

FORM 51-102F3  
MATERIAL CHANGE REPORT

**Item 1. Name and Address of Company**

*State the full name of your company and the address of its principal office in Canada:*

Enertopia Corp. (the "Company")  
950 - 1130 West Pender Street  
Vancouver, BC V6E 4A4

**Item 2. Date of Material Change**

May 29, 2014

**Item 3. News Release**

The Company did disseminate a news release through Newswire.ca on May 29, 2014. The Company announced the material change by filing a Form 8-K with the Securities and Exchange Commission on May 29, 2014.

**Item 4. Summary of Material Change**

Enertopia and Lexaria have signed a Definitive Agreement dated May 28<sup>th</sup>, 2014.

Enertopia and Lexaria each wish to develop a business of legally producing, manufacturing, propagating, importing/exporting, testing, researching and developing, marijuana (the "Business") located in Ontario (the "Property"), and on or about April 10, 2014, the Parties entered a Letter of Intent that set forth the basic terms of a proposed joint venture agreement between Enertopia and Lexaria for those purposes.

**Full Description of Material Change**

See attached Form 8-K.

**Item 5. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

*If this report is being filed on a confidential basis in reliance of subsection 7.1(2) or (3) of National Instrument 51-102, state the reasons for such reliance.*

Not Applicable.

**Item 6. Omitted Information**

Not Applicable.

**Item 7. Executive Officer**

*Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.*

Please contact Robert McAllister, CEO and President of the Company, at 604.602.1675

**Item 8. Date of Report**

DATED May 29, 2014.

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

Current Report  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): May 29, 2014

**ENERTOPIA CORP.**

(Exact name of registrant as specified in its charter)

<b>Nevada</b>	<b>000-51866</b>	<b>20-1970188</b>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

**#950 – 1130 West Pender Street, Vancouver, British Columbia, Canada V6E 4A4**

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (604) 602-1675

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under Exchange Act (17 CFR 240.13e-4(c))

### **Item 1.01 Entry into a Material Joint Venture Agreement**

### **Item 3.02 Unregistered Sales of Equity Securities**

Enertopia and Lexaria have signed a Definitive Agreement dated May 28<sup>th</sup>, 2014.

Enertopia and Lexaria each wish to develop a business of legally producing, manufacturing, propagating, importing/exporting, testing, researching and developing, marijuana (the "Business") located in Ontario (the "Property"), and on or about April 10, 2014, the Parties entered a Letter of Intent that set forth the basic terms of a proposed joint venture agreement between Enertopia and Lexaria for those purposes.

Enertopia wishes to acquire a license from Health Canada a license to designate Enertopia as a Licensed Producer pursuant to Canada's Marijuana for Medical Purposes Regulations (the "License")

The Parties are entering into this Agreement to set out the terms and conditions by which Enertopia does own a 51% interest in the Business and Lexaria does own a 49% interest in the Business; and the terms and conditions on which the Parties will form and operate the joint venture to jointly participate in the Business (the "Joint Venture").

The parties contribute the following as their initial contributions to the business:

Enertopia, as its initial contribution, hereby contributes \$45,000 to the Joint Venture bank account. Lexaria, as its initial contribution, hereby contributes \$55,000 to the Joint Venture bank account.

The parties shall have the following ownership interests under this agreement and of the business:

Enertopia	51%
Lexaria	49%

The Parties shall bear the costs arising under this Agreement and the operation of the Business as to the following, as further described in this Agreement (the "Cost Interests"):

Enertopia	45%
Lexaria	55%

The Parties shall have the following insured liability for all things that are not operating costs arising under this Agreement and the operation of the Business as to the following:

Enertopia	51%
Lexaria	49%

The Parties shall receive all revenues and profits derived from the operation of the Business as to the following, as further described in this Agreement (the "Revenue Interests"):

Enertopia	51%
Lexaria	49%

On May 29, 2014, the Company accepted and received gross proceeds of \$20,000 for the exercise of 200,000 warrants at \$0.10 each into 200,000 common shares of the Company.

Proceeds of the exercise are intended to be used for general working capital.

The Company issued the 200,000 common shares at a deemed price of \$0.10 per warrant exercise to one (1) non-US persons in an off-shore transaction pursuant to the exemption from registration provided for under Regulation S, promulgated under the United States Securities Act of 1933, as amended.

The securities referred to herein will not be and have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements

**Item 7.01 Regulation FD Disclosure.**

A copy of the news release announcing the Joint Venture Agreement is filed as exhibit 99.1 to this current report and is hereby incorporated by reference.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
10.1	<b>Definitive Agreement dated May 28, 2014</b>
99.1	<b>Press Release dated May 29, 2014</b>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 29, 2014

Enertopia Corp.

By:           "Robert McAllister"            
Robert G. McAllister  
President and Director



PRESS RELEASE #201431

FOR IMMEDIATE RELEASE

MAY 29, 2014

## **Enertopia and Lexaria Update LOI with Signed Definitive Joint Venture Agreement**

Vancouver, BC—Enertopia Corporation (ENRT) on the OTCBB and (TOP) on the CSE (the "Company" or "Enertopia") is pleased to announce it has signed the definitive Joint Venture agreement as required in the Letter of Intent that was announced with Lexaria Corp on April 10, 2014.

The Definitive Joint Venture agreement was contemplated at the time of signing the initial April 10, 2014 agreement, and governs the procedures and practices by which the marijuana production facility in the Greater Toronto Area will be operated. As previously reported, Enertopia is paying 45% of costs in order to earn a 51% interest in the facility. The municipal approval process continues to proceed for this facility, located in the Greater Toronto Area.

The Company also announces that 200,000 warrants have been exercised raising \$20,000 in net proceeds.

**The securities referred to herein will not be or have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.**

### **About Enertopia**

Enertopia's shares are quoted in Canada with symbol TOP and in the United States with symbol ENRT. For additional information, please visit [www.enertopia.com](http://www.enertopia.com) or call Clark Kent at 1.647.519.2646

This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements which are not historical facts are forward-looking statements. The Company makes forward-looking public statements concerning its expected future financial position, results of operations, cash flows, financing plans, business strategy, products and services, potential and financing of its medical marijuana projects, evaluation of clean energy projects, oil & gas projects, , competitive positions, growth opportunities, plans and objectives of management for future operations, including statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will," and other

similar expressions that are forward-looking statements. Such forward-looking statements are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements., foreign exchange and other financial markets; changes of the interest rates on borrowings; hedging activities; changes in commodity prices; changes in the investments and exploration expenditure levels; litigation; legislation; environmental, judicial, regulatory, political and competitive developments in areas in which Enertopia Corporation operates. The User should refer to the risk disclosures set out in the periodic reports and other disclosure documents filed by Enertopia Corporation from time to time with regulatory authorities. There is no assurance that Lexaria Corp will conclude any Definitive Agreements. Similarly, there can be no assurance that the Company will be successful in attracting key people.

*The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release*

**THIS JOINT VENTURE AGREEMENT** made the 27<sup>th</sup> day of May, 2014 (the "Execution Date").

**AMONG**

**ENERTOPIA CORPORATION**, a corporation duly incorporated under the laws of the State of Nevada with its executive office at 950-1130 West Pender Street, Vancouver, British Columbia

("Enertopia")

**AND:**

**LEXARIA CORP.**, a corporation duly incorporated under the laws of the State of Nevada with its executive office at 950-1130 West Pender Street, Vancouver, British Columbia

("Lexaria" and together with Enertopia, the "Parties")

**WHEREAS:**

A. ENERTOPIA and LEXARIA each wish to develop a business of legally producing, manufacturing, propagating, importing/exporting, testing, researching and developing, marijuana (the "Business") located at the street address of 5070 Benson Drive, Burlington, ON (the "Property"), and on or about April 10, 2014, the Parties entered a Letter of Intent that set forth the basic terms of a proposed joint venture agreement between Enertopia and Lexaria for those purposes.

C. ENERTOPIA wishes to acquire a license from Health Canada a license to designate ENERTOPIA as a Licensed Producer pursuant to Canada's Marijuana for Medical Purposes Regulations (the "License")

D. The Parties are entering into this Agreement to set out the terms and conditions by which Enertopia does own a 51% interest in the Business and Lexaria does own a 49% interest in the Business; and the terms and conditions on which the Parties will form and operate the joint venture to jointly participate in the Business (the "Joint Venture").



**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties hereto agree each with the other as follows:

**1. DEFINITIONS AND SCHEDULES**

1.01 In this Agreement, unless the context otherwise requires, the following terms will have the following meanings:

**"Effective Date"** means the first business day following the day on which Enertopia has received the final and duly issued License from Health Canada and has notified Lexaria of such receipt.

**"Environmental Laws"** means all applicable civil and criminal foreign, federal, state or local laws, statutes, ordinances, common law, rule, regulations relating to pollution or protection of the environment, human health and safety, and natural resources, including those relating to releases of Hazardous Materials or otherwise relating to the use, manufacture, processing, distribution, generation, treatment, storage, disposal, transport or handling of Hazardous Materials.

**"Environmental Liability"** means, with respect to any Person, any and all losses, liabilities, obligations, penalties, claims, lawsuits, criminal charges, claims, defenses, costs, judgments, trials, proceedings, damages, loss of profits, disbursements or expenses of any nature (including legal fees and the fees of consultants and experts and the expenses incurred in the investigation, defense or follow-up of any lawsuit, claim or proceeding, including any environmental claim) that may, on any date, be imposed on, incurred by or determined or ruled against, such person or any of its affiliates, shareholders, directors, officers, employees and/or agents, to the extent derived from or related to the exposure to any Hazardous Material, the release, presence, production, use, handling, emission, transportation, storage, treatment, discharge or disposal of any Hazardous Material and the infringement or alleged infringement of any Environmental Law.

**"Governmental Authorities"** means any governments, whether federal, provincial, or municipal, and any branch, department or ministry thereof, or any governmental agency, authority, board, tribunal or commission of any kind whatsoever.

**"Hazardous Material"** means all materials, wastes or substances defined by, or regulated under, any Environmental Laws as a hazardous waste, hazardous material, hazardous substance, extremely hazardous waste, restricted hazardous waste, special waste, industrial substance or waste, contaminant, pollutant, toxic waste, or toxic substance, including petroleum, petroleum-derived products or wastes, asbestos, radioactive materials or wastes and polychlorinated biphenyls. The term Hazardous Materials shall include in general any waste, material or substance that is of a corrosive, reactive, explosive, toxic, flammable or infectious nature pursuant to the Environmental Laws, including but not limited to radon gas, asbestos, friable asbestos, asbestos containing materials, lead and lead based paint, mold,

polychlorinated biphenyls, urea formaldehyde foam insulation, underground or above-ground storage tanks, whether empty or containing any substance.

"**Joint Venture**" has the meaning assigned thereto in Section 4.01 of this Agreement.

"**Joint Venture Assets**" means those assets listed in Section 2.01 hereto and any future assets purchased by or on behalf of the Business and all other property, whether real or personal, which is owned, leased, held, developed, constructed or acquired for the Business by or on behalf of the Parties.

"**Joint Venture Loan**" means any and all loans, debts, obligations incurred by the Parties to operate the Business in accordance with Section 6.02 hereof

"**Law**" or "**Laws**" means all applicable domestic and foreign national, federal, state and local Laws (statutory or common), rules, ordinances, regulations, grants, concessions, franchises, licenses, orders, directives, judgments, decrees, and other governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature.

"**Lease Agreement**" means the Letter of Intent to lease agreement between Enertopia, Lexaria, and Jeff Paikin (President of New Horizon Development Group Inc) dated April 10, 2014 pursuant to which the Property is leased by Enertopia and Lexaria.

"**Liabilities**" means: (i) any and all penalties, costs, losses, damages, judgments, settlements, disbursements, expenses, fees, obligations, debts, duties, judgments and other liabilities howsoever characterized, whether known or unknown, accrued or unaccrued, actual, contingent or otherwise, and any and all actions, claims, contests, suits, proceedings, demands and other judicial or administrative actions seeking to impose any of the foregoing; and (ii) Environmental Liabilities.

"**LOI**" means the letter of intent dated April 10, 2014 between Enertopia and Lexaria.

"**MMPR**" means the Canadian Marijuana for Medical Purposes Regulations.

"**Management Agreements**" has the meaning assigned thereto in Section 6.01.

"**Management Compensation**" has the meaning assigned thereto in Section 6.01.

“**Manager**” has the meaning assigned thereto in Section 4.02.

"**Net Profits**" means income available for distribution to the Parties after deducting all expenses incurred by the Business including but not limited to payment of the Management Compensation as determined by audited quarterly financial statements of the Business, and specifically exclude non-Business activities of the Parties.

"**Operations**" means all activities carried out by the Manager in respect of the Business.

"**Ownership Interest**" means all the right, title and interest of a Party in and to the Joint Venture, the Joint Venture Assets, any Joint Venture Loan and accrued interest thereon and the Party's interest in and to this Agreement.

"**Permitted Encumbrances**" means:

- a. liens for Taxes, assessments and governmental charges due and being contested in good faith and diligently by appropriate proceedings (and for the payment of which adequate provision has been made);
- b. servitudes, easements, restrictions, rights of parties in possession, zoning restrictions, encroachments, reservations, rights-of-way and other similar rights in real property or any interest therein, provided the same are not of such nature as to materially adversely affect the validity of title to or the value, marketability or use of the property subject thereto;
- c. liens for Taxes either not due and payable or due but for which notice of assessment has not been given;
- d. security given in the ordinary course of the Business to any Governmental Authority in connection with the operations of the Business, other than security for borrowed money;
- e. the reservations in any original grants from the Crown of any real property or interest therein and statutory exceptions to title that do not materially detract from the value of the real property concerned or materially impair its use in the operation of the Business; and

"**Person**" means any individual, firm, partnership, joint venture, trust, corporation, limited liability company, unincorporated organization, estate or other business entity.

"**Parties**" means the parties to this Agreement and their respective successors and permitted assigns which become parties pursuant to this

Agreement.

"**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 thereto, whether or not disputed.

1.02 The following are Schedules to this Agreement:

Schedule "A" – Estimated Cash Flow Calculation for the 12 months from the Execution Date  
Schedule "B" – Restrictive Legends

## 2. **INITIAL CONTRIBUTIONS & INTERESTS**

2.01 The Parties contribute the following as their initial contributions to the Business:

- (a) ENERTOPIA, as its initial contribution, hereby contributes \$45,000 to the Joint Venture bank account.
- (b) LEXARIA, as its initial contribution, hereby contributes \$55,000 to the Joint Venture bank account.

2.02 The Parties shall have the following Ownership Interests under this Agreement and of the Business:

Enertopia	-	51%
Lexaria	-	49%

2.03 The Parties shall bear the costs arising under this Agreement and the operation of the Business as to the following, as further described in this Agreement (the "Cost Interests"):

Enertopia	-	45%
Lexaria	-	55%

2.04 The Parties shall have the following insured liability for all things that are not operating costs arising under this Agreement and the operation of the Business as to the following:

Enertopia	-	51%
Lexaria	-	49%

2.05 The Parties shall receive all revenues and profits derived from the operation of the Business as to the following, as further described in this Agreement (the "Revenue Interests"):

Enertopia	-	51%
Lexaria	-	49%

### 3. **REPRESENTATIONS, WARRANTIES AND COVENANTS**

3.01 Each of Enertopia and Lexaria represents and warrants to the other as follows:

- (a) It is duly incorporated and is in good standing as to the filing of annual returns under the laws of the jurisdiction of its incorporation.
- (b) It has the corporate or other power to enter into this Agreement.
- (c) All necessary and requisite corporate proceedings, resolutions and authorizations have been or will be taken, passed, done and given to authorize, permit and enable it to execute and deliver this Agreement.
- (d) The entering into of this Agreement will not be in contravention or constitute default under the laws of the incorporation jurisdiction of the Party or any indenture, deed, agreement, undertaking or obligation of the Party or to which it is a party.

- (e) There are no actions or proceedings pending or, to its knowledge threatened which challenge the validity of this Agreement or which might result in a material adverse change in the financial condition of any Party or which would materially adversely affect its ability to perform its obligations under this Agreement or any other document in connection with them.
- (f) This Agreement is a valid, binding and enforceable obligation of each of the Parties in accordance with its terms.
- (g) It will maintain the Lease Agreement in good standing and it will take all such actions as may be necessary to provide that the leased property will at all times during the term of this Agreement remain available for the operation of the Business.
- (h) It has not, and to the best of its knowledge and following due inquiry, nor has any other Person, in relation to the Business received any notice of any breach of any Law or notice of default of any of the terms or provisions of any agreements or instruments in respect of the Business and it has no knowledge of any act or omission or any condition with respect to the Business which could be give rise to any such notice.
- (i) None of the foregoing representations and warranties contains any untrue statement of a material fact or omits to state any material fact.
- (j) The issuance of the Shares by Lexaria to Enertopia as contemplated herein is being made pursuant to an exemption from the registration and prospectus requirements of applicable securities laws pursuant to Section 2.12 of National Instrument 45-106 *Prospectus and Registration Exemptions* and in an offshore transaction to a person who is not a U.S. Person pursuant to Regulation S under the United States Securities Act of 1933, as amended (the "1933 Act") and ENERTOPIA confirms to and covenants with Enertopia that:
  - (i) it will comply with all requirements of applicable securities laws in connection with the issuance to it of the shares and the resale of any of the Shares; and
  - (ii) the Shares have not been registered under the 1933 Act or the securities laws of any State of the United States and that Enertopia does not intend to register the Shares under the *Securities Act of 1933*, or the securities laws of any State of the United States and has no obligation to do so.

- (k) Upon the issuance of the Shares to Lexaria and until such time as is no longer required under applicable securities laws, the certificates representing the Shares will bear legends in substantially the form set forth in Schedule "B" hereto.

#### **4. FORMATION OF JOINT VENTURE AND MANAGEMENT**

4.01 Upon completion of the transactions in Section 5.01(b) below, Enertopia and Lexaria shall be deemed to have formed a joint venture for the operation and further development of the Business (the "Joint Venture").

4.02 Enertopia shall act as the manager of the Operations (the "Manager") for so long as its Ownership Interest is 51% or more. Enertopia may designate a specified individual as Manager if the Parties unanimously consent to such appointment. If any party, including Lexaria, gains a 51% Ownership Interest in the Business, then Enertopia shall have the obligation, if requested by the 51% Ownership Interest party, to surrender the Manager position.

4.03 At the time of formation of the Joint Venture the Parties shall also establish a management committee to determine overall policies, objectives, procedures, methods and actions for the Joint Venture (the "Management Committee"). The Management Committee shall consist of one member appointed by Enertopia and one member appointed by Lexaria. Each Party may appoint one or more alternates to act in the absence of a regular member. Any alternate so acting shall be deemed a member. Appointments by a Party shall be made or changed by notice to the other members.

4.04 Each Party, acting through its appointed member in attendance at the meeting, shall have the votes on the Management Committee in proportion to its Ownership Interest, EXCEPT AS NOTED in Section 4.05, below. The representative of the Party whose Ownership Interest is equal to, or greater than, 51% at any time will be the chairperson of Management Committee meetings and will have a casting vote.

4.05 UNANIMOUS CONSENT of the Management Committee is required in each of these circumstances:

- i) Aggregate funding schedules or budgets for all aspects of building, growing and operating the Business that involve budgets of \$100,000 or more;
- ii) Each capital expenditure incurred by the Business or Joint Venture of more than \$100,000 and each salary, wage or bonus offered by the Business or Joint Venture of more than \$100,000 per annum;

4.06 The Management Committee shall hold regular meetings annually at agreed places. The Manager shall give seven (7) days' notice to the Party of such meetings. Additionally, either Party may call a special meeting upon fifteen (15) days' notice to the other Party. In case of an emergency, reasonable notice of a special meeting shall suffice. There shall be a quorum if at least one member representing each Party is present; *provided, however*, that if a Party fails to attend two consecutive properly called meetings, then a quorum shall exist at the second meeting if the other Party is represented by at least one appointed member, and a vote of such Party shall be considered the vote required for the purposes of the conduct of all business properly noticed even if such vote would otherwise require unanimity.

- (a) If business cannot be conducted at a regular or special meeting due to the lack of a quorum, either Party may call the next meeting upon two (2) days' notice to the other Party.
- (b) Each notice of a meeting shall include an itemized agenda prepared by the Manager in the case of a regular meeting or by the Party calling the meeting in the case of a special meeting, but any matters may be considered if either Party adds the matter to the agenda at least three (3) days before the meeting or with the consent of the other Party. The Manager shall prepare minutes of all meetings and each agenda for a meeting shall include the consideration and approval of the minutes of the immediately preceding meeting of the Management Committee.

4.07 In lieu of meetings in person, the Management Committee may conduct meetings by telephone or video conference, so long as minutes of such meetings are prepared in accordance with Section 4.06. The Management Committee may also take actions in writing signed by all members.

4.08 Except as otherwise delegated to the Manager in Section 4.09, the Management Committee shall have exclusive authority to determine all matters related to overall policies, objectives, procedures, methods and actions for the Joint Venture. The Management Committee shall decide every question submitted to it by a vote.

4.09 Subject to the terms and provisions of this Agreement, the Manager shall have the following powers and duties:

- (a) The Manager shall manage, direct and control Operations with best efforts towards maximum efficiencies and profitability.
- (b) The Manager shall keep the Joint Venture Assets free and clear of all Encumbrances, except for those existing at the time of, or created concurrently with, the acquisition of such Joint Venture Assets.



- (c) The Manager shall obtain and maintain for itself and at its own cost, such insurance, with such limits and deductibles, as would normally be maintained by a reasonably prudent manager in the circumstances.
- (d) The Manager shall keep the other Party advised of all Operations by submitting in writing to the other Party a report every 30 days. At all reasonable times the Manager shall provide the other Party access to, and the right to inspect, audit, and copy all production reports, invoices, operations and other information acquired in Operations.
- (e) The Manager shall arrange for the Parties to be provided with complete operational financial statements every 90 days that are not more than 45 days in arrears.
- (f) The Manager shall allow the other Party, at such Party's sole risk and expense, and subject to the Manager's safety regulations, to inspect the Property and Operations at all reasonable times.
- (g) The Manager shall make or arrange for all payments required by leases, licenses, permits, contracts and other agreements related to the Joint Venture Assets and the Business.
- (h) The Manager shall pay all Taxes, assessments and like charges on Operations and the Business.
- (i) The Manager shall:
  - (i) apply for all necessary permits, licenses and approvals whether local, regional, provincial or federal;
  - (ii) comply with applicable Laws in all substantial respects; and
  - (iii) notify promptly the Management Committee of any allegations of substantial violation thereof.

4.10 The Manager shall conduct all Operations in a good, workmanlike and efficient manner, in substantial accordance with sound industry standards and practices, and in substantial accordance with the terms and provisions of applicable leases, licenses, permits, contracts and other agreements pertaining to the Business and/or the Joint Venture Assets. The Manager shall not be liable to the other Party for any act or omission resulting in damage or loss unless the same is a result of the Manager's wilful misconduct or negligence.

## **5. ACQUISITION OF OWNERSHIP INTEREST AND MORTGAGE**

5.01 Enertopia will have acquired a 51% Ownership Interest in the Business by satisfying the requirements set out in this Section 5.01:

- a) Executing the Letter of Intent of April 10, 2014 (completed)
- b) Executing this Agreement
- c) Pay to a Joint Venture bank account CDN\$45,000 as an initial amount to upgrade the Business as may be necessary pursuant to MMPR requirements or as may otherwise be required to advance the Business.

5.02 Lexaria will have acquired a 49% Ownership Interest in the Business by satisfying the requirements set out in this Section 5.02:

- a) Executing the Letter of Intent of April 10, 2014 (completed)
- b) Executing this Agreement
- c) Pay to a Joint Venture bank account CDN\$55,000 as an initial amount to upgrade the Business as may be necessary pursuant to MMPR requirements or as may otherwise be required to advance the Business
- d) Issuing 500,000 Definitive Agreement restricted common shares to Enertopia as required in the April 10, 2014 Letter of Intent (completed), to be released to Enertopia when a valid MMPR license has been received by Health Canada. In the event the Health Canada license has not been received within 24 months of the date of this Agreement, the Definitive Agreement shares shall be cancelled and returned to treasury.

5.03 In the event the Health Canada MMPR license has not been received within 24 months of the date of this Agreement, this Agreement shall terminate and the Parties will be released from all subsequent obligations under this Agreement, unless the Parties agree unanimously to extend this Agreement for an additional 12 months under the same terms and conditions.

## **6. OPERATION OF JOINT VENTURE**

6.01 During the period commencing on the Execution Date until the third anniversary of the Execution Date, the Management Committee may enter into certain management agreements (the "Management Agreements") with certain employees or consultants of the Business pursuant to which such individuals will receive compensation to be specified for a period to be specified in the applicable Management Agreement (the "Management Compensation"). The Management Compensation shall be payable out of the gross profits of the Business provided however that any shortfall due to insufficient gross profits shall be paid by the Joint Venture.

6.02 Funds required from time to time by the Parties to operate the Business will be obtained first by funding as to 55% by Lexaria and 45% by Enertopia into a jointly held and controlled bank accounts. If a Party wishes to obtain a Joint Venture Loan to fund their required contribution to the Joint Venture, they shall first provide the other Party with particulars of the terms of any such proposed Joint Venture Loan including the amount of any commitment or other loan fees, the security required by the lender and other terms and conditions, and shall not finalize any such Joint Venture Loan without the prior written approval of the other Party, such approval not to be unreasonably delayed or withheld. No Party may encumber the Business nor offer the Business as security without the express written permission of all other Parties to the Business.

6.03 Any Joint Venture Loan entered into in accordance with Section 6.03 hereof shall be borne by the Parties hereto pro rata in proportion to their Costs Interest at the time of demand for payment by such bank or institution and if any of the Parties discharge any liabilities of the Parties either directly or pursuant to such guarantee given hereunder then the Party discharging the liabilities shall have the right to be reimbursed by the Party or Parties not so contributing so that in the end result each of the Parties shall have contributed in proportion as aforesaid.

6.04 Commencing on the Execution Date, the Net Profits shall be distributed to each of the Parties in proportion to their respective Revenue Interests on a quarterly basis provided however for the 12 months following the date of Health Canada granting a license under the MMPR, each party shall re-invest 80% of the portion of Net Profits received by it back into the Business for the further development of the Business. Thereafter any reinvestment of Net Profits by the Parties shall be determined by the Management Committee. The Parties agree to the estimated Cash Flow calculation for the 12 months following the Execution Date set forth in Schedule "A" hereto. Net Profit Distribution to take place from the Joint Venture Bank account to the respective Party bank accounts within 10 days of the quarterly financial statement delivery.

6.05 If funds are required for the operation of the Business, or other expenses related to the Business, then the Parties agree to advance such funds in accordance with their Cost Interests (the "Contribution"), upon the demand of the Management Committee.

6.06 If either Party (the "Defaulter") fails to provide his or her Contribution within 20 business days from the date required by the Management Committee (the "Deficiency"), then the Party who has paid its Contribution may give written notice to the Defaulter to pay its Deficiency. If such Defaulter does not pay its Deficiency within 45 days of such notice, that Party making its own Contribution as required (the "Contributor") will not be required to but may pay all or any part of the Deficiency on behalf of the Defaulter. If the Contributor pays all or any part of the Deficiency on behalf of the Defaulter:

- (a) The total amount advanced by the Contributor on behalf of the Defaulter will be aggregated from time to time and interest will accrue on the same from the date or dates of such contribution at a rate of interest equal to that charged by the Royal Bank of Canada's prime rate plus six percent. Such total amount and all interest accrued and unpaid thereon from time to time will be herein called the "Deficiency Contribution";
- (b) Any Deficiency Contribution will be Payable by the Defaulter to the Contributor on demand by the Contributor.

6.07 Each Party agrees to indemnify and save harmless the other from and against any loss, costs or damages it may suffer as a result of its failure to pay for its Ownership Interest of the amounts due and owing under the Business.

## **7. RESTRICTIONS ON TRANSFER/RIGHT OF FIRST REFUSAL**

7.01 Except as otherwise expressly permitted in this Agreement:

- (a) no Party shall, at any time during the course of this Agreement, sell, transfer or otherwise dispose of or offer to sell, transfer or otherwise dispose of any of its Ownership Interest unless that Party (the "Offeror") first offers by notice in writing (the "Offer") to the other Parties (the "Others") pro rata in accordance with their Ownership Interest the prior right to purchase, receive or otherwise acquire the same;
- (b) the Offer shall set forth:
  - (i) the Ownership Interest offered for sale;
  - (ii) the consideration therefor expressed only in lawful money of Canada;
  - (iii) the terms and conditions of the sale; and
  - (iv) that the Offer is open for acceptance for a period of sixty days after receipt of such Offer by the Others;
- (c) any of the Others may accept such Offer and by such acceptance specify any additional portion of the Ownership Interest offered for sale that such Party is prepared to purchase in the event that any of the Others fail to accept such Offer and, if any of the Others fail to accept such Offer, such Party (pro rata if more than one) shall be entitled to purchase such

additional portion of the Ownership Interest as shall be so available;

- (d) if, and to the extent the Offer is not accepted, the Offeror may sell, transfer or otherwise dispose of his remaining Ownership Interest to any other person, firm or corporation (the "Third Party") only for the consideration and upon the terms and conditions as set out in the Offer but only within the period of ninety days after the expiry of the period for acceptance by the Others and, if the Offeror does not do so, the provisions of this Section 6.01 will again become applicable to the sale, transfer or other disposition of his Ownership Interest and so on from time to time;
- (e) no disposition of any Ownership Interest in the Business permitted by this Section 6.01 shall be made unless the Third Party shall have entered into an agreement with the Others by which the Third Party shall be bound by and entitled to the benefit of the provisions of this Agreement and other Others shall enter into such an agreement; and
- (f) any Party who shall have disposed of all of their Ownership Interest in compliance with the provisions of this Agreement shall be entitled to the benefit of and be bound by only the rights and obligations which arose pursuant to this Agreement prior to such disposition.

7.02 Except as specifically provided herein, no Party shall mortgage, pledge, charge, hypothecate or otherwise encumber their Ownership Interest or any part thereof without the prior written consent thereto of the other Parties, which consent may be arbitrarily withheld.

7.03 Notwithstanding any other provision of this Agreement, no Party shall be entitled to sell, transfer or otherwise dispose of any of their Ownership Interest or any part thereof without first obtaining the consent of the other Parties, if such action would permit any other party to accelerate or demand the payment of any Joint Venture Loan.

## **8. DEFAULT**

8.01 It is an event of default (a "Default") if a Party (the "Defaulting Party", the other Parties being the "Non-Defaulting Parties"):

- (a) fails to observe, perform or carry out any of his obligations hereunder and such failure continues for 30 days after any of the Non-Defaulting Parties have, in writing, demanded that such failure be cured;
- (b) fails to take reasonable actions to prevent or defend assiduously any action or proceeding in relation to any of their

Ownership Interest for seizure, execution or attachment or which claims:

- (i) possession;
- (ii) sale;
- (iii) the appointment of a receiver or receiver-manager of its assets; or
- (iv) forfeiture or termination;

of or against any of the Ownership Interest of the Defaulting Party, and such failure continues for 30 days after a Non-Defaulting Party has, in writing, demanded that the same be taken or the Defaulting Party fails to defend successfully any such action or proceeding;

- (c) becomes bankrupt or commits an act of bankruptcy or if a receiver or receiver-manager of his assets is appointed or makes an assignment for the benefit of creditors or otherwise;
- (d) fails after fourteen days' notice in writing to the other to resolve by agreement a course of conduct requiring approval of the Parties in accordance with Section 8.01 hereof.

8.02 In the event of a Default, the Non-Defaulting Parties may do any one or more of the following:

- (a) pursue any remedy available to them in law or in equity, it being acknowledged by each of the Parties that specific performance, injunctive relief (mandatory or otherwise) or other equitable relief may be the only adequate remedy for a Default;
- (b) take all actions in their own names or in the name of the Defaulting Party or the Parties as may reasonably be required to cure the Default, in which event all payments, costs and expenses incurred therefor shall be payable by the Defaulting Party to the Non-Defaulting Parties on demand with interest at the Royal Bank of Canada prime commercial rate of interest for its most creditworthy customers plus 6% per annum;
- (c) implement the buy-sell procedure as set out in Section 9.01 hereof;

- (d) waive the Default provided, however, that any waiver of a particular Default shall not operate as a waiver of any subsequent or continuing Default.

## **9. BUY-SELL PROCEDURE**

9.01 If any of the Parties are desirous of purchasing the Ownership Interest of a Defaulting Party as defined in Section 8.02 hereof, the transaction shall be initiated and completed in the following manner. The said party (hereinafter referred to as the "Offeror") shall give to the other party (hereinafter referred to as the "Offeree") notice in writing which shall contain the following terms and provisions:

- (a) the price for the Ownership Interest to be sold;
- (b) an offer to buy all of the Ownership Interest owned by the Offeree at a fixed price determined solely by the Offeror;
- (c) an offer to sell all of the Ownership Interest owned by the Offeror to the Offeree at a fixed price determined solely by the Offeror;
- (d) payment of an amount equal to the total purchase price in cash or by certified cheque or other valuable consideration on closing.

9.02 Upon receipt of the notice, the Offeree may, within a period of 30 days thereafter, accept either one of the offers contained in the notice and shall give written notification to the Offeror accepting either the Offeror's offer to purchase or the Offeror's offer to sell as contained in the notice.

9.03 The individual parties hereto agree that failure to accept within the time limited as aforesaid shall be for all intents and purposes be deemed to have been a rejection of the Offeror's offer to purchase in the same manner as if the Offeree had, in fact, rejected such offer to purchase by notice in writing. The appropriate offer in accordance with the foregoing and acceptance thereof by either notice in writing or the failure of the Offeree to accept the same shall be deemed to constitute a binding agreement of purchase and sale as set out in the Offeror's notice and in the terms and provisions of this Agreement. The transaction or transactions of purchase and sale arising from the foregoing shall be completed within sixty days after acceptance.

9.04 In the event of a sale of an Ownership Interest in the said Business as herein provided for, the party selling shall in this Section be

referred to as the "Seller" and the party purchasing shall in this Section be referred to as the "Purchaser", and the following additional provisions shall apply:

- (a) the date scheduled for closing (the "Closing") may be at any earlier date agreed to and fixed by the individual parties hereto;
- (b) any amount payable under the agreement of purchase and sale or other agreed transaction shall be paid by way of cash or by way of certified cheque;
- (c) if, upon the date set for Closing, the Parties shall be indebted to the Seller in an amount recorded on the books of the Parties and verified by the auditors/accountants of the Parties, such indebtedness shall be paid to the Seller by the Parties at the time of Closing;
- (d) if, upon the date set for Closing, the Seller shall be indebted to the Parties in an amount so recorded and verified, the Purchaser shall be entitled under the purchase price to pay, satisfy and discharge all or any portion of such indebtedness and to receive and to take credit against the purchase for the amount or amounts so paid on account of such indebtedness;
- (e) if, on the date of Closing, the Seller is responsible on any covenant for the liabilities of Business the Purchaser shall procure for the Seller and deliver to him at the time of closing releases from any such covenants or guarantees or, failing that, shall indemnify the Seller from any claim, action, demand or liability that may arise by reason of such covenants or guarantees;
- (f) if, on the date of Closing, the Seller shall have any securities lodged with any person, including the Parties' bankers, to secure any indebtedness of the Parties, then the Purchaser shall deliver the same free and clear of any claims in connection with such indebtedness to the Seller. In the event the Purchaser is unable to deliver the same, then the Purchaser shall execute all such documents as may be reasonably required in order to indemnify and save harmless the Seller in relation thereto;
- (g) if, on the date of Closing, the Seller shall, for any reason, fail or refuse to complete the transaction, the Purchaser shall have the right upon such default without prejudice to any other rights which the Purchaser may have, upon payment by the Purchaser of the balance due on closing (less or plus any adjustment herein permitted) to the credit of the Seller in any chartered bank in the Province of British Columbia or the solicitors for the Business on behalf of and in the name of the



Seller to complete the transaction as aforesaid and the Seller hereby irrevocably constitutes the Purchaser the true and lawful attorney of the Seller to complete the transaction and to execute any and every document necessary in that behalf;

- (h) between the date of any offer and the date of Closing of any ensuing transaction neither the Seller nor the Purchaser shall do or cause to be done anything except in the ordinary course of business;
- (i) notwithstanding any term or provision of this Agreement to the contrary, once any of the sale provisions hereinbefore referred to are invoked or become operative pursuant to the provisions of this Agreement, no other offer or notice of sale or intention to sell shall be given or accepted until the Closing or termination of the ensuing transaction.

## **10. NO PARTNERSHIP**

10.01 Except as otherwise expressed in this Agreement, the rights and obligations of the Parties will be, in each case, several, and will not be or be construed to be either joint or joint and several. Nothing contained in this Agreement will, except to the extent specifically authorized hereunder, be deemed to constitute a Party a partner, an agent or legal representative of the other Parties. It is intended that this Agreement will not create the relationship of a partnership among the Parties and that no act done by any Party pursuant to the provisions hereof will operate to create such a relationship.

## **11. FINANCIAL**

11.01 Lexaria agrees to change its fiscal year-end to August 31 as soon as it is reasonable to do so.

11.02 Each Party shall be responsible for and pay their own respective corporate and personal tax and duty obligations, whether in Canada, the United States, or elsewhere, and each of the Parties shall hold the other and the Joint Venture harmless and agree to indemnify them for those tax and duty obligations, as well as and costs of collection, interest, fines, penalties, or litigation.

11.03 The books of account of the Business shall be maintained on an accrual basis in accordance with Generally Accepted Accounting Principles, consistently applied, and shall show all items of income and expense, all assets and liabilities and the contribution accounts of the Parties.

11.04 Enertopia, or the 51% ownership interest party, shall:

- (a) cause to be prepared and furnished to Lexaria and/or any ownership partners of less than 49.9%, promptly after the close of each fiscal period a balance sheet of the Business dated as of the end of the fiscal period, a related statement of income or loss and a related statement of source and application of funds for the Business for such fiscal period, all of which shall be certified in the customary manner by the Auditor, and the same information for the fiscal period as is required to be included in the periodic reports referred to in (b) below.
- (b) upon request by Lexaria from time to time, provide to Enertopia any information about the business and activities of the Business necessary for the tax returns of Enertopia or other information on the business and affairs of the Business as may be reasonably requested by Enertopia.

11.05 Any Party shall have the right from time to time at all reasonable times during usual business hours and without causing a material disruption of the Business, to audit, examine and make copies of or extracts from all records relating to the Business. Such right may be exercised through any agent or employee of such Party designated by it, or by independent accountants designated by such Party. Such Party shall bear all expenses incurred in any such audit or examination or for copies or extracts made at such Party's request.

## **12. CONFIDENTIALITY**

12.01 The making of this Agreement and the consummation of the transactions contemplated in this Agreement will be maintained as strictly confidential, and subject to the requirement of law and of governmental and regulatory authorities, none of the Parties will make any disclosure concerning the terms or conditions of this transaction or any other aspect of their dealings, including, but not limited to, information relating to finances, customers, technologies, or trade secrets except with the written consent of the other Parties or as is necessary in order to carry out their respective contributory duties under the terms of this Agreement.

12.02 The above restrictions will not apply to any information that:

- (a) is in the public domain through no fault of the recipient;
- (b) is authorized for disclosure by the disclosing Party;
- (c) is received by the recipient from another unrestricted source;

- (d) is independently developed by the recipient; or
- (e) is lawfully required to be disclosed by a court or other judicial proceeding in any jurisdiction.

12.03 The Parties agree that because monetary damages alone would be insufficient to consummate for a breach of these confidentiality provisions, any Party may seek any judicial, nonjudicial or extraordinary relief available in any court with competent jurisdiction to prevent the breach of these provisions. This remedy is in addition to any other remedies that may be available.

### **13. GENERAL PROVISIONS**

13.01 This Agreement shall terminate:

- (a) if either Party sells or otherwise disposes of its Ownership Interest in the Business;
- (b) The Parties, acting together, collectively sell the Business after which this Agreement will cease to have any effect or be binding upon the parties except in respect of the resolution of the rights and obligations of the parties during the period prior to such sale and the payment of all monies between the parties arising as a result;
- (c) if the Parties hereto consent in writing to the termination hereof; or
- (d) in accordance with Section 5.01(g) hereof.

13.02 Enertopia and Lexaria shall execute such further assurances and other documents and instruments and do such further and other things as may be necessary to implement and carry out the intent of this Agreement.

13.03 The provisions herein constitute the entire agreement between the Parties and supersedes all previous expectations, understandings, communications, representations and agreements, whether verbal or written, including the LOI, between the Parties with respect to the subject matter hereof.

13.04 If any provision of this Agreement is unenforceable or invalid for any reason whatever, it shall not affect the enforceability or validity of the remaining provisions of this Agreement and such provision shall be severable from the remainder of this Agreement.

13.05 Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if mailed by prepaid registered mail return receipt requested, courier service or by electronic communication, capable of producing a printed transmission to or delivered at the address of the other party first written above or at such other address as any of the parties may from time to time direct in writing, and any such notice shall be deemed to have been received, if mailed or couriered, forty-eight hours after the time of mailing or if sent by electronic communication on the date of such communication. If normal mail service or courier service is interrupted by strike, slow down, force majeure or other cause, a notice sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the notice shall utilize any other such services which have not been so interrupted or shall deliver such notice in order to ensure prompt receipt thereof.

13.06 Time shall be of the essence hereof.

13.07 This Agreement shall be governed by and construed in accordance with the laws in force in the Province of British Columbia from time to time.

13.08 Should there be a disagreement or a dispute between the parties hereto with respect to this Agreement or the interpretation thereof, the same shall be referred to a single arbitrator pursuant to the *Commercial Arbitration Act* of British Columbia and the determination of such arbitrator shall be final and binding upon the parties hereto.

13.09 The headings in this Agreement form no part of this Agreement and shall be deemed to have been inserted for convenience only.

13.10 Wherever the singular or the masculine is used throughout this Agreement the same shall be construed as being the plural or the feminine or the neuter or the body politic or corporate where the context so requires. The headings immediately preceding each paragraph are inserted for the purpose of convenience only and are to be excluded from any construction or interpretation of this Agreement.

13.11 Each of Enertopia and Lexaria shall make, do and execute or cause to be made, done or executed all such further things, acts, documents, conveyances and assurances as may be necessary or reasonably required to carry out the intent and purpose of this Agreement fully and effectually.

13.12 This Agreement shall enure to the benefit of and be binding upon the Parties and their respective personal representatives, successors and permitted assigns.

13.13 This Agreement may be signed by facsimile, pdf email attachment or original and executed in any number of counterparts, and

each executed counterpart will be considered to be an original. All executed counterparts taken together will constitute one agreement

*-Signature Page Follows-*

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the day and year first above written.

**ENERTOPIA CORPORATION**

by its authorized signatory

Per:

\_\_\_\_\_  
Authorized Signatory

**LEXARIA CORP.**

by its authorized signatory

Per:

\_\_\_\_\_  
Authorized Signatory

## SCHEDULE "A"

Estimated Cash Flow Calculation for the 12 months from the Execution Date

	15-Jun	15-Jul	15-Aug	15-Sep	15-Oct	15-Nov	15-Dec	16-Jan	16-Feb	16-Mar	16-Apr	16-May	Total
<b>Cash on hand (beginning of month)</b>	0	0	0	0	136,800	205,200	273,600	410,400	547,200	684,000	820,800	957,600	
<b>CASH RECEIPTS</b>													
<b>TOTAL CASH RECEIPTS</b>	0	0	0	68,400	136,800	205,200	273,600	410,400	547,200	684,000	820,800	957,600	4,104,000
<b>CASH PAID OUT</b>													
Electricity	2,000	2,000	2,000	5,000	5,000	10,000	12,000	25,000	25,000	32,500	40,000	50,000	210,500
Natural Gas	1,500	1,500	1,500	1,500	1,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	39,000
Security monthly monitoring	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Phone, cell phones	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Internet	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Plant Labour	10,000	10,000	10,000	10,000	10,000	20,000	20,000	30,000	40,000	50,000	55,000	60,000	325,000
Scientist	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Person In Charge and Master Grower	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
Soil				25,000			25,000			25,000			75,000

Fertilizers				20,000	10,000	15,000	20,000	20,000	25,000	25,000	30,000	30,000	195,000
Pots ( a one time cost				10,000		10,000		20,000			20,000		60,000
water maintenance filters	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Security	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Security Ground	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Lights						150,000	150,000			150,000			450,000
<b>SUBTOTAL</b>	50,350	50,350	50,350	108,350	63,350	246,350	268,350	136,350	131,350	323,850	186,350	181,350	1,796,700
<b>TOTAL CASH PAID OUT</b>	-50,350	-50,350	-50,350	-39,950	73,450	-41,150	5,250	274,050	415,850	360,150	634,450	776,250	
<b>Cash on hand (end of month)</b>	-50,350	-	-	-	-	-	-	120,600	536,450	896,600	1,531,050	2,307,300	



## **SCHEDULE "B"**

### **Restrictive Legends**

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [*the date that is 4 months and one day from initial issuance of the security*].

THE SECURITIES REPRESENTED HEREBY HAVE BEEN OFFERED IN AN OFFSHORE TRANSACTION TO A PERSON WHO IS NOT A U.S. PERSON (AS DEFINED HEREIN) PURSUANT TO REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT").

NONE OF THE SECURITIES REPRESENTED HEREBY HAVE BEEN REGISTERED UNDER THE 1933 ACT, OR ANY U.S. STATE SECURITIES LAWS, AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES (AS DEFINED HEREIN) OR TO U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE 1933 ACT, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND IN EACH CASE ONLY IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE 1933 ACT. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE 1933 ACT.