

**THIS SHARE EXCHANGE AGREEMENT** made as of the 14th day of September, 2017.

AMONG:

**KAIYUE INTERNATIONAL INC.**, a corporation incorporated under the laws of the Province of British Columbia

(the "**Purchaser**")

AND:

**POTANICALS GREEN GROWERS INC.**, a corporation incorporated under the laws of the Province of British Columbia

(the "**Potanicals**")

AND:

**THE UNDERSIGNED SHAREHOLDER OF POTANICALS**

(the "**Selling Shareholder**")

WHEREAS:

A. The Selling Shareholder is a registered and beneficial owner of such number of Potanicals Shares (as defined herein) as set out opposite the Selling Shareholder's name in Schedule "A" (the "**Subject Shares**");

B. The Purchaser wishes to purchase the Subject Shares from the Selling Shareholder as a part of its offer to acquire all of the issued and outstanding common shares of Potanicals on the terms and conditions set out in this Agreement;

C. The Selling Shareholder has agreed to sell to the Purchaser all of the Subject Shares.

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree with one another as follows:

## **1. INTERPRETATION**

1.1 Where used in this Agreement, each of the following words and terms have the meanings ascribed to them below:

- (a) "**Agreement**" means this share exchange agreement and all instruments supplemental to or in amendment or confirmation of this share exchange agreement;
- (b) "**Closing**" means the completion of the purchase and sale of the Subject Shares;
- (c) "**Closing Date**" means the date of closing of the purchase of the Subject Shares by the Purchaser in exchange for the Consideration Shares;

- (d) "**Common Shares**" means the common shares in the capital of the Purchaser as they are presently constituted;
- (e) "**Consideration Shares**" means such number of Common Shares to be issued from treasury to the Selling Shareholders on a post-Consolidation basis in accordance with Section 2.1 of this Agreement. It is contemplated that the total number of Common Shares, including the Consideration Shares to be issued to the Selling Shareholder as set out in Schedule "A" attached to this Agreement, to be issued to the Potanicals Shareholders for the acquisition of all of the issued and outstanding common shares of Potanicals at the time of the Closing will be 124,186,752 Common Shares;
- (f) "**Consolidation**" means the consolidation of the Purchaser's issued and outstanding Common Shares on the basis of every 2.1174 existing Common Shares being consolidated into one new Common Share, such that upon completion of the Consolidation, the Purchaser will have approximately 10,000,109 issued and outstanding Common Shares (subject to change depending on rounding of fractional Common Shares) on a non-diluted basis;
- (g) "**CSE**" means the Canadian Securities Exchange;
- (h) "**Encumbrance**" means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, preemptive right, or restriction of any nature (including any restriction on the voting of any security, the transfer of any security or other asset, the use of any asset and the possession, exercise or transfer of any other attribute of ownership of any asset);
- (i) "**Name Change**" means the change of the Purchaser's name to "Benchmark Botanics Inc." or such other name as may be mutually acceptable to the Purchaser, Potanicals, the CSE and Registrar of Companies for British Columbia;
- (j) "**Potanicals**" means Potanicals Green Growers Inc.;
- (k) "**Potanicals Shareholders**" means persons who are the registered and beneficial owners of common shares of Potanicals;
- (l) "**Potanicals Shares**" means the Class "A" Common shares of Potanicals, of which there are currently 21,741,500 Potanicals Shares issued and outstanding;
- (m) "**Private Placement**" means a private placement to raise gross proceeds of \$5,270,000.40 by the issuance of 5,855,556 Potanicals Shares at a price of \$0.90 per Potanicals Share before Closing;
- (n) "**Purchaser**" means Kaiyue International Inc.;
- (o) "**Selling Shareholder**" means the Potanicals Shareholder who has signed this Agreement;
- (p) "**Stock Options**" means the outstanding stock options of the Purchaser entitle the holders thereof to purchase up to 200,000 Common Shares exercisable at a price of \$0.13 per Common Share any time before May 24, 2018, which, as a result of the Consolidation, will be adjusted to purchase up to 94,455 Common Shares exercisable at a price of \$0.28 per Common Share;

- (q) "**Subject Shares**" has the meaning given to this term in Recital A of this Agreement;
- (r) "**Termination Date**" means the date of termination of this Agreement pursuant to Section 8.1;
- (s) "**Transaction**" means the purchase of all of the issued and outstanding Potanicals Shares by the Purchaser in exchange for the issuance of 124,186,752 Common Shares to the Potanicals Shareholders (the Selling Shareholder included) all pursuant to the terms and conditions similar to this Agreement; and
- (t) "**TSXV**" means the TSX Venture Exchange.

1.2 In this Agreement, except as otherwise expressly provided:

- (a) the division of this Agreement into Articles, Sections, and Subsections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of the provisions of this Agreement;
- (b) the singular of any term includes the plural, and vice versa, the use of any term is equally applicable to any gender and, where applicable, a body corporate, the word "or" is not exclusive and the word "including" is not limited (whether or not non-limited language, such as "without limitation" or "but not limited to" or words of similar import is used with reference to that term).

## **2. PURCHASE AND SALE OF SHARES**

- 2.1 Subject to the terms and conditions set out in this Agreement, the Selling Shareholder agrees to sell and the Purchaser agrees to purchase the Subject Shares free and clear of all Encumbrances. In consideration of the Subject Shares, the Purchaser agrees to issue to the Selling Shareholder such number of Common Shares set out in Schedule "A", at a deemed price of \$0.20 per Common Share, on the basis of an exchange ratio of 4.5 Common Shares (post-Consolidation) for every one (1) Potanicals Share held by the Selling Shareholder.
- 2.2 The Selling Shareholder acknowledges that the Consideration Shares are being issued to the Selling Shareholder under an exemption from the prospectus requirement of applicable securities laws and that the Consideration Shares will be subject to certain resale restrictions under applicable securities laws and the policies of the CSE, which may include a statutory hold period and escrow restrictions during which time the Selling Shareholder must not sell, transfer or in any manner dispose of the Consideration Shares unless the disposition is otherwise made in accordance with applicable securities laws and the policies of the CSE.

## **3. REPRESENTATIONS AND WARRANTIES OF THE SELLING SHAREHOLDER AND POTANICALS**

- 3.1 To induce the Purchaser to enter into and consummate this Agreement, the Selling Shareholder represents and warrants to the Purchaser solely on the Selling Shareholder's own behalf and not jointly or severally with or on behalf of any other Potanicals Shareholder, as follows:
  - (a) the Selling Shareholder is the sole registered holder and beneficial owner of the Subject Shares, free and clear of all Encumbrances;
  - (b) the Selling Shareholder has the power and capacity and good and sufficient right and authority to enter into, deliver, and perform this Agreement on the terms and conditions

set out in this Agreement and to transfer the legal and beneficial title and ownership of the Subject Shares to the Purchaser without the consent of any other third party or governmental authority except as expressly set forth in the Agreement;

- (c) no person has any agreement or option or a right capable of becoming an agreement for the purchase of the Subject Shares;
- (d) if the Selling Shareholder is a corporation, all necessary corporate action on the part of Selling Shareholder will, at Closing, validly authorize the signing, delivery, and performance of this Agreement and the completion of the transactions contemplated by this Agreement;
- (e) this Agreement constitutes a legal, valid, and binding obligation of the Selling Shareholder enforceable against the Selling Shareholder in accordance with its terms, except as may be limited by laws of general application affecting the rights of creditors;
- (f) the performance of this Agreement will not result in a breach or default under the Selling Shareholder's charter documents or of any agreement or other instrument to which the Selling Shareholder is a party; and
- (g) the Selling Shareholder is not indebted or under obligation to Potanicals on any account whatsoever.

3.2 To induce the Purchaser to enter into and consummate this Agreement, Potanicals represents and warrants to the Purchaser as follows:

- (a) Potanicals is a corporation duly incorporated and validly existing under the laws of British Columbia, is in good standing with respect to the filing of annual reports, and has the power and authority to enter into, deliver, and perform its obligations under this Agreement;
- (b) all necessary corporate action on the part of Potanicals will, at Closing, validly authorize the signing, delivery, and performance of this Agreement and the completion of the transactions contemplated by this Agreement;
- (c) this Agreement constitutes a legal, valid, and binding obligation of Potanicals enforceable against Potanicals in accordance with its terms, except as may be limited by laws of general application affecting the rights of creditors;
- (d) the 21,741,500 issued and outstanding Potanicals Shares represent all of the issued and outstanding shares of Potanicals at the time of this Agreement, and immediately before the Closing, assuming the completion of the Private Placement, there will be 27,597,056 Potanicals Shares issued and outstanding;
- (e) no person has or will have any written or oral agreement, right or option, consensual or arising by law, present or future, contingent or absolute, or capable of becoming an agreement, right or option:
  - (i) to require Potanicals to issue any securities or to convert or exchange any securities into or for shares of Potanicals; or
  - (ii) for the purchase, subscription, allotment, or issuance of any of the issued or unissued shares or other securities of Potanicals; or

- (iii) to require Potanicals to purchase, redeem, or otherwise acquire any of Potanicals' issued and outstanding shares or other securities;
  - (f) Potanicals has the power, authority and capacity to carry on its business as presently conducted by it, and to own and use all of its business assets;
  - (g) the performance of this Agreement and the completion of the transactions contemplated by this Agreement will not conflict with Potanicals' charter documents or of any agreement to which Potanicals is a party, will not give any person any right to terminate or cancel any agreement or any right or other benefit enjoyed by Potanicals, and will not result in the creation or imposition of any Encumbrance in favour of a third party on or against Potanicals' assets; and
  - (h) there are no material actions, suits, appeals, claims, applications, orders, investigations, proceedings, grievances, arbitrations, or alternative dispute resolution processes in progress, or, to the knowledge of Potanicals, pending or threatened by or against Potanicals.
- 3.3 The representations, warranties, covenants, and agreements of the Selling Shareholder and Potanicals contained in this Agreement or in any documents delivered in connection with the transactions contemplated hereby will be true at and as of the time of Closing as though the Selling Shareholder and Potanicals made these representations and warranties at and as of that time. Despite any investigations may make before the signing of this Agreement or the Purchaser's waiver of any condition, the representations, warranties, covenants, and agreements of the Selling Shareholder and Potanicals will survive the Closing for one year.

#### **4. PURCHASER'S REPRESENTATIONS AND WARRANTIES**

- 4.1 To induce the Selling Shareholder and Potanicals to enter into and consummate this Agreement, the Purchaser represents and warrants to the Selling Shareholder and Potanicals as follows:
- (a) the Purchaser is a corporation duly incorporated and validly existing under the laws of Alberta, is in good standing regarding the filing of annual reports, and immediately before the Closing, assuming the completion of continuation of the Purchaser from Alberta to British Columbia, the Purchaser will be a corporation recognized under the laws of British Columbia.
  - (b) the Purchaser has the power and authority to enter into, deliver, and perform this Agreement and to carry out its terms;
  - (c) the Purchaser is a "reporting issuer" in British Columbia and Alberta, is not listed as a "defaulting issuer" by any securities commission in British Columbia or Alberta, and is not in default of any requirements of the applicable securities laws;
  - (d) the Purchaser's continuous disclosure filings with the securities commissions in British Columbia and Alberta are current and accurate, and such filings are true and correct;
  - (e) the Common Shares are listed on the TSXV;
  - (f) all necessary corporate action on the part of the Purchaser will, at Closing, validly authorize the signing, delivery, and performance of this Agreement and the completion of the transactions contemplated by this Agreement;

- (g) this Agreement constitutes a legal, valid, and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, except as may be limited by laws of general application affecting the rights of creditors;
- (h) the Purchaser's authorized capital is an unlimited number of Common Shares, of which there are currently 21,174,230 Common Shares issued and outstanding;
- (i) other than the Stock Options, which will remain in effect after Closing subject to adjustment as a result of the Consolidation, no person has any written or oral agreement or option or right capable of becoming an agreement:
  - (i) to require the Purchaser to issue any securities or to convert or exchange any securities into or for shares of the Purchaser; or
  - (ii) for the purchase, subscription, allotment, or issuance of any of the issued or unissued shares or other securities of the Purchaser; or
  - (iii) to require the Purchaser to purchase, redeem, or otherwise acquire any of the Purchaser's issued and outstanding shares or other securities; and
- (j) the audited financial statements of the Purchaser for the fiscal year ended December 31, 2016 and the unaudited financial statements of the Purchaser for the six months ended June 30, 2017 as filed and made available to the public on SEDAR under the Purchaser's profile, present fairly, in all material respects, the financial position of the Purchaser as at the respective dates thereof, and there has been no material adverse change in the Purchaser's financial position since June 30, 2017;
- (k) the Consideration Shares will be issued as fully paid and non-assessable Common Shares and will be issued subject only to such hold restrictions and escrow requirements imposed by applicable securities laws and the policies of the CSE;
- (l) the performance of this Agreement and the completion of the transactions contemplated by this Agreement will not conflict with the Purchaser's charter documents or of any agreement to which the Purchaser is a party, will not give any person any right to terminate or cancel any agreement or any right or other benefit enjoyed by the Purchaser, and will not result in the creation or imposition of any Encumbrance in favour of a third party on or against the Purchaser's assets; and
- (m) there are no material actions, suits, appeals, claims, applications, orders, investigations, proceedings, grievances, arbitrations, or alternative dispute resolution processes in progress, or, to the knowledge of the Purchaser, pending or threatened by or against the Purchaser.

4.2 The representations, warranties, covenants, and agreements of the Purchaser contained in this Agreement or in any documents delivered in connection with the transactions contemplated hereby will be true at and as of the time of Closing as though the Purchaser made these representations and warranties at and as of that time. Despite any investigations the Selling Shareholder or Potanicals may make before the signing of this Agreement or the waiver by the Selling Shareholder or Potanicals of any condition, the representations, warranties, covenants, and agreements of the Purchaser will survive the Closing for one year.

## 5. COVENANTS

### 5.1 Prior to the Closing Date, the Purchaser will

- (a) to use its reasonable commercial efforts to obtain written consents from the holders of over 50% of the total issued and outstanding Common Shares, approving the Transaction, in accordance with the policies of the CSE;
- (b) to use its reasonable commercial efforts to obtain necessary shareholders' approval for the Consolidation and Name Change and effect the Consolidation and Name Change prior to the Closing;
- (c) to use its reasonable commercial efforts to obtain necessary shareholders' approval for continuation of the Purchaser from Alberta to British Columbia; and
- (d) not solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Transaction and the other transactions contemplated by this Agreement, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or "takeover bid," exempt or otherwise, within the meaning of the *Securities Act* (British Columbia), for securities or assets of the Purchaser, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Transaction, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations;

### 5.2 Potanicals agrees from the date hereof until the Termination Date, other than as agreed in writing by the Purchaser:

- (a) to use its reasonable commercial efforts to cause Potanicals Shareholders, including those who become Potanicals Shareholders as a result of the Private Placement, to sign a share exchange agreement in the form of this Agreement;
- (b) to forthwith prepare and deliver the financial statements required by securities regulators and the CSE in connection with the completion of the Transaction, which will include audited financial statements of Potanicals prepared in accordance with International Financial Reporting Standards as adopted in Canada
- (c) not to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction 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 shareholder proposal or "takeover bid," exempt or otherwise, within the meaning of the *Securities Act* (British Columbia), for securities or assets of Potanicals, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Transaction, including, without limitation,

allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations.

- 5.3 From the date of this Agreement until the earlier of the completion of the Transaction and the Termination Date, the Purchaser and Potanicals will:
- (a) operate its respective business in a prudent and business-like manner and, except for transactions contemplated herein, in the ordinary course and in a manner consistent with past practice, provided that the Purchaser may pay bonuses or severance payments to its officers and directors so long as the Purchaser does not have any current liabilities or long term debt immediately before Closing.
  - (b) cooperate and coordinate fully with each other and use all reasonable commercial efforts to assist each other in completing the Transaction, delisting the Common Shares from the TSXV and listing of the Common Shares on the CSE, including without limitation, assisting with the preparation of a CSE listing statement, and other documents as may be required by the policies of the CSE, applicable securities laws, and the terms of this Agreement, and providing all required information regarding the Purchaser and Potanicals, their respective businesses, assets, and financial condition, unless such cooperation and efforts would cause the party to be in breach of applicable statutory or regulatory requirements;
  - (c) the parties agree that counsel for Potanicals will be primarily responsible for preparation of all documents related to the Transaction and listing of the Common Shares on the CSE, and each party will permit the other party and its counsel to review the preparation of all documentation to be sent to shareholders of the other party or otherwise used in connection with the approval of the Transaction by the shareholders of the other party and the CSE; and
  - (d) allow the other party and its respective authorized representatives, including legal counsel, auditor and consultants, access to all information, books or records relevant for the purpose of the Transaction.

## **6. CONDITIONS PRECEDENT**

- 6.1 The completion of the Transaction will be subject to the following conditions precedent being satisfied prior to the time of Closing on the Closing Date or such earlier date specified herein:
- (a) The following conditions precedents are for the mutual benefit of the Purchaser and Potanicals:
    - (i) receipt of all required regulatory, corporate and third party approvals, including approvals by the TSXV and the CSE, and fulfilment of all applicable regulatory requirements and conditions necessary to complete the Transaction;
    - (ii) completion of the Private Placement;
    - (iii) Potanicals Shareholders holding all of the total issued and outstanding Potanicals Shares at Closing will have agreed to transfer their Potanicals Shares to the Purchaser by signing a share exchange agreement in the form of this Agreement;
    - (iv) the receipt of conditional approval for delisting of the Purchaser from the TSXV and receipt of conditional approval for the listing of the Common Shares on the CSE;



- (v) the representations and warranties of the Selling Shareholder set out in Section 3.1 will be true and correct in every particular as if the Selling Shareholder had made those representations and warranties on the Closing Date;
  - (vi) the Selling Shareholder will have performed and complied with all the obligations, covenants and agreements to be performed and complied with by the Selling Shareholder; and
  - (vii) there will be no prohibition at law against the completion of Transaction.
- (b) The following conditions precedent are for the Purchaser's sole benefit:
- (i) receipt by the Purchaser of the documents listed in Sections 7.3 and 7.4 of this Agreement;
  - (ii) if required, receipt of approval by the holders of all of the issued and outstanding Potanicals Shares approving the Transaction, by ordinary or special resolution passed at a meeting or by written consent, as appropriate;
  - (iii) as at the Closing Date, there will no other issued and outstanding securities of Potanicals other than as disclosed herein;
  - (iv) the representations and warranties of Potanicals set out in Section 3.2 will be true and correct in every particular as if Potanicals had made those representations and warranties on the Closing Date;
  - (v) Potanicals will have performed and complied with all the obligations, covenants and agreements to be performed and complied with by Potanicals;
  - (vi) no material adverse change will have occurred in the business, results of operations, assets, liabilities, financial condition or affairs of Potanicals, financial or otherwise, between the date hereof and the Closing Date;
  - (vii) there will be no legal proceeding or regulatory actions or proceedings against Potanicals, at the Closing Date which may have a material adverse effect on Potanicals, its business, assets or financial condition; and
  - (viii) no inquiry or investigation (whether formal or informal) in relation to Potanicals or its directors or officers will have been commenced or threatened by any securities commission or the TSXV or the CSE or other regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on Potanicals, its business, assets or financial condition.
- (c) The following conditions precedent are for the sole benefit of Potanicals and the Selling Shareholder:
- (i) receipt by Potanicals of all the documents listed in Section 7.2 of this Agreement;
  - (ii) all of the Purchaser's mineral property interests and existing business (if any) will have been sold or terminated by the Purchaser, provided that no liability is incurred to the Purchaser by doing so;

- (iii) receipt of written consents from the holders of over 50% of the total issued and outstanding Common Shares, approving the Transaction;
  - (iv) the Purchaser will have continued its corporate jurisdiction from Alberta to British Columbia;
  - (v) the Purchaser will have completed the Name Change;
  - (vi) the Purchaser will have completed the Consolidation;
  - (vii) as at the Closing Date, there will be no other issued and outstanding securities in the capital of the Purchaser other than as disclosed in this Agreement;
  - (viii) on the Closing Date, all current directors and officers of the Purchaser will have resigned and been replaced with nominees of Potanicals such that the board of directors will then consist of five directors nominated by Potanicals, and the Chief Executive Officer, Chief Financial Officer, Corporate Secretary and other officers will be those persons appointed by the Purchaser's new board of directors;
  - (ix) the Purchasers' representations and warranties set out in Section 4.1 will be true and correct in every particular as if the Purchaser had made those representations and warranties on the Closing Date;
  - (x) the Purchaser will have performed and complied with all the obligations, covenants and agreements to be performed and complied with by the Purchaser;
  - (xi) no material adverse change will have occurred in the business, results of operations, assets, liabilities, financial condition or affairs of the Purchaser, financial or otherwise, between the date hereof and the Closing Date;
  - (xii) there will be no legal proceeding or regulatory actions or proceedings against the Purchaser at the Closing Date, other than as disclosed to Potanicals and being accepted in writing by Potanicals, which may have a material adverse effect on the Purchaser, its business, assets or financial condition; and
  - (xiii) no inquiry or investigation (whether formal or informal) in relation to the Purchaser or its directors or officers, will have been commenced or threatened by any securities regulatory authority, the TSXV, the CSE or other regulatory authority having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on the Purchaser, its business, assets or financial condition.
- (d) Conditions Precedent and Right of Waiver
- (i) The conditions precedent set out in Subsection 6.1(a) hereof are for the mutual benefit of Potanicals and the Purchaser. The conditions precedent set out in Subsection 6.1(b) hereof are for the sole benefit of the Purchaser and the conditions precedent set out in Subsection 6.1(c) are for the sole benefit of Potanicals and the Selling Shareholder. Any party may refuse to proceed with the Closing if the conditions precedent for its benefit are not fulfilled to its reasonable satisfaction prior to the Closing Date and, except as otherwise

specified herein, such party will incur no liability to the other party by reason of such refusal.

- (ii) The conditions precedent set out in Subsections 6.1(a), (b) and (c) may be waived in whole or in part by the party for whose benefit they have been included herein in that party's sole and absolute discretion. No such waiver will be of any effect unless it is in writing signed by the party granting the waiver.

## **7. CLOSING MATTERS**

7.1 The Closing will take place at the time of Closing at the offices of counsel for Potanicals, Boughton Law Corporation, Suite 700, 595 Burrard Street, Vancouver, British Columbia, V7X 1S8. The Closing Date must occur on or before October 2, 2017 or such other date to which the parties may agree in writing.

7.2 On the Closing Date, the Purchaser will deliver to Potanicals the following documents:

- (a) a share certificate to the Selling Shareholder representing the number of Consideration Shares set forth in Schedule "A" registered in the name of the Selling Shareholder;
- (b) resignations of all current directors and officers of the Purchaser;
- (c) directors' resolutions sequentially appointing five nominees of Potanicals as directors and a Chief Executive Officer, President, Chief Financial Officer and Corporate Secretary as appointed by the new board of directors, subject to acceptance of the CSE; and
- (d) evidence acceptable to Potanicals that all of the Purchaser's mineral property interests and existing business (if any) have been sold or terminated by the Purchaser and that no liability has been incurred to the Purchaser by doing so;
- (e) all the minute book, and the books and records of the Purchaser; and
- (f) such other documents as Potanicals may reasonably request

7.3 On the Closing Date, the Selling Shareholder will deliver to Potanicals the share certificate representing the Subject Shares duly endorsed for transfer of the Subject Shares to the Purchaser, and such other documents as the Purchaser or Potanicals may reasonably request.

7.4 On the Closing Date, Potanicals will deliver to the Purchaser:

- (a) a share certificate representing all of the issued and outstanding Potanicals Shares registered in the name of the Purchaser; and
- (b) such other documents as the Purchaser may reasonably request.

## **8. TERMINATION**

8.1 This Agreement may be terminated as follows:

- (a) by the mutual written agreement of the Purchaser and Potanicals;
- (b) by either the Purchaser or Potanicals if the Closing Date does not occur by October 2, 2017, or such other date to which the parties may agree in writing;

- (c) by the Purchaser if any of the conditions in Subsection 6.1(a) or (b) have not been satisfied as of the Closing Date or waived at or prior to Closing;
- (d) by Potanicals on behalf of itself and the Selling Shareholder if any of the conditions in Subsection 6.1(a) or (c) have not been satisfied as of the Closing Date or waived at or prior to Closing;
- (e) by either the Purchaser or Potanicals (the "**non-defaulting party**") if any other party to this Agreement has materially breached or is in material default of any provision of this Agreement and fails to cure or remedy such breach or default within ten (10) days after receiving written notice from the non-defaulting party containing details of the breach or default; or
- (f) by either the Purchaser or Potanicals, if any applicable regulatory authority, the TSXV or the CSE has given notice in writing to either the Purchaser or Potanicals that it will not approve the Transaction or permit the Transaction to proceed or will not approve delisting of the Common Shares on the TSXV and the listing of the Common Shares on the CSE.

8.2 Upon termination of this Agreement, the parties will have no obligations to each other, other than in respect of the confidentiality provisions contained in Article 9 and the provisions related to costs and expenses in Article 11.

8.3 Immediately upon termination of this Agreement for any reason, all information and documents received by one party from the other in written form (including any copies) will be returned to the party originally delivering them and any electronic copies will be deleted or destroyed.

## **9. CONFIDENTIALITY**

9.1 No disclosure or announcement, public or otherwise, in respect of the Transaction or the other transactions contemplated in this Agreement will be made by either the Purchaser or Potanicals without the prior written agreement of the other party, provided that the obligations herein will not prevent either party from making, after consultation with the other party, any disclosure:

- (a) which is necessary for the Purchaser or Potanicals to carry out and give full effect to the terms, provisions and intent hereof and the Transaction;
- (b) to broker sponsors, consultants, lawyers, accountants, the shareholders of or other persons from whom any approvals or consents are required, provided that such disclosure is for the purposes of the Transaction and is not intended for broad dissemination to the public;
- (c) as required by the policies of the TSXV or the CSE or any securities laws or regulations applicable to the Purchaser; or
- (d) as its counsel advises may otherwise be required by law or for the purpose of enforcing the provisions hereof or of any agreement contemplated hereby.

9.2 Unless and until the Transaction has been completed, except with the prior written consent of the applicable party, each of the Purchaser and Potanicals and their respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from the other party in strictest confidence, except as otherwise set out in this Article 9.

- 9.3 The obligations of confidentiality and non-disclosure in this Article 9 do not apply to information that:
- (a) becomes generally available to the public absent any breach of the provisions of this Agreement;
  - (b) was available on a non-confidential basis to a party prior to its disclosure pursuant to this Agreement; or
  - (c) becomes available on a non-confidential basis from a third party who, to the knowledge of the recipient after enquiry, is not bound to keep such information confidential.
- 9.4 The obligations of confidentiality and non-disclosure set forth in this Article 9 will survive the Termination Date and will extend for a period of one year from the date of this Agreement.

## **10. POWER OF ATTORNEY**

- 10.1 By signing this Agreement, the Selling Shareholder hereby grants to Clifford Stowell the power of attorney to sign any and all documents necessary or advisable to be signed by the Selling Shareholder to implement and complete the Transaction and listing of the Common Shares on the CSE, including without limitation, any waiver of a condition precedent for the benefit of the Selling Shareholder or any waiver of any breach or default of the provisions of this Agreement by the Purchaser.

## **11. EXPENSES**

- 11.1 Each party will be responsible for their own costs and expenses (the "**Expenses**") incurred with respect to the transactions contemplated herein, which are comprised of all legal and accounting fees and disbursements relating to preparing the documentation specifically relating to the Transaction and the other transactions contemplated herein, it being acknowledged that documentation in respect of the Transaction will, to as great an extent as reasonably possible, be prepared by Potanicals' legal counsel. Notwithstanding the foregoing, Potanicals will be responsible for paying any TSXV, CSE or other regulatory filing fees required in connection with the Transaction and the other transactions contemplated herein.

## **12. NOTICES**

- 12.1 All notices which may or are required to be given pursuant to any provision of this Agreement will be in writing and will be deemed given when delivered personally or emailed (which is confirmed) or dispatched (postage prepaid) to a nationally recognized overnight courier service with overnight delivery instructions, in each case addressed to the particular party at:

- (a) in the case of the Purchaser:

Kaiyue International Inc.  
c/o 15<sup>th</sup> Floor, 850 – 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 0R8

Attention: Hilda Sung, CEO

Facsimile: 604 631-3309

Email: [hildasung@hotmail.com](mailto:hildasung@hotmail.com)

With a copy to:

Dentons Canada LLP  
20<sup>th</sup> Floor, 250 Howe Street  
Vancouver, British Columbia V6C 3R8

Attention: Larry Yen  
Email: larry.yen@dentons.com

(b) in the case of Potanicals:

Potanicals Green Growers Inc.  
105-6111 London Road  
Richmond, British Columbia V7E 3S3

Attention: Clifford Stowell, President

Facsimile: 604-238-0009  
Email: cliff@stowell.ca

With a copy to:

Boughton Law Corporation  
700-595 Burrard Street  
Vancouver, British Columbia V7X 1S8

Attention: Sean O'Neill

Facsimile: 604-683-5317  
Email: soneill@boughtonlaw.com

(b) in the case of the Selling Shareholder, the name, address, and email stated in Schedule "A",

or at such other address of which any party may, from time to time, advise the other parties by notice in writing given in accordance with the foregoing.

### **13. GENERAL**

- 13.1 This Agreement will be binding upon, and will enure to the benefit of and be enforceable by the parties and their respective, heirs, executors, successors and permitted assigns.
- 13.2 No party may assign this Agreement or any of its rights, interests or obligations under this Agreement without the prior written consent of the other parties.
- 13.3 Time is of the essence of this Agreement.
- 13.4 All monetary amounts referred to herein will, unless otherwise indicated, be read as references to the lawful currency of Canada.
- 13.5 This Agreement, together with share purchase agreements in the same form as this Agreement signed by other Potanicals Shareholders, constitutes the entire agreement among the parties and

supersedes and replaces all previous oral or written agreement regarding the purchase and sale of the Potanicals Shares.

- 13.6 This Agreement may not be amended except by mutual written agreement of the parties hereto.
- 13.7 If any part of this Agreement is declared or held invalid for any reason, such invalidity will not affect the validity of the remainder which will continue in force and effect and be construed as if this Agreement had been signed without the invalid portion and the intention of the parties is that this Agreement would have been signed without reference to any portion which may, for any reason, be declared or held invalid.
- 13.8 The parties agree to sign all other documents and do all other things that may be necessary to implement and carry out the intent of this Agreement and the purchase and sale of the Subject Shares.
- 13.9 This Agreement may be executed in counterparts and may be delivered by facsimile, email or other electronic means, each of which when delivered will be deemed to be an original and all of which together will constitute one document.
- 13.10 This Agreement and all other agreements contemplated herein, if entered into, will be governed in all respects, including validity, interpretation and effect, by the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without giving effect to the principles of conflicts of laws thereof and the parties hereby irrevocably attorn to the jurisdiction of the Courts of the Province of British Columbia in respect of any matter arising hereunder or in connection herewith.

[Signature page follows]

IN WITNESS WHEREOF the parties have signed this Agreement as of the date written on the first page of this Agreement.

**KAIYUE INTERNATIONAL INC.**

Per:

"Signed"  
Authorized Signatory

**POTANICALS GREEN GROWERS INC.**

Per:

"Signed"  
Authorized Signatory



**SCHEDULE "A"**

**Description of the Selling Shareholder, the Subject Shares  
and the Purchaser's Consideration Shares**

<b>Name, Address and Email of the Selling Shareholder</b>	<b>Number of Potanicals Shares (the "Subject Shares")</b>	<b>Number of Consideration Shares of the Purchaser</b>
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Name of Selling Shareholder

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Address

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Address

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Email Address