

SPEARMINT RESOURCES INC.
1470 – 701 West Georgia Street
Vancouver, BC V7Y 1C6

July 28, 2014

ALLIANCE GROWERS CORP.
302-1912 Enterprise Way

Kelowna, BC V1Y 9S9

Attention: Charles Carleton, President

Dear Sir:

Re: Non-Binding Letter of Intent: Potential Business Combination

Spearmint Resources Inc. ("**Spearmint**"), on its own behalf and on behalf of Sheslay Mining Inc. ("**Spinco**"), wishes to work with Alliance Growers Corp. ("**Alliance**") and enter into this non-binding letter of intent to pursue a transaction involving a business combination of Spinco and Alliance (the "**Proposed Transaction**").

This letter sets out the basis on which we and you intend to pursue the possibility of entering into the Proposed Transaction, subject to completion of due diligence, structuring and negotiation of definitive terms, conditions and binding documentation.

Except as to the provisions of Sections 4, 5, 6, 7 and 8 below, which provisions are intended to be binding contractual obligations of the parties, this letter of intent: (a) constitutes a non-binding expression of interest of the parties to proceed with respect to the Proposed Transaction; (b) is not intended to create or evidence, and does not constitute, a binding contract between the parties or a complete statement as to the terms and understandings with respect thereto; and (c) does not create or impose any rights, duties, obligations or liabilities on or with respect to any party hereto.

1. Structure of Proposed Transaction. The parties currently contemplate that the Proposed Transaction will take place in two stages:

(a) Stage 1: Spearmint will undertake a plan of arrangement which will result in Spinco becoming a reporting issuer in the Provinces of British Columbia and Alberta (the "**Arrangement**"). Upon completion of the Arrangement, it is currently anticipated that Spinco will have approximately 3,300,000 issued and outstanding common shares ("**Spinco Shares**"), consisting of 2,500,000 common shares, or 75.8%, issued to the founders of the Spinco and 800,000 common shares, or 24.2%, issued to the current shareholders of Spearmint on the closing of the Arrangement. In addition, pursuant to the Arrangement, Spearmint will transfer \$20,000 in working capital to Spinco. Upon completion of the Arrangement, shareholders of Spearmint will continue to hold the common shares of Spearmint. Completion of the Arrangement shall be subject to the following conditions:

(i) approval of the Supreme Court of British Columbia;

- (ii) approval of the British Columbia Registrar of Companies;
 - (iii) approval of the TSX Venture Exchange;
 - (iv) approval of the shareholders of Spearmint; and
 - (v) no material adverse change having occurred in the business of Spearmint;
 - (vi) no legal proceedings pending or threatened to prohibit, enjoin or materially restrict completion of the Arrangement; and
 - (vii) fewer than 10% of the shareholders of Spearmint, shall have exercised applicable dissent or similar rights in respect of the Arrangement, unless waived by Spearmint.
- (b) Stage 2: Spinco will negotiate a definitive agreement with Alliance (the “**Definitive Agreement**”) in respect of a subsequent transaction (the “**Subsequent Transaction**”) which would result in the combination of Spinco and Alliance to form a new company (“**Newco**”). Upon completion of the Subsequent Transaction, Newco would be a reporting issuer in the provinces of British Columbia and Alberta and would undertake the business of Alliance. Upon completion of the Subsequent Transaction, it is anticipated that existing shareholders of Spearmint (through their interest in Spinco) would own 9.6% of the issued and outstanding common shares of Newco (“**Newco Shares**”) and shareholders of Alliance would own 90.4% of the outstanding Newco Shares, subject to adjustment at the time of entering the Definitive Agreement. The parties acknowledge that these amounts have been determined based on discussions between the parties to date concerning the businesses and their prospects.

The precise form and structure of the Subsequent Transaction shall be determined by the parties once all of the tax, corporate and securities law and accounting issues have been reviewed in detail by the parties and their respective advisors. That structure will be set forth in the Definitive Agreement.

To the extent possible, the parties intend to structure the Subsequent Transaction to be exempt from the prospectus requirements of applicable Canadian provincial securities laws and the registration requirements of the *United States Securities Act of 1933*, as amended and any state securities laws. The parties agree that it is intended that the Proposed Transaction will be structured so as to:

- comply with all applicable legal and regulatory requirements;
- minimize or eliminate any adverse tax consequences to both parties and their respective shareholders;
- be as cost-effective as possible; and
- proceed to completion as expeditiously as possible.

2. Definitive Agreement. It is intended that the Definitive Agreement to implement the Subsequent Transaction will be in form and substance mutually acceptable to Spinco and

Alliance and will be in substantially the form customarily used for similar transactions, including customary indemnities, representations and warranties and conditions from and in favour of the parties. In addition, it is anticipated that the Definitive Agreement will include provisions, as yet to be negotiated, with respect to the following:

- (a) Alliance will provide Spinco with a current business plan regarding the operations of Newco, which outlines consolidated cash and working capital requirements for a 12-18 month period;
- (b) Alliance will provide such audited and unaudited financial statements as may be required to be included in an information circular to be prepared by Spinco in relation obtaining shareholder approval of the Proposed Transaction, if necessary;
- (c) upon completion of the Proposed Transaction the board of directors of Newco will be comprised of: Charles Carleton, Kelly Harrison and Dallas Gray and Conrad Clemiss.
- (d) upon completion of the Proposed Transaction the officers of Newco will be: Charles Carleton, Kelly Harrison and Dallas Gray.
- (e) Spinco will have not less than \$100,000 in working capital, or as may otherwise be agreed upon by the parties;
- (f) conditions of completion, including the following:
 - (i) completion of the Arrangement by Spearmint;
 - (ii) Spinco will have completed and be satisfied, in its sole discretion, with the results of its due diligence review of Alliance, such due diligence to cover legal, accounting, business, financial, operational, regulatory, environmental and other relevant matters;
 - (iii) the Board of Directors of Spinco will have approved the Subsequent Transaction and the form of the Definitive Agreement;
 - (iv) receipt of all approvals, including those of shareholders and applicable regulatory authorities, required in respect of the Proposed Transaction on terms and conditions satisfactory to Spinco and Alliance, acting reasonably;
 - (v) no material adverse change having occurred in the business of Spinco or Alliance;
 - (vi) no legal proceedings pending or threatened to prohibit, enjoin or materially restrict completion of the Subsequent Transaction;
 - (vii) approval of the securityholders of Spinco and Alliance, as applicable and if necessary, obtained at duly called shareholders meetings;
 - (viii) receipt by each of Spinco and Alliance of such evidence of value and fairness opinions as may be required: (A) by securities regulators in order for such regulators to approve the Subsequent Transaction; and (B) by the boards or

directors of Spinco and Alliance to discharge their respective fiduciary duties;
and

- (ix) completion of a concurrent financing, on terms to be determined by the parties, for gross proceeds of not less than \$500,000 to fund the operations of Newco, or as may otherwise be agreed upon by the parties.

3. Access to Information. From the date hereof until the termination of this letter pursuant to its terms, subject to compliance with applicable law, each party shall, and shall cause their respective representatives to give reasonable access to the other party and its advisors to such business, operating and financial data and information concerning such party and to its management as such other party may reasonably require in connection with the conduct of its due diligence review of the other party prior to execution of the Definitive Agreement.
4. Confidentiality. The parties shall keep confidential all books, records, files and other information supplied by any party to the other parties or their employees, agents or representatives in connection with this letter, including all analyses, reports, studies or other documents prepared by any party or its employees, agents or representatives, which contain information from, or otherwise reflects such books, records, files or other information. The parties shall use their reasonable efforts to ensure that their employees, agents or representatives do not disclose, divulge, publish, transcribe, or transfer such information, in whole or in part, other than to an affiliate where such disclosure is for routine corporate purposes, without the prior written consent of the other party, which consent may not be arbitrarily or unreasonably withheld or delayed. Notwithstanding the foregoing, the foregoing restrictions shall not apply to such information or any part thereof to the extent that:
 - (a) it is required to be publicly disclosed, forthwith, pursuant to applicable securities or corporate laws or rules or requirements of any stock exchange;
 - (b) the disclosure is reasonably required to be made to a taxation authority in connection with the taxation affairs of the disclosing Party; or
 - (c) such information becomes generally disclosed to the public, other than as a consequence of a breach hereof by one of the Parties hereto.
5. Costs. Each of Spearmint and Alliance will be responsible for its own expenses in connection with the Proposed Transaction.
6. Publicity. Except as required by law, no public announcement or press release concerning the matters contemplated hereby shall be made by Spearmint or Alliance without the prior consent of the other. Any such public announcement or press release shall be provided to the other party in advance of its issuance for review and comment.

7. Termination. The letter agreement will terminate and will be of no further force or effect, except for the provisions of Sections 4, 5, 6, 7 and 8, which will survive any termination:
- (a) if a Definitive Agreement is not signed on or before December 31, 2014; or
 - (b) upon execution of the Definitive Agreement.
8. Governing Law. This letter of intent shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. The parties hereby irrevocably attorn to the jurisdiction of the Courts of British Columbia to hear any matter, action, proceeding or dispute relating to this letter of intent.

If you agree with the foregoing, please deliver a signed copy of this letter to the undersigned as soon as possible.

Yours truly,

SPEARMINT RESOURCES INC.

Per: /s/ Conrad Clemiss

Name: Conrad Clemiss

Title: President

SHESLAY MINING INC.

Per: /s/ Conrad Clemiss

Name: Conrad Clemiss

Title: President

ALLIANCE GROWERS CORP.

Per: /s/ Charles Carleton

Name: Charles Carleton

Title: President