

SHARE EXCHANGE AGREEMENT

THIS SHARE EXCHANGE AGREEMENT made as of the 5th day of December, 2018.

BETWEEN:

INTEGRATED ENERGY STORAGE CORP., a corporation
incorporated under the laws of Canada

(hereinafter referred to as “**IES**”)

- and -

**THE SECURITYHOLDERS OF MEDCOLCANN (BVI), INC.
(FORMERLY GEBERI, LTD.) SET FORTH IN EXHIBIT “A”
ATTACHED HERETO**

(hereinafter referred to as the “**Vendors**”)

- and -

CHRISTOPHER DONALD REID, an individual residing in the City of
Bogota, in the Country of Colombia

(hereinafter referred to as the “**Vendors’ Representative**”).

WHEREAS IES is a reporting issuer pursuant to Securities Laws;

AND WHEREAS the Vendors are the registered holders of all of the issued and outstanding shares (the “**Medcolcanna Shares**”) in the capital of Medcolcanna (BVI), Inc. (“**Medcolcanna**”) and the Medcolcanna Existing Warrants (as defined herein) in the amounts set forth opposite their respective names in the attached Exhibit “A”;

AND WHEREAS on the terms and subject to the conditions hereinafter set forth, IES proposes to acquire the Medcolcanna Shares and Medcolcanna Existing Warrants and each of the Vendors proposes to transfer their Medcolcanna Shares and Medcolcanna Existing Warrants held by such Vendor to IES in exchange for common shares in the capital of IES or warrants to purchase common shares in the capital of IES, as applicable;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the respective covenants herein contained (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agrees as follows:

**ARTICLE 1
DEFINITIONS**

- 1.1 In addition to the words and phrases defined in the recitals or elsewhere in this Agreement, as used in this Agreement, in any exhibit hereto, in any amendment hereof, in any documents to be executed and delivered pursuant to this Agreement and in any documents executed and delivered in connection with the completion of the transactions contemplated herein, the following words and phrases shall have the following meanings, respectively:
- (a) **“Agreement”** means this share exchange agreement as the same may be supplemented or amended from time to time;
 - (b) **“Applicable Law”** means:
 - (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, and
 - (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority whether or not having the force of law;
 - (c) **“Broker Warrants”** means the broker warrants issuable to certain brokers in connection with the Private Placement;
 - (d) **“Business Day”** means a day other than a Saturday, Sunday or day on which the chartered banks are closed in the City of Toronto or Vancouver;
 - (e) **“CBCA”** means the *Canada Business Corporations Act*, as the same may be amended, from time to time, and includes any regulations thereto;
 - (f) **“Closing”** means the completion of the Transaction pursuant to and in accordance with this Agreement at the Time of Closing;
 - (g) **“Closing Date”** means the date of the Closing, which shall be within four Business Days following the later of (i) the date the parties receive conditional approval of the Transaction from the Exchange; (ii) the date of approval of the IES Resolutions by the IES Shareholders; and (iii) such other date as the Vendors’ Representative and IES may mutually agree, acting reasonably; but in any event not later February 28, 2019;
 - (h) **“Consolidation”** means the consolidation of the issued and outstanding IES Common Shares pursuant to which the total number of post-consolidation IES

Common Shares issued and outstanding as of the date of such consolidation shall not exceed 12,900,000, and the corresponding consolidation and adjustment of the IES Payment Warrants, provided that the total number of post-Consolidation IES Payment Warrants issued and outstanding as of the Closing Date shall not exceed 6,450,000;

- (i) **“Director”** means the Director appointed under Section 260 of the CBCA;
- (j) **“Drop Dead Date”** means February 28, 2019 or such other date as the parties may mutually agree;
- (k) **“Environmental Law”** means any Applicable Law relating to the environment including, but not limited to, those pertaining to:
 - (i) reporting, licensing, permitting, investigating, remediating and cleaning up in connection with any presence or Release, or the threat of the same, of Hazardous Substances, and
 - (ii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport, handling and the like of Hazardous Substances, including those pertaining to occupational health and safety;
- (l) **“Exchange”** means the stock exchange upon which the IES Common Shares shall be listed on the Closing Date, such exchange to be the TSX Venture Exchange Inc.;
- (m) **“Exchange Policies”** means the applicable rules, regulations, policies and forms of the Exchange;
- (n) **“Governmental Authority”** means any government, parliament, legislature, regulatory authority (including any securities commission or stock exchange), governmental department, agency, commission, board, tribunal, crown corporation, court or other law, rule or regulation-making entity having jurisdiction or exercising executive, legislative, judicial, regulatory or administrative powers on behalf of any federation or nation, or any province, territory, state or other subdivision thereof or any municipality, district or other subdivision thereof;
- (o) **“Hazardous Substance”** means any substance or material that is prohibited, controlled or regulated by any Governmental Authority pursuant to Environmental Laws;
- (p) **“IES Common Shares”** mean the common shares in the capital of IES;
- (q) **“IES Debt”** means all current and long-term liabilities of IES existing as of the date hereof, such debt currently consisting of \$52,140 in accounts payable and accrued liabilities and a demand loan in the amount of \$312,446;

- (r) **“IES Escrow Agreement”** means the escrow agreement to be dated as of the Closing Date among IES, Computershare Investor Services Inc. and certain securityholders of Medcolcanna in compliance with the requirements of the Exchange, with the securities subject to such agreement to be released as determined by the Exchange;
- (s) **“IES Escrowed Shares”** means the IES Common Shares held subject to the IES Escrow Agreement;
- (t) **“IES Financial Statements”** means, collectively, (a) the audited financial statements of IES for the fiscal year ended December 31, 2017, (b) the condensed interim unaudited financial statements for the period ended September 30, 2018, and (c) such additional financial statements as may be required to be prepared by the Exchange;
- (u) **“IES Licence”** means the licence held by IES with Pacific Northwest National Laboratories which provides for evaluation and testing of vanadium that will be used in the production of vanadium electrolyte and enables IES to produce vanadium electrolyte that is currently patented by Pacific Northwest National Laboratories, the specifics of which are described in Exhibit “D” hereto;
- (v) **“IES Loans”** means money lent to Medcolcanna by IES from the proceeds of the IES Private Placement at any date prior to the Closing Date;
- (w) **“IES Meeting”** means the special meeting of the IES Shareholders to approve the IES Resolutions and certain other matters;
- (x) **“IES New Warrants”** means, on a post-Consolidation basis, 3,681,330 common share purchase warrants of IES to be issued to holders of Medcolcanna Existing Warrants, with each warrant entitling the holder to purchase one IES Common Share at a price of \$0.25 per share until September 24, 2019;
- (y) **“IES Options”** means, on a pre-Consolidation basis, an aggregate of 500,000 options to purchase IES Common Shares outstanding as of the date hereof, at an exercise price of \$0.25 per share and expiring on September 5, 2020;
- (z) **“IES Private Placement”** means the private placement of IES Common Shares expected to occur prior to the Closing Date raising gross proceeds of not less than \$1,000,000;
- (aa) **“IES Registrar and Transfer Agent”** means Computershare Investor Services Inc., and any other Person which may be appointed as registrar and transfer agent of IES from time to time;
- (bb) **“IES Resolutions”** means the special resolutions of the IES Shareholders to be approved at the IES Meeting approving the Name Change and Consolidation, and the ordinary resolutions approving the election of the Resulting Directors

(conditional upon completion of the Transaction), all as more particularly set out in the Management Information Circular;

- (cc) **“IES Second Private Placement Warrant”** means a common share purchase warrant of IES which shall be issued on the exchange of each of the Medcolcanna Second Private Placement Warrant, with each whole IES Second Private Placement Warrant entitling the holder thereof to acquire one IES Common Share at a price of \$0.40 per share until the date that is two years from the date of issuance;
- (dd) **“IES Shareholder”** means a holder of outstanding IES Common Shares;
- (ee) **“IES Stock Option Plan”** means the current incentive stock option plan of IES governing the terms of the IES Options;
- (ff) **“IES Unit Warrant”** means a common share purchase warrant of IES, one-half of which shall be issued on the exchange of each of the Unit Subscription Receipts, with each whole IES Unit Warrant entitling the holder thereof to acquire one IES Common Share at price of \$0.40 per IES Common Share until the date that is two (2) years from the Closing Date;
- (gg) **“Land Interests”** means the interests in certain lands in Colombia held by the Medcolcanna Subsidiary as described fully in Exhibit “B” hereto;
- (hh) **“Licences”** means the licences held by the Medcolcanna Subsidiary as described fully in Exhibit “C” hereto;
- (ii) **“Management Information Circular”** means the management information circular of IES to be prepared in accordance with Applicable Laws, to be forwarded by IES to the IES Shareholders, in connection with the IES Meeting;
- (jj) **“Medcolcanna Existing Warrants”** means the warrants to purchase up to an aggregate of 3,681,330 Medcolcanna Shares at a price of \$0.25 for a period of one year from September 24, 2018;
- (kk) **“Medcolcanna Financial Statements”** means collectively, (a) the audited consolidated financial statements of Medcolcanna for the period ended September 30, 2018, and (b) such additional financial statements as may be required to be prepared and included in the Management Information Circular;
- (ll) **“Medcolcanna Private Placement Warrants”** means the warrants to purchase approximately 10,000,000 Medcolcanna Shares at a price of \$0.40 for a period of two (2) years from the Closing Date, such warrants to be exchanged for IES Unit Warrants on the Closing Date;
- (mm) **“Medcolcanna Second Private Placement Purchasers”** means the subscribers to the Medcolcanna Second Private Placement and, where applicable, the Medcolcanna Second Private Placement Purchasers shall be included in the

definition of “**Vendors**” to the extent that the Medcolcanna Second Private Placement closes prior to the Closing Date;

- (nn) “**Medcolcanna Second Private Placement**” means the private placement of Medcolcanna Units representing up to \$500,000 in gross proceeds to be completed on or before the Closing Date;
- (oo) “**Medcolcanna Second Private Placement Warrants**” means the warrants to purchase approximately 1,000,000 Medcolcanna Shares at a price of \$0.40 until the date that it two (2) years from the date of issuance, such warrants to be exchanged for IES Second Private Placement Warrants on the Closing Date;
- (pp) “**Medcolcanna Subsidiary**” means Medcolcanna S.A.S., a corporation organized pursuant to the laws of Colombia and a wholly-owned subsidiary of Medcolcanna;
- (qq) “**Medcolcanna Units**” means the units to be issued pursuant to the Medcolcanna Second Private Placement, at a price of \$0.25 per Medcolcanna Unit with each Medcolcanna Unit comprising one Medcolcanna Share and one-half of one Medcolcanna Second Private Placement Warrant, and which shall be converted into IES Common Shares and IES Unit Warrants on the Closing Date;
- (rr) “**Name Change**” means the change of the name of IES to “Medcolcanna Organics Inc.” or such other name as may be determined in the sole discretion of the Vendors’ Representative, subject to Applicable Laws and Exchange Policies;
- (ss) “**Payment Shares**” has the meaning set forth in Section 2.4 hereof;
- (tt) “**Payment Warrants**” has the meaning set forth in Section 2.4 hereof;
- (uu) “**Person**” means a natural person, firm, corporation, trust, partnership, joint venture, governmental body or agency or association;
- (vv) “**Principal Shareholders**” means Christopher Donald Reid and Felipe De La Vega Vargara;
- (ww) “**Private Placement**” means the brokered private placement of Unit Subscription Receipts representing approximately \$5,000,000 in gross proceeds to be completed on or before the Closing Date;
- (xx) “**Promissory Note**” means the unsecured USD\$100,000 promissory note of Medcolcanna dated as of August 22, 2018, in favour of Ramius Equity Corp.;
- (yy) “**Property**” has the meaning ascribed thereto in Section 3.1(c);

- (zz) **“Purchase Price”** has the meaning set forth in Section 2.4 hereof;
- (aaa) **“Release”** means any release or discharge of any Hazardous Substance including any discharge, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leach, migration, dispersal, dispensing or disposal;
- (bbb) **“Resulting Directors”** means the board of directors of IES to be appointed upon completion of the Transaction, to consist of five (5) members, all of whom shall be nominees of the Vendors’ Representative;
- (ccc) **“Securities Commissions”** means, collectively, the Ontario Securities Commission, the Alberta Securities Commission and the British Columbia Securities Commission;
- (ddd) **“Securities Laws”** means, collectively, the securities laws of the Provinces of Ontario, British Columbia and Alberta and the regulations and rules made and forms prescribed thereunder, together with all applicable multilateral or national instruments, published policy statements, blanket orders, rulings and notices of the Securities Commissions, and together with all policies, rules and regulations of the Exchange;
- (eee) **“Tax Returns”** means all returns, declarations, reports, information returns and statements filed or required to be filed with any taxing authority relating to Taxes;
- (fff) **“Taxes”** means all taxes, duties, assessments, imposts and levies however denominated, including any interest, penalties, fines, successor liabilities or other additions that may become payable in respect thereof, imposed by any Governmental Authority in Canada, including those levied on, measured by, or referred to as, income, capital, gross receipts, profits (including, but not limited to, federal income taxes and provincial income taxes), payroll and employee withholding, unemployment insurance, social insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, business licence taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which a party is required to pay, withhold, remit or collect;
- (ggg) **“Tax Act”** means the *Income Tax Act* (Canada), as the same may be amended from time to time, and includes any regulations thereto;
- (hhh) **“Time of Closing”** means the time on the Closing Date as may be agreed to by IES and the Vendors’ Representative;
- (iii) **“to the knowledge”** or similar expressions when referring to IES means the actual knowledge of the directors and executive officers of IES, as the case may be, and, when referring to an individual, the actual knowledge of such individual,

and in either case, the actual knowledge that any such person should have acquired upon reasonable inquiry;

- (jjj) **“Transaction”** means the purchase and sale of Medcolcanna Shares contemplated herein; and
- (kkk) **“Unit Subscription Receipts”** means the subscription receipts to be issued pursuant to the Private Placement, at a price of \$0.25 per Unit Subscription Receipt with each Unit Subscription Receipt entitling the holder thereof to acquire one Medcolcanna Share and one-half of one Medcolcanna Private Placement Warrant upon certain terms and conditions being satisfied, including but not limited to the completion of the Transaction, and which shall be converted into IES Common Shares and IES Unit Warrants on the Closing Date.

ARTICLE 2 PURCHASE AND SALE OF MEDCOLCANNA SHARES

- 2.1 Agreement of Purchase and Sale. Subject to the terms and conditions hereof, IES hereby offers and agrees to purchase the Medcolcanna Shares and Medcolcanna Existing Warrants owned by the Vendors, and the Vendors accept such offer and agree to sell, assign and transfer to IES such Medcolcanna Shares and Medcolcanna Existing Warrants.
- 2.2 Medcolcanna Second Private Placement. IES acknowledges that after the date hereof and prior to the Closing Date, Medcolcanna shall complete the Medcolcanna Second Private Placement, pursuant to which 2,000,000 Medcolcanna Shares and 1,000,000 Medcolcanna Second Private Placement Warrants will be issued to the Medcolcanna Second Private Placement Purchasers, and IES agrees to purchase the Medcolcanna Shares and Medcolcanna Second Private Placement Warrants owned by the Medcolcanna Second Private Placement Purchasers, and Medcolcanna agrees to cause the Medcolcanna Second Private Placement Purchasers to accept such offer and agree to sell, assign and transfer to IES such Medcolcanna Shares and Medcolcanna Second Private Placement Warrants. IES and the Medcolcanna Second Private Placement Purchasers shall sign such documents as are necessary as to give each party the full rights, obligations and benefits of this Agreement. IES further agrees to assist Medcolcanna in finding the Medcolcanna Second Private Placement Purchasers and arranging for their subscriptions for Medcolcanna Units.
- 2.3 IES Private Placement. Medcolcanna acknowledges that after the date hereof and prior to the Closing Date, IES shall complete the IES Private Placement, pursuant to which IES Common Shares will be issued to the certain Persons who shall become IES Shareholders prior to the Closing Date.
- 2.4 Payment of Purchase Price. Subject to the terms and conditions hereof and the adjustment provisions of Section 2.5 below, the purchase price (the **“Purchase Price”**) payable by IES to the Vendors and the Medcolcanna Second Private Placement Purchasers for their respective Medcolcanna Shares and Medcolcanna Existing Warrants or Medcolcanna Second Private Placement Warrants, as the case may be, shall be

satisfied by the issuance to the Vendors and the Medcolcanna Second Private Placement Purchasers at the Time of Closing of such number of IES Common Shares (the “**Payment Shares**”) and IES New Warrants or IES Second Private Placement Warrants, as the case may be (collectively, the “**Payment Warrants**”) as set forth next to each of the Vendors’ names in Exhibit “A” attached hereto, and as may be amended upon completion of the Medcolcanna Second Private Placement. Further, IES hereby agrees to issue additional IES Common Shares and IES Units Warrants to the holders of Unit Subscription Receipts on the Closing Date on the basis of one IES Common Share for each Medcolcanna Share comprising part of a Unit Subscription Receipt and one IES Unit Warrant per Medcolcanna Private Placement Warrant comprising part of a Unit Subscription Receipt.

- 2.5 Adjustment to Number of Payment Shares and Payment Warrants. It is contemplated that prior to the Closing Date IES shall, subject to approval of the Exchange and of the IES Shareholders at the IES Meeting, complete the Consolidation. For greater certainty, the number of Payment Shares and Payment Warrants issuable to each of the Vendors as set forth in Exhibit “A” assumes the completion of the Consolidation prior to the Closing Date. In the event that the Consolidation does not occur prior to the Closing Date or such Consolidation ratio is amended, the number of Payment Shares and Payment Warrants to be issued to the Vendors and the Medcolcanna Second Private Placement Purchaser shall be adjusted accordingly.
- 2.6 Escrow and Resale Requirements. Each of the Vendors acknowledges that the Exchange may require certain of the Payment Shares and/or IES Common Shares issued on the exercise of the Payment Warrants issuable pursuant to this Agreement (i) to be held in escrow pursuant to Exchange Policies and, as contemplated in Subsection 5.3(f) hereof, each Vendor whose Payment Shares or IES Common Shares issued on the exchange of the Payment Warrants are subject to such escrow will execute and deliver the IES Escrow Agreement in the form required by the Exchange; or (ii) to be subject to certain “Seed Share Resale Restrictions” as contemplated in the Exchange Policies and the certificate(s) representing such Vendor’s Payment Shares or IES Common Shares issued on the exercise of the Payment Warrants shall include a legend setting forth any such restrictions.
- 2.7 Consideration for IES Shareholders. In consideration for the issuance of the Payment Shares and Payment Warrants, Medcolcanna shall issue one half of one (0.5) common share purchase warrant in the capital of IES for every IES Common Share issued and outstanding immediately prior to the Closing Date but after giving effect to the Consolidation, each such whole warrant having the same terms and conditions as the IES Unit Warrants (the “**IES Payment Warrants**”). Notwithstanding the foregoing, in the event that by January 4, 2019 the IES Debt is not completely extinguished to the satisfaction of Medcolcanna, and/or the IES Private Placement has not closed, the IES Payment Warrants shall not be issued.
- 2.8 Cessation of Shareholder Rights. Each of the Vendors acknowledges and confirms that, upon the completion of the purchase and sale of each of their respective Medcolcanna Shares and Medcolcanna Existing Warrants pursuant to the terms of this Agreement, (i)

each Vendor shall have assigned all of its rights as a securityholder of Medcolcanna; and (ii) all rights with respect to the Vendor's Medcolcanna Shares and Medcolcanna Warrants, including, without limitation, any rights to dividends, distributions, receipt of notices and voting, whether pursuant to the Articles of Association of Medcolcanna, the certificates representing the Medcolcanna Existing Warrants or any shareholders agreement to which the Vendor is a party in relation to Medcolcanna, shall immediately cease and terminate on the Closing Date, except only the right of the Vendors to receive the Payment Shares and Payment Warrants in exchange therefor as contemplated in this Agreement.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties related to Medcolcanna and the Medcolcanna Subsidiary. The Principal Shareholders represent and warrant to and in favour of IES as follows and acknowledge that IES is relying upon the same in connection with the Transaction:

- (a) Medcolcanna is a corporation duly organized, validly existing and in good standing under the laws of the British Virgin Islands, has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted, to execute and deliver this Agreement and to perform its obligations hereunder.
- (b) The Medcolcanna Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of Colombia, has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted including with respect to the Licences and the Land Interests, and to execute and deliver this Agreement and to perform its obligations hereunder.
- (c) Schedule "B" lists all of the Land Interests and sets out, with respect to each property (each, a "**Property**"), a description of the Property and the interest therein.
- (d) Each Lease is valid and subsisting, in full force and effect, unamended by oral or written agreement, and Medcolcanna or the Medcolcanna Subsidiary, as the case may be, is entitled to the full benefit and advantage of each Lease in accordance with its terms. Each Lease is in good standing and there has not been any default by any party under any Lease nor is there any dispute between Medcolcanna or the Medcolcanna Subsidiary, as the case may be, and any lessee or landlord under any Lease.
- (e) None of the Leases has been assigned by Medcolcanna or the Medcolcanna Subsidiary.
- (f) This Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be, duly authorized, executed and delivered by the Principal Shareholders or Medcolcanna, as the case may be, and

each is or will be, a legal, valid and binding obligation of the Principal Shareholders or Medcolcanna, as the case may be, enforceable against the Principal Shareholders or Medcolcanna, as the case may be, in accordance with its terms, subject to (i) bankruptcy, insolvency, moratorium, reorganization and other laws relating to or affecting the enforcement of creditors' rights generally, and (ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

- (g) The execution and delivery of this Agreement does not and the consummation of the Transaction will not: (i) result in a breach or violation of the constating documents of Medcolcanna or the Medcolcanna Subsidiary; (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement, licence, permit or authority to which Medcolcanna or the Medcolcanna Subsidiary is a party or by which Medcolcanna or the Medcolcanna Subsidiary is bound or to which any material assets or property of Medcolcanna or the Medcolcanna Subsidiary are subject; or (iii) violate any provision of law or regulation or any judicial or administrative order, award, judgment or decree applicable to Medcolcanna or the Medcolcanna Subsidiary.
- (h) As of the date hereof, and as of the Closing Date, other than as contemplated in this Agreement, no person will have any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, for the purchase of the Medcolcanna Shares or any securities of the Medcolcanna Subsidiary.
- (i) No consent, approval, notice or report to, filing with, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over Medcolcanna or the Medcolcanna Subsidiary is required to be obtained by Medcolcanna or the Medcolcanna Subsidiary in connection with the execution and delivery of this Agreement or the consummation of the Transaction, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent Medcolcanna, the Medcolcanna Subsidiary or any Vendor from performing its obligations under this Agreement.
- (j) There is no suit, action or proceeding pending, or to the knowledge of the Principal Shareholders, threatened against Medcolcanna or the Medcolcanna Subsidiary that, individually or in the aggregate, could reasonably be expected to have a material adverse effect upon Medcolcanna or the Medcolcanna Subsidiary or refrain or prevent completion of the purchase by IES of the Medcolcanna Shares, and there is no judgment, decree, injunction, rule or order of any Governmental Authority with jurisdiction over Medcolcanna or the Medcolcanna Subsidiary outstanding against Medcolcanna or the Medcolcanna Subsidiary,

respectively, causing, or which insofar as can reasonably be foreseen, in the future would cause, a material adverse effect on Medcolcanna or the Medcolcanna Subsidiary.

- (k) The authorized capital of Medcolcanna consists of up to 60,000,000 Medcolcanna Shares, with 39,362,659 Medcolcanna Shares being issued and outstanding as of the date hereof.
- (l) Other than pursuant to the Medcolcanna Existing Warrants or any securities issued pursuant to the Private Placement and the Medcolcanna Second Private Placement, no Person has any agreement, option or right to acquire or capable of becoming an agreement for the purchase or acquisition of any of the unissued Medcolcanna Shares or any other securities of Medcolcanna, and there are no other outstanding securities or instruments which are convertible into or exchangeable for Medcolcanna Shares.
- (m) All of the currently issued and outstanding Medcolcanna Shares are free and clear of all liens, charges and encumbrances.
- (n) The authorized capital of the Medcolcanna Subsidiary consists of 200,000 common shares with 150,000 common shares being issued and outstanding as of the date hereof.
- (o) All of the currently issued and outstanding securities of the Medcolcanna Subsidiary are free and clear of all liens, charges and encumbrances.
- (p) Medcolcanna has no subsidiaries except for the Medcolcanna Subsidiary.
- (q) Medcolcanna owns all of the issued and outstanding shares in the capital of the Medcolcanna Subsidiary.
- (r) Medcolcanna, through the Medcolcanna Subsidiary, holds the Licences and the Land Interests in connection with the development of a project in Colombia for the growth of cannabis and manufacture of cannabis derivative products (the “**Project**”).
- (s) The Medcolcanna Subsidiary is the sole owner of the Licences free and clear of all liens, charges and encumbrances.
- (t) To the knowledge of the Principal Shareholders after due inquiry, each of the Licences are valid, in good standing and in full force and effect, and no violations thereof have been experienced, noted or recorded and no proceedings of any kind are pending or, to the knowledge of the Principal Shareholders after due inquiry, threatened to revoke, limit, rescind or modify any of the Licences.
- (u) Medcolcanna has not applied for any other licences or permits in respect of the Project with the exception of the Licences.

- (v) True and complete copies of the Licences have been provided to IES in the Spanish language, and to the knowledge of the Principal Shareholders, the versions of such Licences translated into English provided by Medcolcanna to IES accurately reflect all provisions and terms of such Licences.
- (w) Other than as described herein, there is no agreement, option or any other right or obligation binding upon, or which at any time in the future may become binding upon, Medcolcanna or the Medcolcanna Subsidiary requiring it to: (a) sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Licences, the Land Interests, the Medcolcanna Shares or other securities or assets of Medcolcanna or the Medcolcanna Subsidiary; or (b) to allot or issue Medcolcanna Shares or to create any additional class of equity or debt securities of Medcolcanna or the Medcolcanna Subsidiary.
- (x) The Medcolcanna Subsidiary is the sole owner of the Land Interests free and clear of all liens, charges and encumbrances.
- (y) Each of the documents, agreements or understandings representing the Land Interests is in good standing and in full force and effect and have not been amended, rescinded or modified since the issuance thereof.
- (z) Except for the approvals contemplated herein, no consent, authorization or approval of any Person is required in order for the Vendors, Medcolcanna or the Medcolcanna Subsidiary to effect the Transaction.
- (aa) Except for the Promissory Note, there are no loans, guarantees, pledges, mortgages, charges, liens, debentures, encumbrances or liabilities given, made or incurred by or on behalf of Medcolcanna or the Medcolcanna Subsidiary and no person has given any guarantee of or security for any overdraft loan or loan facility granted to Medcolcanna or the Medcolcanna Subsidiary, respectively.
- (bb) There is no public or private litigation, arbitration, proceeding or governmental investigation pending or threatened involving Medcolcanna or the Medcolcanna Subsidiary which may, if adversely determined, materially and adversely affect Medcolcanna or the Medcolcanna Subsidiary or which restrains or prohibits any of the transactions contemplated herein.
- (cc) Medcolcanna does not have an interest in any properties, other than those described herein, such interest being due to the ownership of all of the issued and outstanding shares of the Medcolcanna Subsidiary.
- (dd) The Medcolcanna Subsidiary does not have any interest in any properties other than the Licences and the Land Interests.
- (ee) No other classes of shares in the capital of Medcolcanna have been authorized other than the Medcolcanna Shares. The only issued and outstanding shares in the capital of Medcolcanna are as set forth in Exhibit "A" hereto, and all of such shares were validly issued and are fully paid and non-assessable. There are no

securities, rights, options or other contractual arrangements for the issuance of any additional shares or other securities in the capital of Medcolcanna and there is no outstanding debt, whether convertible or otherwise, owing by Medcolcanna, other than as contemplated in this Agreement. Upon completion of the Transaction, IES shall be the sole shareholder of Medcolcanna.

- (ff) The business of Medcolcanna and Medcolcanna Subsidiary are being conducted in all material respects in compliance with all Applicable Laws, regulations and ordinances of all authorities having jurisdiction, except where the failure to comply would not be reasonably likely, individually or in the aggregate, to have a material adverse effect on Medcolcanna or Medcolcanna Subsidiary, as applicable.
- (gg) Neither Medcolcanna nor the Medcolcanna Subsidiary have been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified Medcolcanna or the Medcolcanna Subsidiary of such Governmental Authority's intention to commence or to conduct any investigation that would be reasonably likely to have a material adverse effect on Medcolcanna or the Medcolcanna Subsidiary.
- (hh) Neither Medcolcanna nor the Medcolcanna Subsidiary is insolvent, have committed any acts of bankruptcy or had a receiver appointed on any of its respective assets.
- (ii) To the knowledge of the Principal Shareholders, none of the directors or officers of Medcolcanna or the Medcolcanna Subsidiary is or has ever been subject to prior regulatory, criminal or bankruptcy proceedings in Canada or elsewhere.
- (jj) Neither Medcolcanna nor the Medcolcanna Subsidiary have engaged any broker or other agent in connection with the Transaction and, accordingly, there is no commission, fee or other remuneration payable to any broker or agent who purports or may purport to act or have acted for Medcolcanna or the Medcolcanna Subsidiary, except pursuant to the Private Placement, the Medcolcanna Second Private Placement or the Promissory Note.
- (kk) As of the date hereof:
 - (i) Neither Medcolcanna nor Medcolcanna Subsidiary is in violation of any applicable Environmental Laws;
 - (ii) Medcolcanna and Medcolcanna Subsidiary have all permits, authorizations and approvals required under any applicable Environmental Laws and are in material compliance with their requirements;
 - (iii) to the knowledge of the Principal Shareholders, there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against

Medcolcanna or Medcolcanna Subsidiary or claim involving a demand for damages or other potential liability with respect to violations of applicable Environmental Laws; and

- (iv) to the knowledge of the Principal Shareholders, there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting Medcolcanna or Medcolcanna Subsidiary relating to Hazardous Substances or any Environmental Laws.
- (ll) No Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from Medcolcanna or the Medcolcanna Subsidiary of any of its respective assets.
- (mm) There does not exist any state of facts which after notice or lapse of time, or both, will constitute a material default or breach on the part of Medcolcanna or the Medcolcanna Subsidiary under any of the provisions contained in any of the material contracts, commitments or agreements of Medcolcanna or the Medcolcanna Subsidiary, respectively.
- (nn) The corporate records and minute books of Medcolcanna and the Medcolcanna Subsidiary contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed.
- (a) The Medcolcanna Financial Statements and the notes thereto, have been prepared in accordance with Canadian generally accepted accounting principles or international financial reporting standards, as applicable, are true and correct and present fairly, in all material respects, the financial position of Medcolcanna and the Medcolcanna Subsidiary as at such dates and the results of its operations and changes in financial position for the period indicated in the said statements.
- (b) Neither Medcolcanna nor the Medcolcanna Subsidiary have any material liabilities, contingent or otherwise, except those set out in the Medcolcanna Financial Statements.

3.2 Representations and Warranties of Vendors. Each Vendor, severally with respect to itself only and not in respect of any other Vendor and not jointly or jointly and severally with any other Vendor, represents and warrants to and in favour of IES as follows and acknowledges that IES is relying upon the same in connection with the Transaction:

- (a) This Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be, duly authorized, executed and delivered by such Vendor, enforceable against such Vendor in accordance with its terms, subject to (i) bankruptcy, insolvency, moratorium, reorganization and other

laws relating to or affecting the enforcement of creditors' rights generally, and (ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

- (b) The execution and delivery of this Agreement does not and the consummation of the Transaction will not: (i) result in a breach or violation of the constating documents of such Vendor that is an entity; (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement, licence, permit or authority to which such Vendor is a party or by which it is bound; or (iii) violate any provision of law or regulation or any judicial or administrative order, award, judgment or decree applicable to such Vendor.
- (c) As of the Closing Date, no person will have any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, for the purchase of such Vendor's Medcolcanna Shares and Medcolcanna Existing Warrants, as applicable, other than as contemplated in Medcolcanna's constating documents or otherwise contemplated in this Agreement.
- (d) Such Vendor has good and marketable title to its Medcolcanna Shares and Medcolcanna Existing Warrants and at Closing, such Vendor's Medcolcanna Shares and Medcolcanna Existing Warrants will be transferred to IES free and clear of all liens, charges and encumbrances. There is not pending any suit, action or other legal proceeding of any sort to in any manner restrain or prevent such Vendor from effectually and legally transferring its Medcolcanna Shares or Medcolcanna Existing Warrants to IES, free and clear of all liens, or any action or proceeding, the effect of which would be to cause a lien to attach to any of its Medcolcanna Shares or Medcolcanna Existing Warrants or to divest title to or ownership of any of its Medcolcanna Shares or Medcolcanna Existing Warrants in any manner whatsoever, or to make IES or Medcolcanna liable for damages as a result of the execution and delivery of this Agreement by such Vendor or the completion by such Vendor of the transactions contemplated herein and such Vendor does not know of any such claim in connection with any of the foregoing.
- (e) Such Vendor has sufficient experience in business, financial and investment matters to understand the merits and risks of acquiring and holding securities of IES and has had full access to all of the information it considers necessary or appropriate to make an informed investment decision with respect to the IES Common Shares.
- (f) Such Vendor shall be responsible to pay and remit to competent authorities, and hereby agrees to indemnify IES and Medcolcanna for, all taxes of any kind that may be payable in connection with the sale of the Medcolcanna Shares and Medcolcanna Existing Warrants by such Vendor.

- (g) Such Vendor is not insolvent, has not committed an act of bankruptcy, proposed a compromise or arrangement to its creditors generally, had any petition for a receiving order in bankruptcy filed against it, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have it declared bankrupt or wound-up, taken any proceeding to have a receiver appointed for any part of its assets, had an encumbrancer take possession of any of its property, or had any execution or distress become enforceable or become levied upon any of its property.

3.3 Representations and Warranties of IES. IES represents and warrants to and in favour of each of the other parties hereto as follows and acknowledges that such parties are relying upon the same in connection with the Transaction:

- (a) IES is a corporation duly incorporated, organized and validly subsisting and in good standing under the laws of Canada, and has all the requisite corporate power, capacity and authority to enter into this Agreement and to perform its obligations hereunder and to carry on its business and to own, lease and operate its assets.
- (b) IES is a reporting issuer in British Columbia, Ontario and Alberta and is in compliance in all material respects with all of its obligations under Securities Laws. IES is not the subject of any investigation by any stock exchange or any other securities regulatory authority or body, is current with all filings required to be made by it under applicable Securities Law and corporate legislation and is not aware of any material deficiencies in the filing of any documents or reports with any stock exchange or securities regulatory authority or body.
- (c) The IES Common Shares are not currently listed or approved for trading on any stock exchange in Canada or elsewhere.
- (d) IES has not conducted any active business since incorporation, other than in accordance with the Securities Laws and as disclosed under its profile on www.sedar.com.
- (e) The execution and delivery of this Agreement and the completion of the transactions contemplated herein have been approved by the board of directors of IES and this Agreement constitutes a valid and binding obligation of IES enforceable against it in accordance with its terms, subject, however, to the approval of the Transaction by the Exchange and by IES Shareholders and the limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction.
- (f) IES has no subsidiaries.
- (g) The authorized capital of IES consists of an unlimited number of IES Common Shares, of which, as of the date hereof there are 10,936,148 IES Common Shares issued and outstanding.

- (h) Other than (i) the Unit Subscription Receipts and the securities issuable upon exchange thereof, (ii) the IES Options, and (iii) otherwise pursuant to this Agreement or in connection with the IES Private Placement or the settlement of the IES Debt, no Person has any agreement, option or right to acquire or capable of becoming an agreement for the purchase or acquisition of any of the unissued IES Common Shares or any other securities of IES, and there are no other outstanding securities or instruments which are convertible into or exchangeable for IES Common Shares.
- (i) The information concerning IES to be provided by and contained in the Management Information Circular will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make a statement therein not misleading in light of the circumstances in which it will be made.
- (j) There is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review in progress or, to the knowledge of IES, pending or threatened against or relating to IES or affecting its properties or business which if determined adversely to IES might materially and adversely affect the properties, business, future prospects or the financial condition of IES, taken as a whole, or the right of IES to use, produce or sell its property or assets in whole or in part; and there is not presently outstanding against IES any judgment, decree, injunction, rule or order of any court, Governmental Authority, commission, agency or arbitrator.
- (k) IES is not in arrears or in default in respect of the filing of any required Taxes or Tax Returns; and (i) all Taxes due and payable or collectible from IES shall have been paid or collected prior to the Closing Date, (ii) no claim for additional Taxes due and payable or collectible from IES has been made which has not been collected, and (iii) to the best of the knowledge of IES, no such return contains any misstatement or conceals any statement that should have been included therein.
- (l) No notices, reports or other filings are required to be made by IES with, nor are any consents, approvals, registrations, permits, order or authorizations required to be obtained by IES from any third party or Governmental Authority in connection with the execution and delivery of this Agreement by IES, the performance of its obligations hereunder or the consummation by IES of the transactions contemplated hereby other than: (i) the approval of the IES Resolutions by the IES Shareholders; (ii) the approval of the Transaction by the Exchange; (iii) such registrations and other actions required under applicable securities laws as are contemplated by this Agreement and registrations and applications required as a result of the Name Change and Consolidation; (iv) any filings with the Director; and (v) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a material adverse effect on IES or prevent or materially impair IES's ability to perform its obligations hereunder.

- (m) IES is duly licensed, registered and qualified, in all material respects, and possesses all material certificates, authorizations, permits or licences issued by the appropriate regulatory authorities in the jurisdictions necessary to enable its business to be carried on as now conducted and to enable its property and assets to be owned, leased and operated as they are now, and all such licences, registrations and qualifications are in good standing, in all material respects.
- (n) IES has not experienced nor is it aware of any occurrence or event which has had, or might reasonably be expected to have, a materially adverse effect on its affairs or financial condition.
- (o) As of the date hereof:
 - (i) no party has any rights of first refusal, back-in rights or other rights in respect of the IES Licence;
 - (ii) there are no other outstanding agreements or options to acquire or purchase the IES Licence or any part thereof or interest therein, and no individual, corporation or other entity has any royalty or other interest whatsoever in production or profits from the IES Licence or any part thereof;
 - (iii) all payments, taxes, assessments, renewal fees and other governmental charges, owing in respect of the IES Licence or any part of the IES Licence, have been paid in full;
 - (iv) there is no adverse claim against, or challenge to, the ownership of or title to, the IES Licence;
 - (v) all activities on or in respect of the development of the IES Licence are in compliance with all Applicable Laws and licences;
 - (vi) IES is not in any violation of any applicable Environmental Laws;
 - (vii) IES has all permits, authorizations and approvals required under any applicable Environmental Laws and is in material compliance with their requirements;
 - (viii) to the knowledge of IES, there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against IES or claim involving a demand for damages or other potential liability with respect to violations of applicable Environmental Laws; and
 - (ix) to the knowledge of IES, there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or

governmental body or agency, against or affecting IES relating to Hazardous Substances or any Environmental Laws.

- (p) All property, options, leases, concessions or claims in which IES has an interest or right have been validly located and recorded in accordance in all material respects with all Applicable Laws and are valid and subsisting.
- (q) The IES Licence represent all of the material rights owned or held by IES.
- (r) Any and all agreements pursuant to which IES holds the IES Licence or are entitled to the use of the IES Licence, including, without limitation, all such agreements (and all amendments thereto) relating to the IES Licence, are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms and IES is not in material default of any of the provisions of any such agreements nor has any such default been alleged to have occurred, nor are there any disputes with respect thereto, and all applications, claims, options, leases, licences, and concessions pursuant to which IES derives its interests in such material assets are in good standing in all material respects and there has been no default under any such applications, leases, claims, licences, options or concessions and all Taxes, work fees and other amounts required to have been paid with respect to such properties and assets to the date hereof have been paid.
- (s) None of the IES Licence or any of the agreements referred to in the immediately preceding paragraph have been surrendered, waived, released, amended, assigned, encumbered or discounted by IES and IES has not granted any subleases, licences, options or other rights of interest in respect of the IES Licence.
- (t) As of the date hereof:
 - (i) IES is not in any violation of any applicable Environmental Laws;
 - (ii) IES has all permits, authorizations and approvals required under any applicable Environmental Laws and is in material compliance with their requirements;
 - (iii) to the knowledge of IES, there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against IES or claim involving a demand for damages or other potential liability with respect to violations of applicable Environmental Laws; and
 - (iv) to the knowledge of IES, there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting IES relating to Hazardous Substances or any Environmental Laws.

- (u) IES has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees or other similar fees in respect of the transactions contemplated herein.
- (v) Since September 30, 2018, there has not been any material adverse change in its condition or operation or in its assets, liabilities or financial condition.
- (w) The IES Financial Statements and the notes thereto, have been prepared in accordance with Canadian generally accepted accounting principles or international financial reporting standards, as applicable, are true and correct and present fairly, in all material respects, the financial position of IES as at such dates and the results of its operations and changes in financial position for the period indicated in the said statements. IES's accounts receivable as of the date hereof are nil.
- (x) IES has no material liabilities, contingent or otherwise, except those set out in the IES Financial Statements or in connection with the IES Debt.
- (y) Other than as disclosed in the IES Financial Statements, amounts owing to reimburse individuals for business expenses incurred and approved on behalf of IES, IES is not indebted to:
 - (i) any director, officer, employee or shareholder of IES;
 - (ii) any individual related to any of the foregoing by blood, marriage or adoption; or
 - (iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsections 3.3(y)(i) and (ii).
- (z) None of those Persons referred to in subsection 3.3(y) is indebted to IES.
- (aa) No Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from IES of any of its assets.
- (bb) There are no contracts, agreements or engagements of any director, officer or senior employee of IES, either written or verbal, providing for a fixed period of employment.
- (cc) There does not exist any state of facts which after notice or lapse of time, or both, will constitute a material default or breach on the part of IES under any of the provisions contained in any of the material contracts, commitments or agreements of IES.
- (dd) The corporate records and minute books of IES contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders

since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed.

- (ee) To the knowledge of IES, none of the directors or officers of IES is or has ever been subject to prior regulatory, criminal or bankruptcy proceedings in Canada or elsewhere.
- (ff) It is not a party to any material contract, agreement or understanding with any officer, director, employee, shareholder or any other Person not dealing at arm's length with IES.
- (gg) This Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be, duly authorized, executed and delivered by IES and each is or will be a legal, valid and binding obligation of IES, enforceable against IES in accordance with its terms, subject to (i) bankruptcy, insolvency, moratorium, reorganization and other laws relating to or affecting the enforcement of creditors' rights generally, and (ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.
- (hh) The execution and delivery of this Agreement does not and the consummation of the Transaction will not: (i) result in a breach or violation of the articles or by-laws of IES; (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement, licence, permit or authority to which IES is a party or by which IES is bound or to which any material assets or property of IES is subject; or (iii) violate any provision of law or regulation or any judicial or administrative order, award, judgment or decree applicable to IES.
- (ii) IES has cash in the amount of approximately \$5,000 as of the date hereof, net of any liabilities and accruals for legal fees, salaries and remittances to any Governmental Authority, transfer agency fees or other fees and expenses (including, without limitation, travel and meals).

ARTICLE 4 COVENANTS

- 4.1 Positive Covenants in relation to Medcolcanna. Until the earlier of the completion of the Transaction on the Closing Date or the day upon which this Agreement is terminated in accordance with Section 7.2, the Principal Shareholders shall ensure that Medcolcanna shall:
- (a) use its commercially reasonably best efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws and regulations to complete the Transaction in accordance with the terms of

this Agreement. Without limiting the generality of the foregoing, in the event that any person seeks to prevent, delay or hinder implementation of all or any portion of the Transaction or seeks to invalidate all or any portion of this Agreement, the Principal Shareholders shall ensure that Medcolcanna shall use its commercially reasonable efforts to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the parties to complete the Transaction;

- (b) subject to Applicable Laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (c) furnish promptly to IES a copy of each notice, report, schedule or other document or communication delivered, filed or received by Medcolcanna in connection with the Transaction, any filings under Applicable Laws and any dealings with regulatory or Governmental Authorities in connection with or in any way affecting the transactions contemplated herein;
- (d) conduct and operate its business and affairs only in the ordinary course consistent with past management practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons;
- (e) take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the Medcolcanna Shares and Medcolcanna Existing Warrants to IES;
- (f) promptly notify each of the other parties if any of the representations and warranties made by it in this Agreement ceases to be true, accurate and complete in any material respect and of any failure to comply in any material respect with any of its obligations;
- (g) provide IES, on a timely basis, with all relevant information concerning it and its business, property, operations and financial statements for inclusion in the Management Information Circular;
- (h) promptly notify IES if at any time before the Closing Date it becomes aware that the Management Information Circular (with respect to information provided in relation to Medcolcanna or the Medcolcanna Subsidiary) contains any misrepresentation or any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Management Information Circular; and in any such event, shall cooperate in the preparation of a supplement or amendment to the Management Information Circular or such other document, as required and as the case may be; and

- (i) subject to the terms hereof, deliver and cause to be delivered all closing deliveries required to be delivered by it pursuant to this Agreement.

4.2 Positive Covenants of Vendors. Until the earlier of the completion of the Transaction on the Closing Date or the day upon which this Agreement is terminated in accordance with Section 7.2, each of the Vendors shall:

- (a) use its commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws and regulations to complete the Transaction in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, in the event that any person seeks to prevent, delay or hinder implementation of all or any portion of the Transaction or seeks to invalidate all or any portion of this Agreement, each Vendor shall use its commercially reasonable efforts to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the parties to complete the Transaction;
- (b) in a timely and expeditious manner, provide such information with respect to such Vendor as IES may reasonably require in connection with the preparation of the Management Information Circular and as may be required by the Exchange;
- (c) use its commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws and regulations to complete the Transaction in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, in the event that any person seeks to prevent, delay or hinder implementation of all or any portion of the Transaction or seeks to invalidate all or any portion of this Agreement, such Vendor shall use its commercially reasonable efforts to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the parties to complete the Transaction;
- (d) execute and deliver, as applicable, the IES Escrow Agreement, and any pooling or similar arrangements in respect of the Payment Shares to be received by such Vendor as the Exchange may require;
- (e) subject to Applicable Laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;

- (f) promptly notify each of the other parties if any of the representations and warranties made by it in this Agreement ceases to be true, accurate and complete in any material respect and of any failure to comply in any material respect with any of its obligations; and
- (g) subject to the terms hereof, deliver and cause to be delivered all closing deliveries required to be delivered by it pursuant to this Agreement.

4.3 Restrictive Covenants of the Principal Shareholders with respect to Medcolcanna and the Medcolcanna Subsidiary

The Principal Shareholders covenant and agree that they shall ensure that Medcolcanna and the Medcolcanna Subsidiary will not, from the date hereof to and including the Closing Date, except as contemplated by this Agreement or with the prior written consent of IES (such consent not to be unreasonably withheld):

- (a) declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital, to its shareholders;
- (b) split, combine or reclassify any outstanding shares;
- (c) enter into any material contract;
- (d) redeem, purchase or offer to purchase any of its shares or other securities;
- (e) reorganize, amalgamate or merge with any other Person in any manner whatsoever;
- (f) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or any assets or properties other than in the ordinary course of its business;
- (g) incur or commit to incur any indebtedness for borrowed money or issue any debt securities, other than pursuant to IES Loans;
- (h) issue or commit to issue any shares, rights, warrants or options to purchase such shares, or any securities convertible into such shares, warrants or options, except pursuant to the issuance of securities issuable pursuant to the terms of securities outstanding on the date hereof;
- (i) alter or amend in any way its constating documents or by-laws as the same exist at the date of this Agreement;
- (j) take any action which would be outside the ordinary course of business or which may result in a material adverse change in its affairs;

- (k) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of its assets;
- (l) engage in any business enterprise or other activity materially different from that carried on or intended to be carried on as at the date hereof;
- (m) enter into any transaction with or make payments to a party with which it does not deal at arm's length, other than in the ordinary course of business consistent with past practice;
- (n) except pursuant to an existing employment agreement, grant any director, officer or employee who has a policy-making function any increase in compensation or in severance or termination pay (whether or not such compensation or pay is payable in cash), or enter into any employment or consulting agreement with any such director, officer or employee, or hire or promote any such person; or
- (o) perform any act or enter into any transaction or negotiation which might materially adversely interfere or be materially inconsistent with the consummation of the transactions contemplated under this Agreement.

4.4 Positive Covenants of IES.

- (a) Until the earlier of the completion of the Transaction on the Closing Date or the day upon which this Agreement is terminated in accordance with Section 7.2, IES shall:
 - (i) use its commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws and regulations to complete the Transaction in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, in the event that any person seeks to prevent, delay or hinder implementation of all or any portion of the Transaction or seeks to invalidate all or any portion of this Agreement, IES shall use its commercially reasonable best efforts to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the parties to complete the Transaction;
 - (ii) make application to the Exchange and take such actions as are required to receive, in a timely manner, Exchange approval of the Transaction, including without limitation, the listing on the facilities of the Exchange of the IES Common Shares issued as of the date hereof, the Name Change, the Consolidation, and the issuance and listing of the Payment Shares;
 - (iii) subject to Applicable Laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this

Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;

- (iv) conduct and operate its business and affairs only in the ordinary course consistent with past management practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons, provided that it shall be permitted to arrange for the disposition of the IES Licence upon consummation of the Transaction;
- (v) loan money to Medcolcanna pursuant to the IES Loans, in such amounts as may be demanded by Medcolcanna, upon request thereof at any point prior to the Closing Date, such amount not to exceed \$1,000,000, to be secured by a general charge over all of the assets of Medcolcanna, and to be immediately due and payable upon the date on which this Agreement is terminated;
- (vi) shall arrange for subscribers of \$500,000 in the Medcolcanna Second Private Placement by no later than December 13, 2018;
- (vii) shall use its reasonable best efforts to arrange for subscribers for not less than \$1,000,000 worth of Unit Subscription Receipts pursuant to the Private Placement;
- (viii) promptly notify each of the other parties if any of the representations and warranties made by it in this Agreement ceases to be true, accurate and complete in any material respect and of any failure to comply in any material respect with any of its obligations;
- (ix) subject to the Principal Shareholders complying with subsection 4.1(g) ensure that the Management Information Circular complies with all Applicable Laws and, without limiting the generality of the foregoing, that the Management Information Circular does not contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (other than with respect to any information relating to Medcolcanna or the Medcolcanna Subsidiary). Without limiting the generality of the foregoing, IES shall ensure that the Management Information Circular complies with the Exchange Policies (unless otherwise exempted from all or a portion of the Exchange Policies by the Exchange) and Applicable Laws as they relate to IES and shall ensure that the Management Information Circular provides the IES Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the IES Meeting;

- (x) on or before the Closing Date, use all commercially reasonable efforts to convene the IES Meeting for the purpose of approving the IES Resolutions;
- (xi) recommend to the IES Shareholders the approval of the IES Resolutions;
- (xii) mail to the IES Shareholders the Management Information Circular and other documentation required in connection with the IES Meeting in accordance with Applicable Laws as soon as reasonably practicable;
- (xiii) use commercially reasonable efforts to solicit from the IES Shareholders proxies in favour of approval of the IES Resolutions;
- (xiv) not adjourn, postpone or cancel (or propose adjournment, postponement or cancellation of) the IES Meeting without the prior written consent of the Vendors' Representative except as required by Applicable Laws or, in the case of adjournment, as may be required by the IES Shareholders as expressed by majority resolution;
- (xv) except for proxies and non-substantive communications with securityholders, furnish promptly to the Vendors' Representative a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with: (i) the Transaction; (ii) any filings under Applicable Laws; and (iii) any dealings with regulatory agencies in connection with the transactions contemplated herein;
- (xvi) make other necessary filings and applications under applicable federal and provincial laws and regulations required on its part in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such laws and regulations; and
- (xvii) subject to the terms hereof, deliver and cause to be delivered all closing deliveries required to be delivered by it pursuant to this Agreement.

4.5 Restrictive Covenants of IES

- (a) IES covenants and agrees that it will not, from the date hereof to and including the Effective Date, except as contemplated by this Agreement or with the prior written consent of the Vendors' Representative (such consent not to be unreasonably withheld):
 - (i) declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital, to its shareholders;
 - (ii) except in connection with the Consolidation, split, combine or reclassify any outstanding shares;

- (iii) enter into any material contract, except in connection with the IES Private Placement, the IES Loans or the settlement of the IES Debt, or with respect to the disposition of the IES Licence;
- (iv) redeem, purchase or offer to purchase any of its shares or other securities;
- (v) reorganize, amalgamate or merge with any other Person in any manner whatsoever;
- (vi) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or any assets or properties other than in the ordinary course of its business;
- (vii) incur or commit to incur any indebtedness for borrowed money or issue any debt securities;
- (viii) except pursuant to the IES Private Placement, or in connection with the settlement of the IES Debt, issue or commit to issue any shares, rights, warrants or options to purchase such shares, or any securities convertible into such shares, warrants or options, except pursuant to the issuance of securities issuable pursuant to the terms of securities outstanding on the date hereof,
- (ix) alter or amend in any way its constating documents or by-laws as the same exist at the date of this Agreement;
- (x) take any action which would be outside the ordinary course of business or which may result in a material adverse change in its affairs, except in connection with the disposition of the IES Licence;
- (xi) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of its assets;
- (xii) engage in any business enterprise or other activity materially different from that carried on or intended to be carried on as at the date hereof,
- (xiii) enter into any transaction with or make payments to a party with which it does not deal at arm's length, other than in the ordinary course of business consistent with past practice or in connection with the settlement of the IES Debt or the disposition of the IES Licence;
- (xiv) grant any director, officer or employee who has a policy-making function any increase in compensation or in severance or termination pay (whether or not such compensation or pay is payable in cash), or enter into any employment or consulting agreement with any such director, officer or employee, or hire or promote any such person; or

- (xv) perform any act or enter into any transaction or negotiation which might materially adversely interfere or be materially inconsistent with the consummation of the transactions contemplated under this Agreement.

ARTICLE 5 CONDITIONS

5.1 Mutual Conditions Precedent. The respective obligations of the parties hereto to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions any of which may be waived by the mutual consent of IES and the Vendors' Representative without prejudice to their rights to rely on any other or others of such conditions:

- (a) all necessary regulatory approvals shall have been obtained for the consummation of the Transaction, including the Exchange's conditional approval to:
 - (i) the business combination of IES and Medcolcanna and the listing of the Payment Shares and the IES Common Shares issuable upon the exercise of the Payment Warrants issuable pursuant to the Transaction; and
 - (ii) the listing of the IES Common Shares issuable upon the exchange or exercise of any securities of Medcolcanna issued pursuant to the Private Placement;

subject in each case to the customary conditions;
- (b) there shall not exist any prohibition at law against, and there shall not be in force any order or decree restraining or enjoining, the completion of the Transaction;
- (c) there shall have been no material changes, amendments, or modifications to the Licences or the Land Interests;
- (d) Medcolcanna shall have completed the Private Placement for minimum gross proceeds of not less than \$4,000,000 and the Medcolcanna Second Private Placement for gross proceeds of \$500,000;
- (e) the IES Resolutions shall have been approved by the IES Shareholders;
- (f) all consents, orders and approvals, including, without limitation, regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement shall have been obtained or received from the Person having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably; and
- (g) this Agreement shall not have been terminated in accordance with Section 7.2 hereof.

5.2 Conditions of the Vendors. The obligations of the Vendors to complete the Transaction are subject to the fulfilment of the following conditions on or before the Closing Date:

- (a) each of the acts and undertakings to be performed by IES on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by IES;
- (b) the board of directors of IES shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by IES to permit the completion of the Transaction;
- (c) all consents and approvals which are required or necessary to be obtained by IES for the completion of the transactions contemplated under this Agreement shall have been obtained, received or waived;
- (d) IES shall have cash in its bank account in an amount of not less than \$1,000,000, after netting out all current payables and liabilities incurred up to and including the Closing Date, but adding in any amounts lent to Medcolcanna pursuant to the IES Loans, provided that Medcolcanna shall have the option to require IES to reduce the Consolidation ratio on a pro rata basis if the amount in the IES bank account is less than \$1,000,000 on the Closing Date;
- (e) IES shall have cancelled all of the IES Options;
- (f) the IES Debt shall have been extinguished or otherwise dealt with to the satisfaction of Medcolcanna;
- (g) except as affected by the transactions contemplated herein, the representations and warranties of IES contained herein shall be true in all material respects (save and except for any representation or warranty already qualified by materiality, which shall be true and correct in all respects) as of the Closing Date with the same effect as though such representations and warranties had been made at and as of such time, and the Vendors' Representative shall have received a certificate to such effect, dated the Closing Date, of a senior officer of IES to the best of his knowledge having made reasonable inquiry;
- (h) the covenants of IES contained herein shall have been complied with, and the Vendors' Representative shall have received a certificate to such effect, dated the Closing Date, of a senior officer of IES with respect thereto;
- (i) no material adverse change in the business, affairs, assets financial condition or operations of IES shall have occurred between the date hereof and the Closing Date;
- (j) since the date of this Agreement, no action, suit or proceeding shall have been taken before or by any Person against IES (whether or not purportedly on behalf of IES) that would, if successful, have a material adverse effect on IES, in the sole discretion of the Vendors' Representative, acting reasonably;

- (k) all other necessary corporate action shall have been taken by IES to permit the consummation of the Transaction and the transactions contemplated herein, including the Private Placement;
- (l) the Resulting Directors shall have been appointed as the board of directors of IES and all existing directors of IES shall have tendered their resignations effective as of the Closing Date;
- (m) the management of IES shall have been reconstituted such that all members of the management team shall be nominees of the Vendors' Representative; and
- (n) IES shall have delivered to each Vendor or, to the extent required by the Exchange, to an escrow agent selected by Medcolcanna (the "**Escrow Agent**"), certificates duly registered in the name of such Vendor evidencing the number of Payment Shares to which such Vendor is entitled pursuant to this Agreement.

The foregoing conditions precedent are for the benefit of the Vendors and may be waived by the Vendors' Representative, in whole or in part, without prejudice to the Vendors' right to rely on any other condition in favour of the Vendors. If any of the said conditions shall not have been satisfied or waived by the Vendors' Representative on or before the date required for their performance and provided such non-compliance did not arise from acts or omissions of the Vendors, then the Vendors' obligations to complete the Transaction shall be at an end upon written notice to the other parties hereto.

5.3 Conditions of IES. The obligations of IES to complete the Transaction are subject to the fulfillment of the following conditions on or before the Closing Date:

- (a) each of the acts and undertakings to be performed by the Vendors or the Principal Shareholders on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by the Vendors or the Principal Shareholders, as applicable;
- (b) the shareholders and/or board of directors of Medcolcanna shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by Medcolcanna, the Vendors, and the Principal Shareholders to permit the completion of the Transaction;
- (c) all consents and approvals which are required or necessary to be obtained by the Vendors, the Principal Shareholders, Medcolcanna or the Medcolcanna Subsidiary for the completion of the transactions contemplated under this Agreement shall have been obtained, received or waived;
- (d) except as affected by the transactions contemplated herein, the representations and warranties of the Principal Shareholders and the Vendors contained herein shall be true in all material respects (save and except for any representation or warranty already qualified by materiality, which shall be true and correct in all respects) as of the Closing Date with the same effect as though such representations and warranties had been made at and as of such time, and IES

shall have received a certificate to such effect, dated the Closing Date, of each of the Principal Shareholders and the Vendors to the best of his, her or its knowledge having made reasonable inquiry;

- (e) the covenants of the Principal Shareholders and the Vendors contained herein shall have been complied with, and IES shall have received a certificate to such effect, dated the Closing Date, of each of the Vendors and the Principal Shareholders with respect thereto;
- (f) the Vendors shall have tendered all, but not less than all, of the Medcolcanna Shares and Medcolcanna Existing Warrants, accompanied by duly executed stock transfer forms and associated share or warrant certificates (if issued), such that IES shall, immediately after the Closing, be the sole shareholder of the entire issued capital of Medcolcanna;
- (g) no material adverse change in the business, affairs, assets financial condition or operations of Medcolcanna or the Medcolcanna Subsidiary shall have occurred between the date hereof and the Closing Date;
- (h) since the date of this Agreement, no action, suit or proceeding shall have been taken before or by any Person against Medcolcanna or the Medcolcanna Subsidiary (whether or not purportedly on behalf of Medcolcanna or the Medcolcanna Subsidiary) that would, if successful, have a material adverse effect on Medcolcanna or the Medcolcanna Subsidiary, in the sole discretion of IES, acting reasonably;
- (i) all other necessary corporate action shall have been taken by the Vendors, Medcolcanna or the Medcolcanna Subsidiary to permit the consummation of the Transaction and the transactions contemplated herein; and
- (j) the IES Escrow Agreement, pursuant to which the Payment Shares issued to certain Vendors under this Agreement will be held in escrow pursuant to the policies of the Exchange, shall have been executed and delivered by such Vendors as may be required by the Exchange.

The foregoing conditions precedent are for the benefit of IES and may be waived by IES, in whole or in part, without prejudice to IES' right to rely on any other condition in favour of IES. If any of the said conditions shall not have been satisfied or waived by IES on or before the date required for their performance and provided such non-compliance did not arise from acts or omissions of IES, then IES' obligation to complete the Transaction shall be at an end upon written notice to the other parties hereto.

- 5.4 Notice and Cure Provisions. Each party will give prompt notice to the other parties hereto of the occurrence, or failure to occur, at any time from the date hereof until the Closing Date, of any event or state of facts which occurrence or failure would or would be likely to:

- (a) cause any of the representations or warranties of any party contained herein to be untrue or inaccurate in any material respect on the date hereof or at the Closing Date; or
- (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any party hereunder prior to the Closing Date.

No party may elect not to complete the transactions contemplated hereby pursuant to the conditions precedent contained in Sections 5.1, 5.2, and 5.3 or any termination right under Section 7.2 unless the party intending to rely thereon has delivered forthwith a written notice to the other parties prior to the Time of Closing specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition precedent or termination right, as the case may be. If any such notice is delivered, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may terminate this Agreement.

ARTICLE 6 SURVIVAL OF REPRESENTATIONS AND WARRANTIES

- 6.1 The representations and warranties of IES, the Principal Shareholders and the Vendors contained in this Agreement or any document or certificate given pursuant hereto shall survive the Closing of the Transaction until the second anniversary of Closing. No claim for breach of any representation, warranty or covenant shall be valid unless the party against whom such claim is made has been given written notice thereof before the expiry of such two (2) year period. Notwithstanding the foregoing: (i) any claim based upon any misrepresentation, or breach or inaccuracy, in any of the representations and warranties set out herein may be brought against a party to this Agreement at any time if such claim is based upon fraud in respect of or relating to such misrepresentation, breach or inaccuracy at the time such representation or warranty was made by such party; and (ii) any claim based upon the representations and warranties contained in Subsections 3.2(d) hereof shall survive indefinitely.

ARTICLE 7 AMENDMENT AND TERMINATION

- 7.1 Amendment. This Agreement may, at any time and from time to time, be amended by written agreement of the parties hereto, and any such amendment may, without limitation:
- (a) change the time for performance of any of the obligations or acts of the parties hereto;
 - (b) waive compliance with or modify any representations, warranties or covenants of the parties;

- (c) waive or modify performance of any of the obligations of any of the parties hereto; or
- (d) waive compliance with or modify any conditions precedent contained herein.

7.2 Termination. This Agreement may be terminated: (i) upon mutual agreement in writing by IES and the Vendors' Representative; (ii) subject to the provisions of Section 5.4, upon notice by either IES or the Vendors' Representative of termination of this Agreement due to a material breach of the terms of this Agreement by the Principal Shareholders or any of the Vendors, on the one hand, or IES, on the other hand; (iii) if the closing of the Transaction does not occur on or prior to the Drop Dead Date; or (iv) subject to the provisions of Section 5.4, upon written notice by IES or the Vendors' Representative that any of the conditions to the closing of the Transaction to which it has the benefit of have not been satisfied prior to the Time of Closing as required in accordance with the terms of this Agreement. In the event of the termination of this Agreement as permitted above, this Agreement shall become void and no party shall have any liability or further obligation to any other party, except that nothing contained in this Section 7.2 shall relieve or have the effect of resulting in relieving any party from liability for damages incurred or suffered by another party as a result of a breach of this Agreement by a party acting in bad faith intended and designed to prevent the conditions precedent set out in this Agreement from being satisfied. Notwithstanding the foregoing, the provisions in ARTICLE 6 and Sections 10.3, 10.4, 10.13 and 10.15 shall survive any termination of this Agreement.

7.3 Notice of Unfulfilled Conditions. If the Vendors' Representative or IES shall determine at any time prior to the Closing Date that it intends to refuse to consummate the Transaction or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other of them to be fulfilled or performed, the Vendors' Representative or IES, as the case may be, shall so notify the other of them forthwith upon making such determination in order that such other of them shall have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Drop Dead Date.

ARTICLE 8 CLOSING ARRANGEMENTS

8.1 Closing. The closing of the transaction contemplated herein shall take place at the Time of Closing, on the Closing Date, at the offices of EnerNext Counsel, Suite 800, 400 – 5th Avenue SW, Calgary, Alberta, or at such other place as may be agreed to in writing by the parties hereto.

8.2 Closing Deliveries. At the Time of Closing:

- (a) IES will deliver or cause to be delivered:
 - (i) certificates evidencing the Payment Shares and the Payment Warrants registered in the respective names of the Vendors as provided for in

Exhibit “A” attached hereto, provided however that any certificates evidencing Payment Shares or Payment Warrants that are required to be escrowed by the Exchange may be delivered to the Escrow Agent in accordance with the requirements of Exchange Policies;

- (ii) evidence of the conditional approval of the Exchange to the listing of the IES Common Shares and Payment Shares (including all IES Common Shares which may be issued on the exchange of any outstanding convertible securities), the completion of the Transaction and all matters incidental thereto as contemplated or permitted herein; and
 - (iii) mutual releases from all officers and directors of IES.
- (b) The Vendors’ Representative will deliver or cause to be delivered:
- (i) certified copies of the resolutions of the board of directors of Medcolcanna approving the Transaction and the transfer of the Medcolcanna Shares to IES;
 - (ii) if required by the Exchange, an opinion of legal counsel in Colombia with respect to the ownership and good standing of the Licences and the Land Interests, and the regulatory regime in Colombia for the cultivation and sale of cannabis and its derivatives, in a form to be agreed upon by IES and its counsel, acting reasonably;
 - (iii) a certificate of good standing (or its equivalent) of Medcolcanna from the applicable Governmental Authority in the British Virgin Islands;
 - (iv) a certificate of good standing (or its equivalent) of the Medcolcanna Subsidiary from the applicable Governmental Authority in Colombia;
 - (v) copies of the certificate(s) representing the common shares issued and outstanding in the capital of the Medcolcanna Subsidiary;
 - (vi) copies of the Licences; and
 - (vii) copies of each agreement, instrument, commitment or understanding evidencing the Land Interests.
- (c) Each of the Vendors will cause to be delivered:
- (i) duly executed stock transfer forms transferring the Medcolcanna Shares and Medcolcanna Existing Warrants owned by it to IES or its nominee and the applicable share and/or warrant certificate (if issued); and
 - (ii) if applicable, the IES Escrow Agreement duly executed and delivered by such Vendor as required by the Exchange.

ARTICLE 9
VENDORS' REPRESENTATIVE

9.1 Terms of Appointment.

- (a) Each Vendor hereby appoints (the “**Appointment**”) the Vendors’ Representative as of the Closing as the agent, proxy and attorney-in-fact for such Vendor for all purposes under this Agreement (except where otherwise provided herein), with full power and authority to act on behalf of the Vendors.
- (b) The Appointment, being coupled with an interest, is irrevocable and shall not be revoked by the insolvency, bankruptcy, death, incapacity, dissolution, liquidation or other termination of existence of any Vendor.
- (c) The Appointment shall survive the transfer by any of the Vendors, to the extent of the obligations of such Vendor, of the whole or any portion of such Vendor’s Medcolcanna Shares.
- (d) From and after Closing, the Appointment may not be assigned by the then-current Vendors’ Representative, and no Vendor may otherwise grant any subsequent authority, to another Person without the prior written consent of each of the Vendors and IES; provided that:
 - (i) IES shall not unreasonably withhold or delay such consent, and if IES does not provide its consent within ten (10) days of the date of the Vendor’s written request thereof, IES shall be deemed to have consented; and
 - (ii) this provision shall not prevent the Vendors’ Representative from resigning or from using its own representatives in connection with this Agreement.
- (e) The Vendors’ Representative accepts the Appointment and shall act as representative of the Vendors in accordance with this Agreement.
- (f) Each Vendor revokes any and all other authority, whether as agent, attorney-in-fact, proxy or otherwise, previously conferred or agreed to be conferred by him, her or it, as the case may be, at any time with respect to the Medcolcanna Shares held by such Vendor.
- (g) Each Vendor shall be bound by the actions taken by the Vendors’ Representative pursuant to the Appointment and hereby waives any and all defences which may be available to contest, negate or disaffirm the actions of the Vendors’ Representative taken under such Appointment. The Appointment shall survive the Closing and shall continue until the completion, termination or settlement of all obligations of the Vendors under or in respect of this Agreement. The Appointment may be exercised by the Vendors’ Representative on behalf of each

Vendor in executing any instrument by affixing the signature of the Vendors' Representative hereto.

- (h) IES shall be entitled to rely on any notice, demand, communication, declaration, receipt, waiver, consent or other document purporting to be delivered by the Vendors' Representative on behalf of any Vendor, and IES shall not have any obligation to enquire as to the veracity, accuracy or adequacy thereof, and IES shall be entitled to disregard any notice, demand or claim to the contrary not sent by the Vendors' Representative.

ARTICLE 10 GENERAL

- 10.1 Stand Still Agreement. As long as this Agreement is in effect and except as contemplated herein, neither the Vendors nor IES (including their respective directors, officers and agents) will solicit any discussions, expressions of interest, proposals or accept any offers from any Person relating to a possible merger, amalgamation, arrangement or relating to the sale of substantially all of the shares or assets, or any controlling equity interest of Medcolcanna, the Medcolcanna Subsidiary or IES (other than as contemplated under this Agreement), as applicable, provided however that the board of directors of Medcolcanna and IES, as applicable, may take action or refrain from taking action as is appropriate to satisfy applicable fiduciary duties.
- 10.2 Disclosure of Alternative Transaction. In the event either the Vendors, IES, Medcolcanna or the Medcolcanna Subsidiary shall receive an unsolicited proposal, offer or expression of interest in connection with any of those matters referred to in Section 10.1 on or before the Drop Dead Date, the recipient of such proposal, offer or expression of interest shall notify the other party within one (1) Business Day following receipt thereof and shall provide details of such proposal, offer or expression of interest to the other party.
- 10.3 Notices. All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery, facsimile transmission or by registered mail, postage prepaid, addressed to such other party or delivered to such other party as follows:

- | | | |
|-----|------------|--|
| (a) | If to IES: | Suite 520, 65 Queen Street West
Toronto, Ontario
M5H 2M5 |
| | Attention: | Brian Stecyk |
| | E-mail: | bstecyk@rcadvertising.ca |

with a copy to: Cassels Brock & Blackwell LLP
Suite 2200, HSBC Building
885 West Georgia Street
Vancouver, BC, V6C 3E8

Attention: Sam Cole
Email: scole@casselsbrock.com

(c) If to the Vendors or the Vendors' Representative:

Medcolcanna
Calle 119, No. 5-42
Casa No. 7, Usaquen
Bogota, Colombia

Attention: Chris Reid
E-mail: reidch@hotmail.com

with a copy to: EnerNext Counsel
Suite 800, 400 – 5th Avenue SW
Calgary, AB T2P 0L6

Attention: Peter Yates
E-mail: peter.yates@enernext.ca

or at such other address as may be given by any of them to the others in writing from time to time and such notices, requests, demands or other communications shall be deemed to have been received, if sent by facsimile or electronic mail, on the first Business Day after sending or, if sent by registered mail, on the fifth Business Day after mailing or, if delivered, upon the date of delivery.

- 10.4 Confidentiality. Prior to Closing and, if the Transaction is not completed, at all times thereafter, each of the parties hereto will keep confidential and refrain from using all information obtained by it in connection with the transactions contemplated by this Agreement relating to any other party hereto, provided however that such obligation shall not apply to any information which was in the public domain at the time of its disclosure to a party or which subsequently comes into the public domain other than as a result of a breach of such party's obligations under this Section 10.4.
- 10.5 Assignment. No party may assign this Agreement or its rights or obligations hereunder without the prior written consent of the other parties hereto.
- 10.6 Binding Effect. This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

- 10.7 Waiver. Any waiver or release of any provisions of this Agreement, to be effective, must be in writing executed by the party granting the same.
- 10.8 Further Assurances. The parties hereto covenant and agree to sign such other papers, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.
- 10.9 Governing Law; Choice of Forum. This Agreement shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each of the parties hereto hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta with respect to any matters arising out of this Agreement.
- 10.10 Currency. Except as otherwise stated herein, dollar amounts referred to in this Agreement shall be in Canadian funds.
- 10.11 Third Party Beneficiaries. Nothing in this Agreement, express or implied, shall be construed to create any third-party beneficiaries.
- 10.12 Interpretation. All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed and agreeing with the required word and/or pronoun. The division of this Agreement into articles, sections, subsections and exhibits are for convenience of reference only and shall not affect the interpretation or construction of this Agreement.
- 10.13 Expenses. Save and except as otherwise provided herein, each party shall be responsible for its own legal and accounting fees and other expenses incurred in connection with the completion of the transactions contemplated herein.
- 10.14 Time of the Essence. Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.
- 10.15 Public Announcements. Each of the parties hereto shall cooperate with the other parties in releasing information concerning this Agreement and the transactions contemplated herein, and shall furnish to and discuss with the other parties hereto drafts of all press and other releases prior to publication. No press release or other public announcement concerning the proposed transactions contemplated by this Agreement will be made by any party hereto without the prior consent of the other parties, such consent not to be unreasonably withheld or delayed; provided that nothing contained herein shall prevent any party hereto at any time from furnishing any information to any governmental agency or regulatory authority or to the public if so required by Applicable Law.
- 10.16 Entire Agreement. This Agreement and the documents and instruments and other agreements among the parties hereto as contemplated by or referred to herein constitute the entire agreement among the parties hereto with respect to the subject matter hereof

and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, including, without limiting the generality of the foregoing, the Letter of Intent. This Agreement shall not be amended except in writing signed by all of the parties hereto, and any amendment hereof shall be null and void and shall not be binding upon any party which has not given its consent as aforesaid.

- 10.17 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.
- 10.18 Severability. In the event that any of the representations, warranties or covenants or any portion of them contained in this Agreement are unenforceable or are declared invalid for any reason whatsoever, such unenforceability or invalidity shall not affect the enforceability or the validity of the remaining terms or portions thereof of this Agreement, and such unenforceable or invalid representation, warranty or covenant or portion thereof shall be severable from the remainder of this Agreement.
- 10.19 Independent Legal Counsel. Each of the parties hereby acknowledges and declares that it has been advised to seek, and has sought, or has waived the right to seek, independent legal counsel in connection with the execution of this Agreement and is executing this Agreement of its own volition in a free and enlightened manner, and without fear, threats, compulsion, duress or influence by any person.

(the remainder of this page left intentionally blank)

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

MEDCOLCANNA (BVI), INC.

INTEGRATED ENERGY STORAGE CORP.

By: (signed) "Felipe de la Vega"
Name:
Title:
Authorized Signing Officer

By: (signed) "Brian Stecyk"
Name:
Title:
Authorized Signing Officer

Principal Shareholders:

(signed) "Christopher Reid"
CHRISTOPHER DONALD REID

(signed) "Felipe de la Vega"
FELIPE DE LA VEGA VARGARA

Vendors' Representative:)
)
Signed, sealed and delivered in the)
presence of:)
)
)
_____)
Witness)
)

(signed) "Christopher Reid"
CHRISTOPHER DONALD REID

TO BE COMPLETED BY EACH VENDOR:

Name of Vendor:

Address of Vendor:

Registration and Delivery Instructions for IES Common Shares (NOTE: only to be completed if different from the Name and Address set forth above):

SIGNATURE OF VENDOR (*sign here if the Vendor is an individual*):

SIGNED, SEALED AND DELIVERED)

in the presence of)

)

Witness)

Signature of Vendor

SIGNATURE OF VENDOR (*sign here if the Vendor is not an individual*):

Signature of Vendor

Print name of signatory

Title of signatory

EXHIBIT "A"

List of Medcolcanna Securityholders

[list of Medcolcanna shareholders and their shareholdings redacted]

EXHIBIT “B”**LAND INTERESTS**

Location	Real Estate Registration Number
Lote Guacachica (Suba – Callef 74 Chorrillos IC072 – la Conejera) Bogota, D.C.	50N-540484

Lease Details

El Candil.	<p>Leasing Agreement between the Subsidiary and Globo Inmobiliario SAS dated August 22, 2018.</p> <p>Located in La Conejera (Bogota), boundaries listed in public deed number 946 of Notary Public 73 of Bogota, DC dated March 8, 2011.</p> <p>Area leased 3 hectares</p> <p>Lease cost for the 3 hectares COP\$ 15,000,000 (approx. USD\$5,000) per month, (COP\$5.000.000 per hectare or approx. USD\$1,700 per month) plus 1% royalty of profits (sales - costs- administrative expenses). Grace period (no payments) until November 2018.</p> <p>Contract extension 5 years.</p> <p>Termination at any time by Medcolcanna only having to pay one additional month of lease</p> <p>Option on up to 18 hectares under same terms</p>
Mangavilla	<p>Land Purchase Option dated August 15, 2018 between the Subsidiary and Globo Inmobiliario SAS.</p> <p>Location Venecia Antioquia, identified with the Folio of real estate as registration number 010-17533.</p> <p>Purchase option 27,26 hectares</p> <p>Price: COP\$70.000.000 per hectare or approx. (USD\$23,300 per hectare)</p> <p>Validity of the option: until Feb 15 / 2019</p>
Las Brisas	<p>Land Rental Option Agreement between the Subsidiary and Globo Inmobiliario SAS (as representative for Mas Finca Produccion SAS</p> <p>Location Jerico Antioquia, identified with Real Estate Registration Nos. 014-3404, 014-3405, 014-4159, 014-3406, 014- 3407, with an extension of 156.3 hectares.</p> <p>Lease option up to 156 hectares. Option to be declared on a minimum of 10 hectares and additional area can be added at any time up to the 156 hectares</p> <p>Lease to be made for 5 years</p> <p>Price: COP\$500,000 per hectare per month (approx. USD\$165 per hectare per month)</p> <p>Validity of the option: until Feb 15 / 2019</p>

EXHIBIT “C”

LICENCES

1. Ministry of Health and Social Protection of the Republic of Colombia Resolution 002628 dated June 21, 2018 with respect to a licence to manufacture cannabis derivatives granted to Medcolcanna S.A.S.
2. Ministry of Justice and Law of the Republic of Colombia Resolution 0554 of 22 June 2018 with respect to a licence under which non-psychoactive cannabis plant cultivation has been granted to Medcolcanna S.A.S.
3. Ministry of Justice and Law of the Republic of Colombia Resolution 0586 of 29 June 2018 with respect to a licence for the cultivation of psychoactive cannabis plants for the modalities of (I) production of seed for sowing, and (II) manufacture of derivatives, granted to Medcolcanna S.A.S.

EXHIBIT “D”

IES LICENCE

License Agreement Number 528130 between IES and the Battelle Memorial Institute, dated October 13, 2016, under which IES is permitted to develop technology relying upon certain patented rights.