

PROMISSORY NOTE

TO: GREEN STAR BIOSCIENCES INC.
1250, 639 – 5th Ave. SW
Calgary, Alberta T2P 0M9
(the "**Lender**")

February 4, 2019

WHEREAS the Lender has agreed with **PROGRESSIVE HERBS, INC.** (the "**Borrower**") that it has provided the Borrower with a loan in the principal amount of Five Hundred Thousand (USD\$500,000.00) Dollars on the terms and conditions set out in this Promissory Note. The "Principal Amount" outstanding under this Promissory Note from time to time shall mean all principal advanced to the Borrower by the Lender, less all principal repaid.

NOW THEREFORE, FOR VALUE RECEIVED, the Borrower hereby promises to pay to the Lender, at the above address, the Principal Amount outstanding from time to time, on the terms and conditions set out below:

1. **PRINCIPAL REPAYMENT:** Subject to the terms of this Promissory Note, the Principal Amount and accrued interest shall be repaid by the Borrower from proceeds of the Progressive Joint Venture, established pursuant to a joint venture agreement dated February 2, 2019 between the Lender and the borrower, in full on or before February 4, 2020 (the "**Maturity Date**"). The Borrower shall make payments to the Lender at the Lender's address being 1250, 639 – 5th Ave. SW, Calgary, Alberta T2P 0M9.
2. **INTEREST:** The Borrower will pay interest to the Lender, both before as well as after payment is due and before and after default, judgment and execution, on the Principal Amount from the date hereof until paid, at the rate of eight percent (8.0%) per annum, payable at Maturity. In the event of an Event of Default (as defined below), interest shall thereafter accrue at the rate of three (3%) percent per month to the date of payment.
3. **PREPAYMENT OF LOAN:** The Borrower may prepay the Principal Amount, in whole or in part at any time prior to the Maturity Date.
4. **DEFAULT AND PENALTIES:** The occurrence of any of the following shall constitute an "Event of Default" hereunder:
 - (a) default in the payment of the Principal Amount, interest or fees in accordance with the terms hereof;
 - (b) non-payment of dividends or other payments to which the Lender is entitled to pursuant to any shareholdings in the capital of the Borrower;
 - (c) failure by the Borrower to observe or comply with any affirmative or negative covenant, condition, term or provision set out in this Promissory Note or in the Borrower's Security (as defined below);
 - (d) defaults with respect to any of the covenants, warranties and/or conditions which form part of the credit documents with any other creditor of the Borrower or an affiliate and such default is not waived or cured within the applicable cure period;

- (e) if, in the reasonable opinion of the Lender, a material adverse change has occurred in respect of the Borrower; or
- (f) if: (i) the Borrower ceases to carry on its business; (ii) any proceedings are commenced by the Borrower under the *Companies' Creditors Arrangements Act* or under the *Bankruptcy and Insolvency Act* (including a proposal or notice of intention); (iii) the Borrower commits an act of bankruptcy; (iv) the Borrower becomes insolvent or bankrupt or makes an authorized assignment pursuant to the *Bankruptcy and Insolvency Act*; or (v) a bankruptcy petition is filed by or presented against the Borrower and remains undischarged or unstayed for a period of thirty (30) days.

Upon the occurrence of an Event of Default, the Principal Amount, plus all accrued and unpaid interest, shall be immediately due and payable in full. Upon the occurrence of any such Event of Default and the acceleration of the maturity of the indebtedness evidenced by this Promissory Note:

- (a) the Lender shall immediately be entitled to exercise any and all rights and remedies possessed by the Lender pursuant to the terms of this Promissory Note; and
- (b) the Lender shall have any and all other rights and remedies that Lender may now or hereafter possess at law, in equity or by statute pursuant hereto, the Borrower's Security.

5. **LOCATION AND METHOD OF PAYMENT.** Except as stated below, all payments to be made by the Borrower to the Lender pursuant to this Promissory Note shall be made by direct deposit to the Lender's account, or as the Lender may otherwise determine, on or before 4:00 p.m. (Calgary time) on the date such payments are due.
6. **MAXIMUM RATE OF RETURN:** Notwithstanding any provision to the contrary contained in this Promissory Note, in no event shall the aggregate "interest" (as defined in section 347 of the *Criminal Code*, RSC, 1985, C-46) payable under this Promissory Note exceed the effective annual rate of interest on the "credit advanced" (as defined in that section) under this Promissory Note lawfully permitted under that section and, if any payment, collection or demand pursuant to this Promissory Note in respect of "interest" (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection or demand shall be deemed to have been made by mutual mistake of the Borrower and the Lender and the amount of such payment or collection shall be refunded to the Borrower. For purposes of this Agreement the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the term of the loan on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender will be conclusive for the purposes of such determination.
7. **GOVERNING LAW AND JURISDICTION:** This Promissory Note has been executed, delivered and accepted in the Province of Alberta and shall be construed in accordance with and governed by the laws of the Province of Alberta (without giving effect to the conflicts of law rules and principles of such province) and of Canada.
8. **SECURITY:** This Promissory Note is secured by the liens and security interests created in favour of the Lender under the general security agreement and pledge of license granted by the Borrower (collectively, the "**Borrower's Security**"), in substantially the forms attached hereto as

Schedule "A" and Schedule "B", respectively, and executed contemporaneously herewith. The Borrower's Security is incorporated herein by this reference. In the event of any conflict or inconsistency between the terms hereof and the Borrower's Security, the terms hereof shall govern.

9. **CALCULATION OF INTEREST:** Whenever any interest or fee under this Promissory Note is calculated using a rate based on a year of 360 or 365 days, such rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (i) the applicable rate based on a year of 360 days or 365 days, as the case may be, (ii) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (iii) divided by 360 or 365 as the case may be.

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Promissory Note, and the rates of interest stipulated in this Promissory Note are intended to be nominal rates and not effective rates or yields.

10. **NO DEDUCTION:** All payments of principal, interest, fees and other amounts to be made pursuant to this Promissory Note shall be made free and clear of and without deduction for, any and all present and future taxes, withholdings, levies, duties, any governmental charges and all liabilities with respect thereto, and without setoff, withholding, deduction or counterclaim of any kind whatsoever. If, with regard to any payment to be made the Borrower to the Lender pursuant to this Promissory Note, any deduction for any and all present and future taxes, withholdings, levies, duties, governmental charges or any liability with respect thereto as required by law, the Borrower shall pay such additional amounts as may be necessary in order that the net amount received by the Lender after such deduction shall equal each payment which would have been received by the Lender in the absence of such deduction. The Lender is a Canadian resident and will advise the Borrower in writing if that status changes. If that status changes and the Borrower is obliged to withhold tax on the interest payable the Lender authorizes the Borrower to do so and remit the tax to the appropriate Canadian authorities.

11. **NOTICE:** Any notice or written communication given pursuant to or in connection with this Promissory Note shall be in writing and shall be given by delivering the same personally or by prepaid courier, prepaid registered mail, or facsimile, addressed to the party to be notified at the address of such party set out herein or at such other address of which such party has given notice to the other party hereto. Any such notice shall be conclusively deemed to have been given and received on the day of actual receipt by the addressee or, if given by prepaid registered or certified mail, on the fifth day following the mailing date (absent a general disruption in postal service).

12. **SUCCESSORS AND ASSIGNS:** This Promissory Note shall be binding upon the Borrower and their heirs, executors, administrators and other legal representatives and shall enure to the benefit of the Lender and his heirs, executors, administrators, successors and assigns. Any references herein to the Lender or the Borrower shall include their respective successors and assigns as if specifically named. This Promissory Note may be assigned by the Lender and, if so assigned, the Lender shall provide the Borrower with written notice of such assignment. Present for payment, demand, protest, notice of protest, notice of dishonour and statutory days of grace respecting this Promissory Note or hereby waived.
13. **WAIVER BY THE BORROWER:** The Borrower expressly waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonour, notice of intent to accelerate the maturity hereof and notice of the acceleration of the maturity hereof.

PROGRESSIVE HERBS, INC.

Per: _____
Jonathan Partlow

SCHEDULE "A"
Form of General Security Agreement

SCHEDULE "B"
Form of Pledge