to finalize the acquisition. The Company aims to purchase the Property by the end of Q3 2014, but the exact timing will depend on the timing of securing a tenant which is a Licensed Operator.
- The Company is negotiating with a Colorado based group ("**Colorado Operator**") who is taking steps to become a Licensed Operator for the purpose of manufacturing marijuana infused edible products. In this regard, the Company is negotiating agreements with the Colorado Operator contemplating the following: (i) a real property lease over all or part of the Initial Location, conditional on the Colorado Operator receiving a License; (ii) the provision of a loan or credit line to the Colorado Operator for working capital purposes, obtaining raw materials, hiring of staff and other ancillary costs to commence production; and (iii) licensing the Colorado Operator to use the Company's intellectual property including permitting the use of recipes, branding, packaging and other know-how. The Company expects to enter into a lease agreement and an initial loan agreement with the Colorado Operator by July 2014, and expects to complete the licensing agreement by the end of September, 2014.
- The Company is undertaking trademark searches and application on multiple brand names it intends to protect. The approximate costs for trademark applications are expected to be \$10,000 and initial trademark applications are expected to be filed by July 2014.
- The Company plans to develop packaging for its products. The cost is estimated to be \$10,000. The Company expects to complete initial packaging designs by August 2014.
- If the Company achieves the above milestones, the Company believes it will achieve its 12 month objective of securing rental, interest and licensing income from a Licensed Operator in the State of Colorado.
- Due to federal regulations, the Company will evaluate each US state the Company chooses to operate in as a separate market and with a distinct business plan. As such, it is intended that the micro-factories model will be utilized in other US states

In Canada:

- Subject to receiving ready to build approval from Health Canada, and the Company being satisfied with its due diligence and the business prospects of the grow facility at the time of obtaining ready to build approval, the Company will exercise its option, which will achieve its 12 month objective. The cost of exercising the option will be \$250,000 through the issuance of 10,000,000 common shares at an effective price of \$0.025 per share. The decision to exercise the option and the timing of such exercise is dependent on Health Canada's decision with respect to the application which is outside of the Company's control and as such, timing cannot be predicted at the current time.

(c) Total Funds Available

The Company has historically relied upon equity financings and loans from directors to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. The Company had the following working capital and deficit positions at June 13, 2014:

	June 13, 2014
Working Capital	\$728,858
Deficit	\$1,599,470

(d) Purpose of Funds

The working capital of \$728,858 will be used as follows:

Principal Purpose	Amount
Trademark Applications	\$10,000
Equity for purchase of the facility	\$350,000
License Application	\$10,000
Packaging Development	\$10,000
Loan to Colorado Operator	\$100,000
Sales and Marketing	\$45,000
Corporate G&A (12 months)	\$203,858
Total	\$728,858

(e) Principal Products or Services

(a) Methods of Distribution and Principal Markets

The Company's primary focus is on development and licensing of marijuana infused edible products in the US. Currently the Company is focused exclusively on developing its business in the State of Colorado. The products can only be sold through licensed dispensaries and can be sold in one of two classes, medicinal or recreational. The medical and recreational classes of products have differing regulation about maximum allowable tetrahydrocannabinol ("THC") (being the active ingredient in marijuana) content per unit. The Company plans to exercise strict quality control and labeling protocols to adhere to the regulations for the respective classes of products. Recreational products are available to anyone in the State of Colorado over the age of 21 and medicinal products are available only to those with appropriate prescriptions. Initially, the Company plans to focus primarily on developing recreational product lines in Colorado and once the recreational products have been developed, they will be modified for the purpose of marketing to the medical markets. Outside of Colorado, it is expected that the Company will focus primarily on developing and licensing the manufacture of marijuana infused edible products primarily for the medical and medicinal markets.

(b) Revenues

The Company is currently a development stage company and has no revenues

(c) Stage of Development

The Company is not currently at a commercial stage. The Company's VP of Product Development possesses significant experience in the production of marijuana infused edible products and the Company believes it possesses sufficient expertise, intellectual property

(including recipes) and know-how in-house to supply to its Licensed Operators. The Company is also developing various brands it believes will resonate with consumers. The milestones and costs associated with achieving commercial production are detailed in section 4.1(b) above.

(f) Production and Sales

- (a) The products will be produced in a commercial kitchen. As the Company's products are still in the development stage, the specific layout and equipment requirements of the commercial kitchen have not been established. The Company's VP Product Development has significant experience in operating commercial kitchens and the Company believes it will be able to assist Licensed Operators in establishing or upgrading manufacturing facilities.
- (b) N/A
- (c) The Company's VP Product Development has significant experience in producing the types of products the Company plans to license and can provide appropriate support to Licensed Operators.
- (d) The Company's products are still in the development stage so the requirements for raw materials have not been determined. The Company has begun investigating the availability of raw materials, the most critical of which is marijuana extract. Based on the Company's research, the Company believes the Licensed Operators can secure an adequate supply from licensed third parties or grow marijuana for extraction on their own. All other raw materials are easily available.
- (e) The Company believes branding will be important and is focusing on developing brands that it believes will resonate with consumers. As the Company's brands are still in development, the Company does not yet have any trademarked brands.
- (f) N/A
- (g) N/A
- (h) N/A
- (i) The Company does not currently have any employees. The CEO, CFO and VP Operations are consultants to the Company.
- (j) The Company's primary focus is in the State of Colorado, in the United States. The Company's business will be affected by both state and federal regulation governing the production and sale of marijuana in general, and marijuana infused edible products in particular. At present time, the pursuant to federal regulations, the sale of marijuana and marijuana infused edible products is not legal. Changes in both state and federal regulation could have a material positive or negative impact on the Company's operations. The Company is also looking at other states for prospective business opportunities should they changes in regulations occur that are favorable to the Company's business.
- (k) The Company's business will be dependent on its agreement with Licensed Operators. Agreements with the Company's prospective Colorado Operator are still in development and as such the terms of applicable agreements have not been fully developed. The process is ongoing. The Colorado Operator has not yet obtained a marijuana infused products license and there is no guarantee that it will be able to do so.
- (l) N/A

(g) Competitive Conditions and Position

Described in Section 4.1.a and Section 17 – Risk Factors.

(h) Lending and Investment Policies and Restrictions, Social and Environmental Policies and Past Material Restructuring Transactions

Not applicable to the Company.

4.2. Asset Backed Securities

The Company does not have asset backed securities.

4.3. Companies with Mineral Projects

The Company does not have mineral projects.

4.4. Companies with Oil and Gas Operations

The Company does not have oil and gas operations.

5. Selected Consolidated Financial Information

5.1. Annual Information

The following table summarizes financial information of the Company for the last three completed financial years ended July 31, 2013, 2012 and 2011 and for six months ended January 31, 2014. This summary financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this document.

	For nine months ended April 30, 2014	For the Year Ended July 31,		
		2013	2012	2011
Total revenues	Nil	Nil	Nil	Nil
Income (loss) from continuing operations	(64,727)	(73,675)	(347,031)	(111,292)
Net income (loss) for the period	(64,727)	(73,675)	(347,031)	(111,292)
Basic and diluted loss per share ⁽¹⁾	(0.006)	(0.008)	(0.038)	(0.110)
Total assets	Nil	Nil	34	4,232
Total long-term liabilities	Nil	Nil	Nil	Nil
Dividends declared	Nil	Nil	Nil	Nil

Note:

(1) Basic and diluted loss per share has been calculated using the weighted average number of shares outstanding.

5.2. Quarterly Information

The summary of quarterly results for each of the eight most recently completed quarters ending at the end of the most recently completed financial year has been prepared in accordance with IFRS:

Quarter Ended	Revenue	Income (Loss)	Income (Loss) per share ⁽¹⁾
Quarter Ended April 30, 2014	Nil	(64,727)	(0.006)
Quarter Ended January 31, 2014	Nil	(22,656)	(0.002)

Quarter Ended October 31, 2013	Nil	(19,456)	(0.002)
Quarter Ended July 31, 2013	Nil	(18,461)	(0.002)
Quarter Ended April 30, 2013	Nil	(20,804)	(0.002)
Quarter Ended January 31, 2013	Nil	(18,362)	(0.002)
Quarter Ended October 31, 2012	Nil	(16,048)	(0.002)
Quarter Ended July 31, 2012	Nil	(224,744)	(0.023)
Quarter Ended April 30, 2012	Nil	(50,350)	(0.005)

Note:

- (1) Basic and diluted loss per share has been calculated using the weighted average number of shares outstanding.

5.3. Dividends

The Issuer has not paid dividends in the past and it has no present intention of paying dividends. Future dividends, if any, will be determined by the directors on this basis of earnings, financial requirements and other conditions existing at the time.

5.4. Foreign GAAP

The Company is not presenting consolidated financial information on the basis of foreign GAAP.

6. Management's Discussion and Analysis

Annual MD&A for the fiscal year ended July 31, 2013 – Attached as Schedule “A”

Interim MD&A for the three and six months ended January 30, 2013 – Attached as Schedule “B”

7. Market for Securities

None of the Company's securities are presently listed or posted for trading on any stock exchange or quotation system. The Company has applied to list the Issuer Shares on the CSE. The CSE has conditionally approved the listing of the Issuer Shares on June __, 2014. Listing is subject to the Issuer fulfilling all of the requirements of the CSE.

8. Consolidated Capitalization

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of July 30, 2013 (undiluted)	Amount Outstanding as of July 30, 2013 (fully diluted)	Amount Outstanding as of the date of this Listing Statement (undiluted)	Amount Outstanding as of the date of this Listing Statement (fully diluted)
Common Shares	Unlimited	9,600,000	9,600,000	71,913,631	88,213,637

On February 28, 2014, the Company has entered into agreements for settlement of the past debt for shares in the amount of \$47,840.50 (“Debt Settlement”) by issuing a total of 1,913,620 Company Shares.

On the Acquisition Date, the Company has issued 60,400,011 Company Shares and 15,000,006 Company Warrants, as further described in Section 3.2.

9. Options to Purchase Securities

The following table summarizes the options, granted under the Company's stock option plan, outstanding as of the date of this Listing Statement:

Group	No. of Options	Securities under Option	Grant Date	Expiry Date	Exercise Price per Company Share	Market Value of the Company Shares on the Date of Grant	Market Value of the Company Shares as the date hereof
Executive Officers (2 persons)	800,000	800,000	June __, 2014	June __, 2019	\$0.10	Nil	Nil
Directors & Non-executive Officers (5 persons)	2,000,000	2,000,000	June __, 2014	June __, 2019	\$0.10	Nil	Nil
Total:	2,800,000	2,800,000					

10. Description of the Securities

10.1. General

The Company's authorized capital consists of an unlimited number of Company Shares without par value. All of the common shares of the Company are of the same class and, once issued, rank equally as to entitlement to dividends, voting powers (one vote per share) and participation in assets upon dissolution or winding up. No common shares of the Company have been issued subject to call or assessment.

The holders of Company Shares are entitled to receive dividends if, as and when declared by the directors of the Company out of the assets of the Company properly applicable to the payment of dividends in such amount and payable at such time as and at such place in Canada as the board of directors of the Company may from time to time determine

In the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or other distribution of assets or property of the Company amongst its shareholders for the purpose of winding up its affairs, the holder of the Company Shares shall be entitled to receive all property and assets of the Company properly distributable to the shareholders of the Company.

The holders of the Company Shares shall be entitled to vote at all meetings of the shareholders of the Company and at all such meetings each such holder has one (1) vote for each Company Share held.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a securityholder to contribute additional capital.

As at the date of this Listing Statement, there are a total of 71,913,631 Company Shares issued and outstanding.

10.2. Debt Securities

As at the date of this Listing Statement, there were no debt securities outstanding.

The directors may from time to time, in such amounts and on such terms as they deem expedient:

- (a) borrow money on credit of the Company;

- (b) issue, sell or pledge debt obligations (including bonds, debentures, notes or other similar obligations, secured or unsecured) of the Company; and
- (c) charge, mortgage, hypothecate or pledge all or any of the currently owned or subsequently acquired real or personal, movable or immovable property of the Company including book debts, rights, powers, franchises and undertaking, to secure any debt obligations or money borrowed, or other debt or liability of the Company.

The directors may from time to time delegate such on or more of the directors and officers of the Company as may be designated by the directors all or any of the powers conferred on the directors above to such extent and in such manner as the directors shall determine with respect to each such delegation.

10.3. Not applicable

10.4. Other Securities

Pursuant to the private placement of NHL Securities (“**Private Placement**”), which final tranche closed on June 20, 2014, prior to Acquisition, NHL had issued 13,500,006 NHL Warrants. As a part of the consideration for the Acquisition, the Company issued 13,500,006 Company Warrants. Each Company Warrant is exercisable into one Company Share at a price of \$0.05 per Company Share until December 27, 2014.

On May 28, 2014, the Company has received a subscription (the “**Subscription**”) for \$100,000 from an unrelated party unable to subscribe for shares of an unlisted entity. This Subscription is conditional on Company completing a listing before July 31, 2014. Pursuant to Subscription, the Company will issue an additional 4,000,000 units (“**Units**”). Each Unit will be comprised of one Company Share, and one half of one Company Warrant. The Units issued pursuant to Subscription will be subject to a 4 month hold from the date the funds are released from escrow to the Company (the “**Subscription Closing Date**”). The Company will pay a finder’s fee equal to 8% of gross proceeds raised under the Subscription and issue finder’s warrants (“**Finder’s Warrants**”) equal to 8% of the Units issued (being 320,000 Finders Warrants). Each Finder’s Warrants will be exercisable into one Unit at a price of \$0.025 per Unit for a period of 18 months from the Subscription Closing Date. The securities issued pursuant to the Subscription are not included in totals in this Listing Statement other than in this Section 10.4.

10.5. Modification of Terms

Not applicable.

10.6. Other Attributes

Not applicable.

10.7. Prior Sales

For the 12-month period prior to the date of this Listing Statement, the following securities of the Company were sold:

Date	Number of Company Shares	Aggregate Issue Price before share issuance costs	Issue Price Per Company	Nature of Consideration Received
February 28, 2014	1,913,620	\$47,840.50	\$0.025	Debt Settlement
June 27, 2014 ⁽¹⁾	60,400,011	\$1,510,000	\$0.025	Asset

Note:

- (1) In addition to 60,400,011 Company Shares issued as consideration for the Acquisition, the Company also issued 13,500,006 Company Warrants as disclosed in Section 3.2 herein.

10.8. Stock Exchange Price

As of the date of this Listing Statement and for eight preceding quarters, the Company Shares were not listed or traded on any Canadian or foreign stock exchange.

11. Escrowed and Pooled Securities

11.1. Escrowed Securities

The table immediately below sets out the number of Company Shares held by principals and certain other shareholders of the Issuer that will be held in escrow upon the completion of the Listing:

Designation of Class Held in Escrow ⁽¹⁾	Number of Securities Held in Escrow ⁽²⁾	Percentage of class
Company Shares	25,833,277	35.9%
Company Warrants	266,638	2.0%

Notes:

- (1) Assuming the Company is classified as an emerging issuer pursuant to NP 46-201, the securities listed in the table below will, in accordance with NP 46-201, be subject to the Form 46-201 Escrow Agreement and will be released from escrow in stages over a 36 month period from the completion of the Listing with 10% released immediately upon the Completion of the Listing and 15% of such escrowed securities released on the 6, 12, 18,24,30 and 36 month anniversaries of the Completion of the Listing.
- (2) Subject to the Form 46-201 Escrow Agreement; assuming the first tranche will be released from escrow on the Listing Date.

In addition, the table immediately below sets out the number of Company Shares held by certain shareholders of the Issuer that will be subject to a contractual four month hold period upon the completion of the Listing:

Designation of Class Subject to a Contractual Four Month Hold Period	Number of Securities Subject to a Contractual Four Month Hold Period	Percentage of class
Company Shares	27,648,213	38.4%
Company Warrants	9,263,357	58.8%

11.2. Pooled Securities

As of the date of this Listing Statement, the Company does not have any securities subject to Voluntary Pooling Agreements.

12. Principal Shareholders

As of the date of this Listing Statement, to the knowledge of the directors and officers of the Company, as of the date of this document no person beneficially owns or exercises control or direction over Company Shares carrying more than 10% of the votes attached to common shares except for the following:

Shareholder Name	Number of Company Shares Held	Percentage of total Company Shares Issued	Percentage of total Company Shares Issued on fully diluted basis ⁽²⁾
Halki Holdings Inc. ⁽¹⁾	14,500,000	20.2%	17.0%

Notes:

(1) Halki Holdings Inc. is a corporation controlled by Statis Rizas, Director and Executive Chairman of the Corporation

(2) Includes an additional 4,000,000 Company Warrants owned by Halki Holdings Inc.

13. Directors and Officers

13.1. Directors and Officers

The Articles of the Company provide that the number of directors should not be fewer than three and no more than ten directors. Each director holds office until the close of the next annual general meeting of the Company, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated. The Company's Board currently consists of seven directors, of whom three can be defined as "unrelated directors" or directors who are independent of management and are free from any interests and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the directors' ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholders, and do not have interests in or relationships with the Company.

The following table provides the names of the directors and officers, municipalities of residence province and country, respective positions and offices held with the Company, their principal occupations for the past five years and the number and percentage of common shares owned, directly or indirectly, or over which control or direction is exercised, of voting securities of the Company, as of the date hereof:

Name, Province and Country of Residence and Position Held	Principal Occupation for the Past Five Years	Director of the Company Since	Common Shares Beneficially Owned or Controlled	Percentage of Issued and Outstanding Common Shares
David Andrew Posner Toronto, ON <i>President and Chief Executive Officer</i>	Mr. Posner has served as a Acquisitions Manager for Stonegate Properties Inc. He has been a successful entrepreneur and has been involved with numerous business activities focused around the real estate industry.	June __, 2014	6,000,000	8.3%
Statis Rizas Toronto, ON <i>Executive Chairman and Director</i>	Mr. Rizas served as the President of Spindrift Telecom Inc. since 1992. Since 1991, he has been a successful entrepreneur and has been involved with numerous business activities, most of which have dealt with telephony. He has been Director of Capricorn Business Acquisitions Inc. since May 2008.	June __, 2014	14,500,000 ⁽¹⁾	20.2% ⁽¹⁾
Adam K. Szweras Thornhill, ON <i>Director and Corporate Secretary</i>	Mr. Szweras has practiced corporate and securities law since 1996. In January 2006 he founded Foundation Markets Inc. (a brokerage firm licensed as an Exempt Market Dealer) and Foundation Opportunities Inc. (a merchant bank) where he continues as Chairman. In February 2006 Mr. Szweras joined Fogler, Rubinoff LLP, as a partner, where he continues to practice corporate and securities law.	June __, 2014	Nil	N/A
Melissa Parks Thornhill, ON <i>VP, Product</i>	Ms. Parks is a classically trained chef and Colorado resident, who has been cooking and baking professionally since 1998. She attended Le Cordon Bleu College of Culinary Arts in Minneapolis and	June __, 2014	733,277	1.0%

<i>Development</i>	Johnson & Wales University for degrees in culinary arts, baking, pastry and culinary nutrition. Ms. Parks has previously worked at R&D department of General Mills, pastry chef at Kowalski's and acted as a consultant to start-up companies. She was also a private chef for number of high profile clients and multiple high end restaurants. Ms. Parks was an early entrant into the development of marijuana infused edible products, and has worked with Baked and Open Vape.			
David Caplan† Toronto, ON <i>Director</i>	David Caplan is a former Ontario politician. Mr. Caplan served as a Minister of Infrastructure during 2003 session, and as a Minister of Health and Long-Term Care during the 2007 session. He was a member of the Legislative Assembly of Ontario, and was a cabinet minister in the government of Liberal Premier Dalton McGuinty. He retired from the Ontario legislature at the October 6, 2011 provincial election. Caplan was born in Toronto, Ontario, and was educated at the University of Western Ontario. He worked as a commercial real estate agent with the firm of Ernest Goodman Ltd. from 1985 to 1989, and was Vice-President of Taurus Metal Trading Ltd. (a recycling company) between 1989 and 1992. Caplan was elected as a trustee to the North York Board of Education in 1991 and served in this capacity for six years, becoming the Board's Vice-Chair in 1993. He also served on the Metro Toronto Board of Education from 1994 to 1997, becoming its Vice-Chair shortly before his departure for higher office.	June __, 2014	Nil	N/A
Marco Guidi Toronto, ON <i>Chief Financial Officer</i>	Mr. Guidi is a Chartered Accountant and holds an Honours Bachelor degree in Business Administration from Wilfrid Laurier University. Mr. Guidi began his career with an accounting firm where he was as an audit supervisor specializing in serving the audit and tax needs of clients in a variety of industries. He has worked with publicly listed and privately-owned companies. Marco and is currently serving as CFO, Controller and Accountant for a number of junior mining companies.	June __, 2014	Nil	N/A
Brian Presment* Toronto, ON <i>Director</i>	Mr. Presement has been the President and CEO of Unite Communications Corporation ("UNiTE") since its inception in 2001. Under his leadership, UNiTE has grown from a regional telecom provider offering a narrow set of services to a full scale telecom provider offering services to companies of all sizes all across Canada. Mr. Presement has over 20 years of telecommunications experience. Prior to UNiTE, Mr. Presement served as Vice President Business Development of VOXX Corporation, where he was responsible for the sales and marketing of Voxx's Telecommunications Services. Mr. Presement holds an Honours Bachelor of Arts Degree from York University with a double major in Mass Communications and Political Science.	October 10, 2013	Nil	N/A
Michael Dacks Toronto, ON	Michael is co-founder and advisor to a legal informatics startup venture and is the former VP and General Counsel of a large privately held Canadian digital media and social networking company. Prior to that, Michael worked in the	June __, 2014	Nil	N/A

<i>Director</i>	Intellectual Property and Technology Licensing department of Meitar Liquornik Geva & Leshem Brandwein a “top-three” law firm in Tel Aviv, Israel, and is a former law clerk to the Hon. Justice Asher D. Grunis of the Israel Supreme Court and additionally completed his Canadian articling requirements at UJA Federation of Greater Toronto. Michael holds a B.A. from the University of Western Ontario and an LL.B./J.D. from Osgoode Hall Law School where he received a special degree designation in International, Comparative and Transnational Law. Michael is licensed to practice law by the Law Society of Upper Canada (Ontario) and the Israel Bar Association.			
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Notes:

- (1) 14,500,000 Company Shares are owned by Halki Holdings Inc., a holding company controlled by Mr. Statis Rizas.

Additionally, 4,600,000 Company Shares (representing 6.4% of total issued and outstanding Company Shares) are owned by Foundation Opportunities Inc, a company of which 33.3% is indirectly owned by The Goomie Trust, a family trust, of which the children of Mr. Szweras are the beneficiaries. Furthermore, 1306413 Ontario Ltd., a corporation owed by The Goomie Trust, holds 1,161,680 Company Shares.

* Chairman of the Audit Committee

† Member of the Audit Committee

13.2. Period Served as Directors and Officers

The table in Section 13.1. outlines the periods for which the directors and officers have served with the Company in their respective capacities.

13.3. Interests of Director and Officer

As of the date of this document, the directors and executive officers of the Company beneficially owned, directly or indirectly, as a group, 21,233,277 Company Shares representing approximately 29.5% of all outstanding voting securities of the Company. Those holdings combined with the holdings of Foundation Opportunities Inc. of 4,600,000, a Company with common directors and officers, equate to 25,833,277 common shares of the Company representing approximately 35.9% of all outstanding voting securities of the Company.

13.4. Board Committees

The Company has one committee, the Audit Committee, whose members are:

Brian Presement	Chairman and Independent Member of the Audit Committee
David Caplan	Independent Member

13.5. Other Directorships

Name	Name of Reporting Issuer	Name or Exchange or Market	Position	From	To
Adam Szweras	Petrolympic Ltd.	TSXV	Secretary	June 2008	Present
	Bassett Media Group Corp.	TSXV	Director	August 2009	March 2010

	Canada Pacific Canada Corp.	NEX	Secretary	May 28, 2010	Present
	Star Navigation Systems Group Ltd.	TSXV	Secretary	May 2008	December 2011
	Sagittarius Capital Corp.	TSXV	Secretary (until Aug 2010) Director	August 2009	Present
	Lakeside Minerals Inc.	TSXV	Secretary	December 2011	Present
	InterAmerican Gaming, Inc.	TSXV	Director	May 2008	June 2009
	Quia Resources Inc.	TSXV	Director, Secretary	December 2010	Present
Statis Rizas	Capricorn Business Acquisitions Inc.	TSXV	Director	May 2008	May 2012
Brian Presement	Sagittarius Capital Corporation	NEX	Director	January 2013	Present
	Aurelio Resource Corp.	Not Listed	Director	February 2012	Present

13.6. to 13.8. Corporate Cease Trade Orders and Bankruptcies

Other than as set out below, no proposed director, executive officer or promoter has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director, officer or promoter.

Other than as set out below, as at the date of this Circular and within the ten (10) years before the date of this Circular, no proposed director, executive officer or promoter of the Company:

- (a) is or has been a director, executive officer or promoter of the Company, that while that person was acting in that capacity:
 - (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days;
 - (iii) or within one (1) year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such nominee; or
- (c) has within ten (10) years before the date of the Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officers or shareholders.

Adam Szweras was a director and Secretary of Bassett Media Group Corp. ("**Bassett**"), an Exchange listed company, until March 16, 2010. Bassett has been subject to a cease trade order since June 16, 2010.

Although Sonoma Capital Inc. was never listed on any exchange, in December 2007, the company was issued a Cease Trade Order for failure to file its annual audited financial statements for the year ended July 31, 2007, which Cease Trade Order was extended in January 2008 and subsequently revoked in August 2010.

13.9. Conflicts of Interest

Certain of the directors and officers of the Issuer are also directors and officers of other companies. The directors of the Company are bound by the provisions of the *Business Corporations Act (Canada)* to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

13.10. Management

David Posner, President and Chief Executive Officer (Age 40) – Mr. Posner is an entrepreneur, investor, developer and broker, who has experience in all areas of real estate syndication, acquisition, development and management. Mr. Posner has developed a skill-set of starting, operating and growing real estate ventures in regional markets in Central America, Canada and the US. His accomplishments include the development of a \$50MM condominium and resort development with nearly 1,000 units along the coast of Panama.

Mr. Posner is a contractor and is responsible for the overall direction and business development of the Company. He will also lead the negotiation and acquisition of future projects. Mr. Posner anticipates devoting approximately 100% of his time to the affairs of the Company during the next year. Mr. Posner has not entered into a non-competition or a non-disclosure agreement with the Company.

Melissa Parks, VP Product Development and Director (Age 33) – Ms. Parks is a classically trained chef and Colorado resident, who has been cooking and baking professionally since 1998. She attended Le Cordon Bleu College of Culinary Arts in Minneapolis and Johnson & Wales University for degrees in culinary arts, baking, pastry and culinary nutrition. Ms. Parks has previously worked at R&D department of General Mills, pastry chef at Kowalski's and acted as a consultant to start-up companies. She was also a private chef for number of high profile clients and multiple high end restaurants. Ms. Parks was an early entrant into the development of marijuana infused edible products, and has worked with Bakked and O.pen Vape.

Ms. Parks is a contractor and is responsible for product development. Ms. Parks anticipates devoting approximately 50% of her time to the affairs of the Company during the next year until the Company enters into production license with a licensed producer and 100% of her time thereafter. Ms. Parks has entered into a non-competition or a non-disclosure agreement with the Company.

Marco Guidi, Chief Financial Officer (Age 29) – Mr. Guidi is a Chartered Accountant and holds an Honours Bachelor degree in Business Administration from Wilfrid Laurier University. Mr. Guidi began his career with an accounting firm where he was as an audit supervisor specializing in serving the audit and tax needs of clients in a variety of industries. He has worked with publicly listed and privately-owned companies. Marco and is currently serving as CFO, Controller and Accountant for a number of junior mining companies.

Mr. Guidi is a contractor and is responsible for the financial affairs of the Company and brings extensive experience in dealing with financial matters and corporate strategy. It is anticipated that he will assist the Company on as-needed basis during the next year.

Adam Szweras, Corporate Secretary and Director (Age 42) – Mr. Szweras has practiced corporate and securities law since 1996. In February 2006 Mr. Szweras joined Fogler, Rubinoff LLP, as a partner, where he practices corporate and securities law. Mr. Szweras is also Chairman of FMI, an Exempt Market Dealer focused on financing and consulting to emerging growth companies.

Mr. Szweras is a contractor and is responsible for Company's corporate governance, securities and compliance matters. It is anticipated that he will assist the Company on as-needed basis during the next year.

14. Capitalization

14.1. Issued Capital

As at June __, 2014

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (Fully-diluted)
<u>Public Float</u>				
Total outstanding (A)	71,913,631	85,413,637	100%	100%
Held by Related Persons or employees of the Company or Related Person of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a % voting position in the Company upon exercise or conversion of other securities held) (B)	25,833,277	26,099,915	35.9%	30.6%
Total Public Float (A-B)	46,080,354	59,313,722	64.1%	69.4%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	25,833,277	26,099,915	35.9%	30.6%
Total Tradeable Float (A-C)	46,080,354	59,313,722	64.1%	69.4%

Public Securityholders (Registered)

The persons enumerated in (B) of the *Issued Capital* table above are not included in the following table.

Class of Security: Company Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities		
Total		

Public Securityholders (Beneficial)

The following table sets forth information regarding the number of beneficial “public securityholders” of the Company, being persons other than persons enumerated in section (B) of the issued capital chart who either: (i) hold securities in their own name as registered shareholders; or (ii) hold securities through an intermediary where the Company has been given written confirmation of shareholdings:

Class of Security: Company Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities		
Total		

Non-Public Securityholders (Registered)

The following table sets forth information regarding the number of registered “non-public securityholders” of the Company, being persons enumerated in section (B) of the Issued Capital chart:

Class of Security: Company Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities		
Total		

14.2. Convertible/Exchangeable Securities

Description of Security	Date of Expiry	Exercise Price \$	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Company Warrants	Earlier of (i) 36 months from the Acquisition Date, or (ii) 18 months from the date the Company completes the Going Public Transaction;	\$0.05	13,500,006	13,500,006

14.3. Other Listed Securities

There are no other listed securities reserved for issuance that are not included in Section 14.2.

15. Executive Compensation

15.1. Executive Compensation

See Schedule "C" attached hereto

16. Indebtedness of Directors and Executive Officers

16.1. Aggregate Indebtedness

No existing or proposed director, executive officer or senior officer of the Company or any associate of any of them, was indebted to the Company as at the financial year ended July 31, 2013, or is currently indebted to the Company.

16.2. Indebtedness under Securities Purchase and Other Programs

Not applicable.

17. Risk Factors

17.1. Risk Factors

There are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. If any of these risks actually occur, the Company's business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of the Company Shares could decline and investors could lose all or part of their investment. The following is a summary of certain risks that could be applicable to the business of the Company:

The Company has a very limited operating history in its new area of business.

Because the Company has a limited operating history in its new area of business, you should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful; and
- risks that fluctuations in its operating results will be significant relative to its revenues.

The Company's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

The Company cannot predict its future capital needs and it may not be able to secure additional financing.

The Company believes that its raised capital is sufficient to meet its presently anticipated working capital and capital expenditure requirements for the near future. This belief is based on its operating plan which, in turn, is based on assumptions, which may prove to be incorrect. In addition, the Company may need to raise significant additional funds sooner in order to support its growth, develop new or enhanced services and products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing in order to meet its plans for expansion. The Company cannot be sure that this additional financing, if needed, will be available on acceptable terms or at all. Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders. If adequate funds are not available on acceptable terms or at all, the Company may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

Volatile global financial and economic conditions may negatively affect the Company's operations.

Current global financial and economic conditions remain extremely volatile. Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the global financial crisis and global recession. Such factors may impact the Company's ability to obtain financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Company's operations and financial condition could be adversely impacted.

There can be no assurance that the Company's shareholders or purchasers of the Company Shares will be able to resell their shares at prices equal to or greater than their cost.

The market price of the Company Shares could be subject to significant fluctuations in response to various factors, many of which are beyond the Company's control. In addition, the stock markets have experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of many companies whose businesses are dependent on technology and that often have been unrelated to the operating performance of such companies. These broad market fluctuations may adversely affect the market price of the Company Shares. There can be no assurance that the holders or purchasers of the Company's common shares will be able to resell their shares at prices equal to or greater than their cost.

The Company relies securing agreements with Licensed Operators

In most US states, the Company is not eligible to be licensed to grow, store and sell marijuana products, and must secure agreements with Licensed Operators in the targeted jurisdictions who have been able to

obtain a license with the appropriate regulatory authorities. Failure of a Licensed Operator to comply with the requirements of their license or any failure maintain their license would have a material adverse impact on the business, financial condition and operating results of the Company. The Company believes its prospective Colorado Operator have secured the necessary elements to be successful in its application for licensing in Colorado, however, there can be no guarantee that that the applicable licenses will be granted on the terms favorable to the Colorado Operator or at all. Should the regulatory authorities not grant the license or grant the license on different terms unfavorable to the Colorado Operator, and should the Company be unable to secure an alternative Licensed Colorado Operator, the business, financial condition and results of the operation of the Company would be materially adversely affected.

Failure to comply with federal provincial or state laws and regulations, or the expansion of current, or the enactment of new laws or regulations, could adversely affect the Company's business.

The activities of the Company are subject to regulation by governmental authorities. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company may become subject to government regulation and legal uncertainties that could reduce demand for its products or increase its cost of doing business, thereby adversely affecting its financial results.

The Company's operations are subject to a variety laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of marijuana but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. The Company is currently in compliance with all such laws, changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to the Company's operations.

While the impact of the changes are uncertain and are highly dependent on which specific laws, regulations or guidelines are changed and on the outcome of any such court actions, it is not expected that any such changes would have an effect on the Company's operations that is materially different than the effect on similar-sized companies in the same business as the Company.

US Federal Laws

The concept of "medical marijuana and "retail marijuana" do not exist under US Federal law. The Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug. Under US Federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in United States, and a lack of safety for the use of the drug under medical supervision. As such, marijuana-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of marijuana are illegal under US Federal law. Strict compliance with state laws with respect to marijuana will neither absolve the Company of liability under Federal law, nor will it provide a defense to any Federal proceeding which may be brought against the Company. While US Department of Justice has instructed US Attorneys that they need not expend resources with respect to entities selling marijuana pursuant to strict US State licensing regimes, this directive can change. Moreover, US Attorneys have significant discretion with respect to the activities they seek to prosecute, regardless of any directive from the Department of Justice.

Banking

The US Federal prohibitions on the sale of marijuana may result in Licensed Operators being restricted from accessing the US Federal banking system and they may be unable to deposit funds in federally licensed banking institutions. While the Company does not anticipate banking restrictions directly relating to its business, banking restrictions could nevertheless be imposed due to the Company's banking institutions not accepting payments from Licensed Operators. Licensed Operators at times do not have deposit services and are at risk that any bank accounts they have could be closed at any time. Such risks increase costs to the Company and Licensed Operators. Additionally, similar risks are associated with large amounts of cash at these businesses. These businesses require heavy security with respect to holding and transport of cash, whether or not they have bank accounts.

Taxes

US Federal prohibitions on the sale of marijuana may result in the Company not being able to deduct certain costs from its revenue for US Federal taxation purposes if the US Internal Revenue Service determines that revenue sources of the Company are generated from activities which are not permitted under US Federal law.

Established Drug Dealers Could Pose Threats

Currently, there are many drug dealers and cartels that cultivate, buy, sell and trade marijuana both in Colorado and worldwide. Many of these dealers and cartels are violent and dangerous as well as well financed and well organized. It is possible that these dealers and cartels could feel threatened by legalized marijuana businesses such as those with whom the Company does business and could take action against or threaten the Company, its principals, employees and/or agents and this could negatively impact the Company and its business.

Regulatory Approvals and Permits

The Company and its owners may be required to obtain and maintain certain permits, licenses and approvals in the states where their products are licensed, although the Company does not anticipate such approvals will be necessary. Moreover, to the extent the Company loans funds to Licensed Operators, such loans must be disclosed to regulatory authorities,. There can be no assurance that the Company will be able to receive and/or maintain the necessary permits, licenses and approvals. Any material delay or failure to receive these items would delay and/or inhibit the Company's ability to conduct its business and would adversely affect the Company's business, financial condition and results of operations.

Competition

The marijuana industry is highly competitive. The Company will compete with numerous other businesses in the marijuana industry, many of which possess greater financial and marketing resources and other resources than the Company. The marijuana business is often affected by changes in consumer tastes and discretionary spending patterns, national and regional economic conditions, demographic trends, consumer confidence in the economy, traffic patterns, local competitive factors, cost and availability of raw material and labor, and governmental regulations. Any change in these factors could materially and adversely affect the Company's operations. The Company's operations can also be substantially affected by adverse publicity resulting from quality, illness, injury, health concerns, public opinion, or operating issues. The Company will attempt to manage these factors, but the occurrence of any one or more of these factors could materially and adversely affect the Company's business, financial condition and results of operations.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While consulting agreements are customarily used as a primary method of

retaining the services of key consultants, these agreements cannot assure the continued services of such consultants. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Factors which may Prevent Realization of Growth Targets

The Company is currently in the early development stage. There is a risk that the additional resources will be needed and milestones will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to the Company and its Licensed Operators:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

As a result, there is a risk that the Company may not have product or sufficient product available for to meet the anticipated demand or to meet future demand when it arises.

The Company may face intense competition and expects competition to increase in the future, which could prohibit it from developing a customer base and generating revenue.

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Due to the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. If the number of legal users of marijuana in its target jurisdictions increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations the Company.

Risks Inherent in an Agricultural Business

A part of the Company's business and the business of the Company's Licensed Operators revolve around growing of marijuana, an agricultural product, although the Company will not itself grow or sell marijuana. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although the Company and its Licensed Operators (as the case may be) intend to grow its products indoors under climate controlled conditions, carefully monitors the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Licensed Operators and the Company (if it acquired a license in Canada) faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of the Company's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's and the Licensed Operator's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's and the Licensed Operator's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products developed by the Company are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. Company may lose a significant amount of revenue due to a loss of sales by its Licensed Operators and may not be able to replace that revenue at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although Company is establishing procedures for its Licensed Operators to test finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations and the Licensed Operator's operations by the regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Dependence on Suppliers and Skilled Labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure program may be significantly greater than anticipated by the Company's management, and may be greater than funds available to the Company, in which circumstance the Company may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Company.

Difficult to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the marijuana industry in Canada and the

US. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Operating Risk and Insurance Coverage

While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The market price of the Resulting Issuer's Common Shares may be subject to wide price fluctuations

The market price of the Company Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company and its subsidiaries, general economic conditions, legislative or regulatory changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Company Shares.

Dividends

The Company has no earnings or dividend record, and does not anticipate paying any dividends on the Company Shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Limited Market for Securities

There can be no assurance that an active and liquid market for the Company Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

Environmental and Employee Health and Safety Regulations

The Company's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give

rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

18. Promoters

18.1. Promoters

During the two years immediately preceding the date of this document, the promoters of the Company have been and are as follows:

Name of Promoter	Number of Shares	Percentage
Foundation Opportunities Inc. ⁽²⁾	4,600,000	6.4%
David Andrew Posner ⁽¹⁾	6,000,000	8.3%
Statis Rizas ⁽¹⁾	14,500,000	20.2%
Adam Szweras ⁽¹⁾⁽³⁾	Nil	Nil

Notes:

- (1) Messers. Posner, Rizas and Szweras are currently directors and/or officers of the Company. Neither receives specific compensation for their services as promoters. For details of additional compensation paid to them, see Section 22.
- (2) Foundation Opportunities Inc, a company of which 33.3% is indirectly owned by The Goomie Trust, a family trust, of which the children of Mr. Szweras are the beneficiaries, holds 4,600,000 Company Shares. Furthermore, 1306413 Ontario Ltd., a corporation owed by The Goomie Trust, holds 1,161,680 shares in the Company.
- (3) Excluding the shares owned by Foundation Opportunities Inc.

18.2. Corporate Cease Trade Orders of Bankruptcies

Please see Section 13.6.

19. Legal Proceedings

The Company is not a party to any legal proceedings or regulatory actions and is not aware of any such actions known to be contemplated.

20. Interest of Management and Others in Material Transactions

No director, executive officer or promoted of the Company or any person or company that is the director or indirect beneficial owners of, or who exercises control or direction over, more than 10 percent of any class of the Company's outstanding voting securities, or an associate or affiliate of any persons or companies referred to in this paragraph, has any material interest, direct or indirect, in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of Company within the three years preceding the date of this document other than as disclosed in the financial statements and MD&A of the Company.

21. Auditors, Transfer Agents and Registrars

21.1. Auditors

Collins Barrow Toronto LLP

11 King Street West
 Suite 700, Box 27
 Toronto, ON M5H 4C7

21.2. Transfer Agent and Registrar

CST Trust Company
 320 Bay Street, 3rd Floor
 Toronto, ON M5H 4A6

22. Material Contracts

Except for contracts made in the ordinary course of business, the following are the material contracts entered into by the Company within two years prior to the date hereof and which are currently in effect:

Contract	Date	Details
Acquisition Agreement	June 27, 2014	Agreement whereby the Company acquired 100% of all issued and outstanding NHL Shares, further described in section 3.2.
Option Agreement between NHL and Medicinal Compassion Canni Farms Inc.	April 24, 2014	Option agreement to acquire a 50% interest in a company that is applying for MMPR license for facility (“ Facility ”) located in Haldimand County, Ontario.
Contract to Buy and Sell Real Estate (Commercial)	June 6, 2014 (amended on June 9, 2014)	Contract to Buy and Sell Commercial Real Estate between NHC and a vendor of Pueblo property in Colorado. Closing of the acquisition is contingent on obtaining a manufacturing license.
Consulting Agreement with Melissa Parks	May 1, 2014	Consulting agreement (“ Parks Agreement ”) between NHC and Melissa Parks, VP Product Development of the Company. Pursuant to the terms of Parks Agreement, Melissa Parks will be paid a fee of \$2,000 per month.
Consulting Agreement with David Posner	May 1, 2014	Consulting agreement (“ Posner Agreement ”) between the Company and David Posner, President, CEO and Director of the Company. Pursuant to the terms of Posner Agreement, David Posner will be paid a fee of \$8,000 per month.
Consulting Agreement with Stasis Rizas	May 1, 2014	Consulting agreement (“ Rizas Agreement ”) between the Company and Stasis Rizas, Executive Chairman and Director of the Company. Pursuant to the terms of Rizas Agreement, Stasis Rizas will be paid a fee of \$5,000 per month.
Consulting Agreement with Foundation Opportunities Inc.	May 1, 2014	Consulting agreement (“ FOI Agreement ”) between the Company and FOI. Pursuant to the terms of FOI Agreement, FOI will be paid a fee of \$8,000 per month.
Investor Relations Agreement	May 22, 2014	Investor relations agreement (“ IR Agreement ”)

with Investor Cubed Inc.		between the Company and Investor Cubed Inc. Pursuant to the terms of FOI Agreement, FOI will be paid a fee of \$8,000 per month.
Escrow agreement with certain holders of Company Shares	June 13, 2014	Escrow agreement pursuant to which certain holders of Company Shares deposited the shares in escrow pursuant to the policies of the Exchange.

23. Interests of Experts

No person or company named in this document as having prepared or certified a part of the document or a report described in this document and no responsible solicitor or any partner of a responsible solicitor's firm, holds any beneficial interest, direct or indirect, in any securities or property of the Company or of an associate or affiliate of the Company.

24. Other Material Facts

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Company.

25. Financial Statements

The following financial statements have been posted on the Company's disclosure page on the CSE website and are available on SEDAR at www.sedar.com, and are incorporated herein by reference:

- (i) Annual audited consolidated financial statements of the Company including the auditor's report from Collins Barrow, for the financial years ended July 31, 2012 and July 31, 2013;
- (ii) Interim unaudited financial statements of the Company for the three and six months ended April 30, 2014 and April 30, 2013;
- (iii) Unaudited Pro-forma Consolidated Financial Statements of the Company for June 13, 2014.

SCHEDULE "A"

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2013 AND 2012**

DRAFT

SCHEDULE “B”

**CONDENSED UNAUDITED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND
SIX MONTH PERIODS ENDED JANUARY 31, 2014 AND 2013**

DRAFT

SCHEDULE “C”

FORM 51-102F6 EXECUTIVE COMPENSATION FORM

Compensation of Directors

The board of directors as a whole makes the determination as to the appropriate level of remuneration for the directors and officers of the Company. Remuneration is assessed and determined by taking into account such factors as the size of the Company and the level of compensation earned by directors and officers of companies of comparable size and industry.

Each of the Company’s independent directors has not received any compensation for their services.

Executive officers of the Company who also act as directors of the Company do not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation to such executive officers in their capacity as executive officers. See “Compensation of Executive Officers”.

The Company does not have a stock option plan for the granting of incentive stock options to the officers, employees and directors of the Corporation.

Compensation of Executive Officers

Securities legislation requires the disclosure of compensation received by each “Named Executive Officer” of the Company for the three most recently completed financial years. “Named Executive Officer” is defined by the legislation to mean (i) each of the Chief Executive Officer and the Chief Financial Officer of the Company, despite the amount of compensation of that individual, (ii) each of the Company’s three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year end of the Company.

“Executive Officer” is defined by the legislation to mean (i) the chair of the Company, (ii) a vice-chair of the Company, (iii) the President of the Company, (iv) a vice president of the Company in charge of a principal business unit, division or function such as sales, finance or production, or (v) an officer of the Company or any of its subsidiaries or any other person who performed a policy-making function in respect of the Company. During the Company’s most recently completed financial year ended July 31, 2013, the Company had two Named Executive Officers: Andres Tinajero, President and Chief Executive Officer; a Warren Goldberg, Secretary, Chief Financial Officer and Treasurer. The aggregate cash compensation (including salaries, fees, directors fees, commissions, bonuses paid for services rendered during the most recently completed financial year, bonuses paid for services rendered in the previous year, and any compensation other than bonuses earned during the most recently completed financial year, the payment of which was deferred) paid to the Named Executive Officers (or corporations controlled by Named Executive Officers), in the capacity of Named Executive Officers, for the most recently completed financial year, was \$Nil.

Summary Compensation Table

The following table sets forth all annual and long term compensation for services in all capacities to the Corporation and its subsidiaries for the most recently completed financial year in respect of each Named

Executive Officer as at July 31, 2013. Other than as disclosed below, no other executive officer received in excess of \$150,000 in total salary and bonus during the year ended July 31, 2013.

Name and Principal Position	Annual Compensation				Long Term Compensation Awards and Payouts	
	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Option	All other Compensation (\$)
Andres Tinajero President and Chief Executive Officer ⁽¹⁾	2013	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil
	2011	-	-	-	-	-
Warren Goldberg, Secretary, Chief Financial Officer and Treasurer ⁽²⁾	2013	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	Nil	Nil	Nil

Note:

(1) Mr. Tinajero was appointed as President and CEO on August 24, 2011

Stock Option Plan and Stock Options

The Corporation did not have a Stock Option Plan during the financial year ended July 31, 2013.

Summary of Outstanding Stock Options

Optionee Category (Number of Optionees)	Number of Common Shares Reserved Under Option	Date of Grant	Expiry Date	Exercise Price Per Common Share
Executive Officers ⁽²⁾	Nil	n/a	n/a	n/a
Directors other than Executive Officers ⁽³⁾	Nil	n/a	n/a	n/a
Total:	Nil	n/a	n/a	n/a

Options Granted during the Financial Year ended July 31, 2013 to Named Executive Officers

The following table sets forth information in respect of all stock options granted during the financial year ended July 31, 2013 to the Named Executive Officers of the Company.

Name and Principal Position	Securities Under Options Granted	Percentage of Total Options Granted to Employees in Financial Year	Exercise or Base Price per Security	Market Value of Securities Underlying Options on the Date of Grant	Expiration Date
Andres Tinajero President and Chief Executive Officer	Nil	n/a	n/a	n/a	n/a
Warren Goldberg, Secretary, Chief Financial Officer and Treasurer	Nil	n/a	n/a	n/a	n/a

Aggregated Options Exercised during the most recently completed Financial Year ended July 31, 2013 and Financial Year-End Options

The following table sets forth information in respect of the options exercised during the most recently completed financial year and the financial values as at July 31, 2013 of unexercised options held by Named Executive Officers on an aggregated basis.

Named Executive Officer	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at FY-End (#) Exercisable/ Unexercisable	Value of Unexercised in-the-money Options at FY-End (\$) Exercisable/ Unexercisable
Andres Tinajero President and Chief Executive Officer	Nil	n/a	Nil/Nil	Nil/Nil
Warren Goldberg, Secretary, Chief Financial Officer and Treasurer	Nil	n/a	Nil/Nil	Nil/Nil

Securities Authorized for Issuance Under Equity Compensation Plans

There were no securities authorized for issuance as at July 31, 2013.

Long Term Incentive Plan

The Corporation did not have a long-term incentive plan during the financial year ended July 31, 2013.

Pension, Retirement Plans and Payments Made Upon Termination of Employment

The Corporation did not provide compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as a Named Executive Officer of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of change in control of the Corporation, its subsidiaries or affiliates.

Employment Contracts

Other than as described herein, the Corporation did not pay any additional compensation to the Named Executive Officers, the Executive Officers or directors (including personal benefits and securities or properties paid or distributed, which compensation was not offered on the same terms to all full time employees) during the last completed financial year.

DIRECTOR COMPENSATION

The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors. The directors of the Company may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. Directors are also eligible to receive incentive stock options to purchase common shares of the Company under the Company's stock option plan.

From inception of the Company to the date of this Listing Statement, no compensation was paid to any non-executive director of the Company.

The following table shows the compensation provided to non-executive directors for the year ended July 31, 2013.

Please see "Summary Compensation Table" under "Executive Compensation" above for details of compensation paid by the Company to those directors who are also NEOs.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value	All other compensation	Total (\$)
Walter Lee	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Sarjeant	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Claude E. Forget	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Outstanding Director Share-Based and Option-Based Awards

The following table sets forth share-based and option-based awards outstanding for the directors of the Company who were not NEOs for the year ended July 31, 2013.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares of units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Walter Lee	Nil	n/a	n/a	Nil	Nil	Nil
Paul Sarjeant	Nil	n/a	n/a	Nil	Nil	Nil
Claude E. Forget	Nil	n/a	n/a	Nil	Nil	Nil
Total:	Nil	n/a	n/a	Nil	Nil	Nil

Incentive Plan Awards – Value Vested or Earned During the Year Ended July 31, 2013

The following table sets forth the details of the aggregate dollar value that would have been realized by the Company's non-executive directors in the most recently completed financial year if the option-based awards had been exercised on their respective vesting dates.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Walter Lee	Nil	Nil	Nil
Paul Sarjeant	Nil	Nil	Nil
Claude E. Forget	Nil	Nil	Nil

Defined Benefit or Actuarial Plan Disclosure

The Company had no defined Benefit Plan or Actuarial Plan as at March 31, 2013.



CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, **NUTRITIONAL HIGH INC.**, hereby applies for the listing of the above mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to **NUTRITIONAL HIGH INC.** It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario this th day of June 2014.

“David Andrew Posner”
David Andrew Posner
President and Chief Executive Officer

“Statis Rizas”
Statis Rizas
Director

“Adam Szweras”
Adam Szweras
Director and Corporate Secretary

**RESOLUTIONS OF THE SHAREHOLDERS
OF
SONOMA CAPITAL INC.
(the "Corporation")**

RECITALS:

A. The Corporation has entered into a securities exchange agreement with Nutritional High Ltd. ("NHL") and its securityholders (the "**Exchange Agreement**") pursuant to which it has proposed to complete an exchange (the "**Transaction**") of securities of NHL with securities of the Corporation on a one-for-one basis. Following the completion of the Transaction, NHL will be a wholly-owned subsidiary of the Corporation.

BE IT RESOLVED THAT:

1. Exchange Agreement

- (a) The Exchange Agreement is hereby confirmed, ratified and approved;
- (b) The Transaction between the Corporation, NHL and the security holders of NHL, as substantially set forth in the Exchange Agreement annexed hereto as Schedule "A" is hereby authorized and approved;
- (c) notwithstanding that this special resolution has been duly passed by the shareholders, the board of directors of the Corporation may amend or decide not to proceed with the Amalgamation or revoke these resolutions at any time prior to the completion of the Transaction without further shareholder approval;
- (d) any one director or officer of the Corporation, for and on behalf of the Corporation, be and is hereby authorized to execute and deliver Articles of Amalgamation and all other documents and instruments and take all such other actions as may be necessary or desirable to implement the foregoing resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions; and
- (e) these resolutions may be executed (by original or facsimile signature) in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, shall be deemed to have been executed as of the date hereof.

2. Name Change

- (a) the amendment of the Articles of Incorporation of the Corporation to provide that the name of the Corporation be changed to "Nutritional High Inc.", or such other similar name as determined by the directors, is hereby authorized and approved;

- (b) any director or officer of the Corporation be, and such director or officer of the Corporation hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to do all things and execute all instruments necessary or desirable to give effect to this special resolution including, without limitation, to execute, under seal of the Corporation or otherwise, and to deliver Articles of Amendment, in duplicate, to the Director under the *Canada Business Corporations Act*; and
- (c) notwithstanding that this special resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation be, and they hereby are, authorized and empowered to revoke this special resolution at any time before it is acted upon without further approval of the shareholders of the Corporation.

* * * * *

UNDERTAKING

TO: SONOMA CAPITAL INC.

RE: Securities of Sonoma Capital Inc. (the "**Company**")

The undersigned understands that the Company has entered into a securities exchange agreement with Nutritional High Ltd. ("**NHL**") and the holders of its securities, providing for the acquisition of all of the outstanding securities of NHL by the Company from the holders of securities of NHL in exchange for securities of the Company (the "**Transaction**").

In consideration of the agreement by the Company to acquire the securities of NHL, and of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby undertakes that neither the undersigned nor any of its associates or affiliates will, during the periods set forth below, directly or indirectly, offer, sell, negotiate, contract to sell, pledge, assign, transfer, grant any warrant, right or option to purchase, encumber, mortgage, make any short sale or otherwise dispose of 60% of the common shares in the capital of the Company ("**Common Shares**"), or any options or warrants to purchase any Common Shares, or any securities convertible into, exchangeable for or that represent the right to receive Common Shares or other securities of the Company, whether now owned directly by the undersigned (including holding as a custodian) or with respect to which the undersigned has beneficial ownership (collectively the "**Undersigned's Shares**").

The foregoing restriction is expressly agreed to preclude the undersigned from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Undersigned's Shares even if such Common Shares or other securities of the Company would be disposed of by someone other than the undersigned. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of the Undersigned's Shares or with respect to any security that includes, relates to, or derives any significant part of its value from such Common Shares.

Notwithstanding the foregoing, the undersigned may transfer the Undersigned's Shares (i) upon the written consent of the Company,; or (ii) pursuant to a *bona fide* take-over bid made to all holders of Common Shares of the Company or similar acquisition transaction provided that in the event that the take-over or acquisition transaction is not completed, any securities shall remain subject to the restrictions contained in this undertaking.

The Undersigned's Shares will be released from this undertaking on the date that is the four month anniversary of the completion of the Transaction.

The undersigned now has, and, except as contemplated by this undertaking, for the duration of this undertaking will have, good and marketable title to the Undersigned's Shares, free and clear of all liens, encumbrances, and claims whatsoever. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Undersigned's Shares except in compliance with the foregoing restrictions.

The undersigned understands that the Company is relying upon this undertaking in proceeding toward consummation of the Transaction. The undersigned further understands that this undertaking is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors, and assigns.

DATED this ____ day of _____, 2014.

SIGNED, SEALED & DELIVERED
in the presence of:

WITNESS:

[NAME OF SHAREHOLDER]

Signature:_____

Name:_____

Address:_____

Number and type of securities of the Company currently owned, controlled or directed by the shareholder:

Number and type of securities of the Company subject to this Undertaking:
