

AGENCY AGREEMENT

June 2, 2017

Golden Leaf Holdings Ltd.
Suite 1000, 36 Toronto St.
Toronto, ON
M5C 2C5

Attention: Donald M. Robinson, Chief Executive Officer

Dear Sir:

Canaccord Genuity Corp. (the “**Lead Agent**”), Echelon Wealth Partners Inc. and Mackie Research Capital Corporation (together with the Lead Agent, the “**Agents**”) understand that Golden Leaf Holdings Ltd. (the “**Corporation**”) will enter into certain acquisition agreements with, *inter alia*, Chalice, LLC (“**Chalice**”) pursuant to which the Corporation will acquire (collectively, the “**Chalice Acquisition**”) all of the issued and outstanding equity interest of CFA Retail, LLC (“**CFA Retail**”) and certain assets of CFA Productions, LLC (“**CFA Productions**”). The Agents further understand that the Corporation has entered into binding letters of intent with JJ 206, LLC (“**JUJU**”), Medical Marijuana Consulting Group Corporation (“**MMGC**”) and NevWa, LLC (“**NevWa**” and together with Chalice, JuJu, MMGC, the “**Targets**”) in relation to the proposed acquisition of all of the issued and outstanding shares, membership interests or certain assets, as the case may be, of each of the Targets by the Corporation (collectively, the “**Proposed Acquisitions**” and each, a “**Proposed Acquisition**”). The Corporation is entering into this Agreement to attempt to facilitate, among other things, the consummation of the Chalice Acquisition.

The Corporation proposes to issue and sell 118,497,857 subscription receipts of the Corporation (individually, a “**Subscription Receipt**” and, collectively, the “**Subscription Receipts**”) at a price of \$0.28 per Subscription Receipt (the “**Issue Price**”) on a private placement basis for aggregate gross proceeds of \$33,179,399.96 (the “**Offering**”).

The Subscription Receipts will be created pursuant to a subscription receipt agreement (the “**Subscription Receipt Agreement**”) among the Corporation, the Lead Agent and TSX Trust Company, as subscription receipt agent (the “**Subscription Receipt Agent**”), to be dated as of the Closing Date (as hereinafter defined). Each Subscription Receipt will, upon the satisfaction or waiver in whole or in part by the Lead Agent, on behalf of the Agents, in its sole discretion, of the Escrow Release Conditions (as hereinafter defined), and without payment of additional consideration or further action on the part of the holders of the Subscription Receipts, be automatically converted into one unit of the Corporation (each, a “**Unit**” and, collectively, the “**Units**”), with each Unit being comprised of one common share (a “**Common Share**”) of the Corporation and one-half of one common share purchase warrant of the Corporation (each whole common share purchase warrant, a “**Warrant**”). Each Warrant will entitle the holder to acquire one Common Share (each, a “**Warrant Share**”) at a price of \$0.37 per Warrant Share for a period of two years following the Closing Date, subject to adjustment in certain events. The Warrants shall be created and issued pursuant to a warrant indenture (the “**Warrant Indenture**”) among the Corporation and TSX Trust Company, as warrant agent (the “**Warrant Agent**”), to be dated as of the Closing Date.

The Agents also understand that the Corporation intends to undertake a concurrent non-brokered private placement offering to certain U.S. Persons of 7,395,000 subscription receipts of the Corporation for gross proceeds to the Corporation of \$2,070,600 (the “**Concurrent Financing**”). The subscription receipts issued pursuant to the Concurrent Financing shall have terms and conditions substantially similar to the Subscription Receipts.

In addition to the Offering, the Corporation proposes to issue and sell, on a private placement basis, in one or more closings (the “**Unit Offering**”), up to \$5,000,000 of Units (the Common Shares and Warrants comprising the Units together with the Subscription Receipts, the “**Offered Securities**”) at a price equal to: (i) \$0.28 per Unit if such Units are purchased prior to the date that price protection for the Unit Offering has expired, or (ii) the greater of (A) \$0.28 per Unit, and (B) the maximum allowable discount to the closing trading price of the Common Shares on the CSE on the Business Day immediately prior to the date that the lead subscriber under the Unit Offering provides notice to the Corporation of its election to purchase additional Units in accordance with the Subscription Agreement, if such Units are purchased after the date that price protection for the Unit Offering has expired (the “**Unit Issue Price**”).

Upon Closing (as hereinafter defined), the gross proceeds from the Offering less: (i) 50% of the Agents’ Commission (as hereinafter defined) payable in connection with the Offering; and (ii) the estimated costs and expenses of the Agents payable on Closing in accordance with this Agreement (the “**Escrowed Proceeds**”), will be delivered to and held by the Subscription Receipt Agent pursuant to the terms of the Subscription Receipt Agreement and invested in an interest bearing account (the Escrowed Proceeds, together with all interest and other income earned thereon, are referred to herein as the “**Escrowed Funds**”). Upon satisfaction, or waiver in whole or in part by the Lead Agent, on behalf of the Agents, in its sole discretion, of the conditions set out below (collectively, the “**Escrow Release Conditions**”), the Subscription Receipt Agent shall release from the Escrowed Funds: (i) to the Agents, an amount equal to the aggregate of the remaining 50% of the Agents’ Commission payable in connection with the Offering and the amount equal to all expenses incurred by the Agents not previously paid to the Agents (collectively, the “**Agents’ Payment**”), and (ii) following release of the Agents’ Payment, all remaining Escrowed Funds (less an amount payable to the Subscription Receipt Agent equal to its reasonable fees and for services rendered and disbursements incurred) shall be released to the Corporation:

- i. the Definitive Agreement (as hereinafter defined) shall have been entered into on terms substantially similar to the terms of the binding letter of intent among Chalice and the Corporation dated March 22, 2017 or otherwise on terms acceptable to the Lead Agent, acting reasonably;
- ii. all conditions precedent to closing the Chalice Acquisition (other than the payment of the cash portion of the purchase price in respect of the Chalice Acquisition) set out in the Definitive Agreement shall have been completed or satisfied;
- iii. the Common Shares being listed on the Canadian Securities Exchange (the “**CSE**”);
- iv. the receipt of all regulatory, shareholder and third-party approvals, if any, required in connection with the Chalice Acquisition; and
- v. the Corporation shall not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement or this Agreement, except (in the case of the this Agreement only) for those breaches or defaults that have been waived by Lead Agent and all conditions set out herein shall have been fulfilled, which shall all be confirmed to be true in a certificate of a senior officer of the Corporation.

As a condition precedent to the execution of any direction or release certificate by the Agents required by the Subscription Receipt Agent for the release of the Escrowed Funds, the Chief Executive Officer of the Corporation and the Chief Financial Officer of the Corporation (or such other officers as may be acceptable to the Agents, acting reasonably) shall certify to the Agents that the Escrow Release Conditions have been satisfied (the “**Escrow Release Certificate**”).

Unless the consent of holders of not less than 66⅔% of the then outstanding Subscription Receipts is obtained pursuant to the terms of the Subscription Receipt Agreement, if (i) the Escrow Release Conditions are not satisfied prior to 5:00 p.m. (EST) on September 30, 2017, being the date that is 120 days (except as may be extended in accordance with the terms of the Subscription Receipts) following the Closing Date (the “**Escrow Deadline**”), (ii) the Corporation advises the Lead Agent in writing or discloses to the public that the Corporation no longer intends to complete the Chalice Acquisition prior to the Escrow Deadline, or (iii) the Definitive Agreement is terminated prior to the Escrow Deadline, the Escrowed Funds shall be used by the Corporation, as required, to repurchase the Subscription Receipts for cancellation at a redemption price per Subscription Receipt equal to the Issue Price. To the extent that the Escrowed Funds are not sufficient to purchase all of the Subscription Receipts at the Issue Price, the Corporation shall contribute such amounts as are necessary to satisfy any shortfall.

The description of the Subscription Receipts and Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Subscription Receipts and Warrants to be set forth in the Subscription Receipt Agreement and Warrant Indenture, respectively. In the case of any inconsistency between the description of the Subscription Receipts or Warrants in this Agreement and their terms and conditions as set forth in the Subscription Receipt Agreement and Warrant Indenture, as applicable, the provisions of the Subscription Receipt Agreement and Warrant Indenture, as applicable, shall govern.

Upon and subject to the terms and conditions set forth herein, the Agents hereby agree to act, and upon acceptance hereof, the Corporation hereby appoints the Agents, as the Corporation’s exclusive agents, to offer for sale by way of private placement on a “best efforts” agency basis, without underwriter liability, the Subscription Receipts to be issued and sold pursuant to the Offering and the Units to be issued and sold pursuant to the Unit Offering and the Agents agree to arrange for purchasers of the Offered Securities in the Designated Jurisdictions (as hereinafter defined) or as otherwise agreed by the Agents and the Corporation.

In consideration of the services to be rendered by the Agents hereunder in connection with the Offering, the Agents will receive a cash fee (the “**Commission**”) in the aggregate amount of \$2,467,500. 50% of the Commission payable in connection with the Offering shall be paid to the Agents on the Closing Date with the balance payable when the Escrow Release Conditions have been satisfied or waived.

In consideration of the services to be rendered by the Agents hereunder in connection with the Unit Offering, the Agents will receive a cash fee (the “**Unit Commission**”) in an amount equal to 7.0% of the gross proceeds of the Unit Offering which will be payable on the Closing Date of the Unit Offering.

As additional consideration for the services of the Agents in connection with the Offering, the Agents shall be issued an aggregate of 8,812,500 compensation options (the “**Compensation Options**”) entitling the Agents to subscribe for an equal number of Units of the Corporation at an exercise price per Compensation Option equal to the Issue Price, such Compensation Options to have a term of two years from the date of issuance. In the event that the Escrow Release Conditions are not satisfied or waived by the Escrow Deadline, as may be extended, (i) the amount of the Commission payable in connection with the Offering shall be reduced by 50%, and (ii) the Compensation Options issued in connection with the Offering shall automatically terminate.

As additional consideration for the services of the Agents in connection with the Unit Offering, the Agents shall be issued Compensation Options entitling the Agents to subscribe for that number of Units as is equal to 7.0% of the total number of Units sold pursuant to the Unit Offering at an exercise price per Compensation Option equal to the Unit Issue Price, such Compensation Options to have a term of two years from the date of issuance.

At the Closing Time (as hereinafter defined), the Corporation shall execute and deliver to the Agents, certificates evidencing the Compensation Options (the “**Compensation Option Certificates**”) in a form to be agreed upon by the Lead Agent and the Corporation, each acting reasonably.

The Agents shall be entitled to appoint, at their sole expense, other registered dealers acceptable to the Corporation (“**Selling Firms**”) as agents to assist in the Offering and the Agents shall determine the remuneration payable to such Selling Firms, such remuneration to be the sole responsibility of the Agents.

DEFINITIONS

In this Agreement, in addition to the terms defined above, the following terms shall have the following meanings:

“**ACMPR Licences**” has the meaning ascribed to such term in Section 4(a)(li) hereof;

“**Agents**” means Canaccord Genuity Corp., Echelon Wealth Partners Inc. and Mackie Research Capital Corporation;

“**Agreement**” means this agreement resulting from the acceptance by the Corporation of the offer made by the Agents hereby, including all schedules hereto, as amended or supplemented from time to time;

“**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Ontario are not open for business;

“**Chalice Acquisition**” has the meaning ascribed to such term on page 1 hereof;

“**Claim**” shall have the meaning ascribed to such term in Section 12 hereof;

“**Closing**” means the completion of the purchase and sale of the Subscription Receipts or Units, as applicable, as contemplated by this Agreement and the Subscription Agreements;

“**Closing Date**” means the date or dates of the Closings, it being anticipated that the Closing Date of the Offering will occur on June 2, 2017;

“**Closing Time**” means the time or times of Closings on the Closing Dates;

“**Common Shares**” has the meaning ascribed to such term on page 1 hereof, being the common shares in the capital of the Corporation;

“**Corporate Targets**” means JJ 206, LLC, Medical Marihuana Consulting Group Corporation and CFA Retail, LLC;

“**Corporation**” means Golden Leaf Holdings Ltd. and includes any successor corporation to or of the Corporation;

“**CSE**” means the Canadian Securities Exchange;

“**Definitive Agreement**” means the membership interest purchase agreement among the Corporation, Greenpoint Holdings Delaware, Inc. and Chalice relating to the Chalice Acquisition;

“**Designated Jurisdictions**” means, collectively, each of the provinces and territories of Canada and such other jurisdictions as the Corporation and the Agents may agree;

“**Directed Selling Efforts**” means selling efforts as described in Rule 902 of Regulation S promulgated by the SEC, and includes includes placing an advertisement in a publication with a general circulation in the United States that refers to the offering of securities being made in reliance upon this Regulation S, as well as any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered hereunder;

“**Engagement Letter**” means the letter agreement dated March 21, 2017 between the Corporation and the Lead Agent relating to the Offering;

“**Escrow Deadline**” has the meaning ascribed to such term on page 2 hereof;

“**Escrow Release Conditions**” has the meaning ascribed to such term on page 2 hereof;

“**Escrowed Funds**” has the meaning ascribed to such term on page 2 hereof;

“**General Advertising**” and “**General Solicitation**” have the meanings described in Rule 502(c) of SEC Regulation D, and include any advertisement, article, notice or other communication published in any newspaper, magazine, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display; and any seminar or meeting whose attendees have been invited by any general solicitation or general advertising;

“**Governmental Authority**” means any governmental authority and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

“**IFRS**” means International Financial Reporting Standards;

“**including**” means including without limitation;

“**Indemnified Party**” or “**Indemnified Parties**” shall have the meaning ascribed to such term in Section 12 hereof;

“**Intellectual Property**” has the meaning ascribed to such term in Section 4(a)(xxiii) hereof;

“**Issue Price**” has the meaning ascribed to such term on page 1 hereof;

“**knowledge of the Corporation**” (or similar phrases) means, (i) with respect to the Corporation, the actual knowledge of Donald Robinson and Eugene Hill after due inquiry, or (ii) as it relates to facts or circumstances pertaining to the Targets, shall mean the actual knowledge of Donald Robinson and Eugene Hill to the extent gained in the course of the Corporation’s due diligence in connection with the Proposed Acquisitions;

“**Leased Premises**” means the premises which are material to the Corporation, any Subsidiary and any Target and which the Corporation, any Subsidiary and any Target occupy as a tenant;

“**Material Adverse Effect**” means the effect resulting from any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision of the board of directors is probable), event, violation, inaccuracy or circumstance that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, prospects, financial condition, or results of operations of the Corporation and the Subsidiaries, taken as a whole;

“**misrepresentation**”, “**material fact**”, “**material change**”, “**affiliate**”, “**associate**”, and “**distribution**” have the respective meanings ascribed thereto in the *Securities Act* (Ontario) in effect on the date hereof;

“**NI 45-102**” means National Instrument 45-102 – *Resale of Securities*;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*;

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**Offering**” has the meaning ascribed to such term on page 1 hereof;

“**Person**” includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

“**Presentation**” means the Corporation’s investor presentation entitled “Golden Leaf Holdings – Revolutionizing Health and Wellness, Improving Lives with Cannabis” available on the Corporation’s website;

“**Proposed Acquisitions**” has the meaning ascribed to such term on page 1 hereof;

“**Purchasers**” means the Persons (which may include the Agents) for whom, pursuant to this Agreement, the Agents deliver to the Corporation, and which the Corporation accepts, complete and executed Subscription Agreements for the Offered Securities;

“**SEC**” means the United States Securities and Exchange Commission;

“**Securities Laws**” means, unless the context otherwise requires, all applicable securities laws in each of the Designated Jurisdictions, the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, multilateral and national instruments, orders, blanket rulings, notices and other regulatory instruments of the securities regulatory authorities in such jurisdictions;

“**Securities Regulators**” means, collectively, the securities regulators or other securities regulatory authorities in the Designated Jurisdictions (including the CSE);

“**Subscription Agreements**” means, collectively, the subscription agreements in the form or forms agreed upon by the Lead Agent and the Corporation pursuant to which Purchasers agree to subscribe for and purchase Offered Securities as contemplated herein and shall include, for greater certainty, all schedules and exhibits thereto;

“**Subscription Receipt Agent**” has the meaning ascribed to such term on page 1 hereof;

“**Subscription Receipt Agreement**” has the meaning ascribed to such term on page 1 hereof ;

“**Subscription Receipts**” has the meaning ascribed to such term on page 1 hereof;

“**Subsidiary**” means each material subsidiary of the Corporation, including Greenpoint Real Estate LLC, Greenpoint Oregon, Inc., Left Coast Connections, Inc. and GL Management, Inc.;

“**subsidiary**” has the meaning ascribed to such term in the OBCA;

“**Tax Act**” means the *Income Tax Act* (Canada) and all rules and regulations made pursuant thereto, all as may be amended, re-enacted or replaced from time to time and any proposed amendments thereto announced publicly from time to time;

“**Taxes**” has the meaning ascribed to such term in Section 4(a)(xxii);

“**Unit Offering**” has the meaning ascribed to such term on page 2 hereof;

“**Unit Issue Price**” has the meaning ascribed to such term on page 2 hereof;

“**United States**” and “**U.S.**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**U.S. Person**” means a “U.S. person”, as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act;

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder; and

“**Warrant Agent**” has the meaning ascribed to such term on page 1 hereof.

TERMS AND CONDITIONS

1. (a) Sale on Exempt Basis. The Agents shall use their best efforts to arrange for the purchase of the Offered Securities:

- (i) in the Designated Jurisdictions on a private placement basis in compliance with applicable Securities Laws; and
- (ii) in such other jurisdictions, as may be agreed upon between the Corporation and the Agents, on a private placement basis in compliance with all applicable securities laws of such other jurisdictions provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction and no registration or similar requirement would apply with respect to the Corporation in connection with the Offering or Unit Offering in such other jurisdiction.

(b) Filings. The Corporation undertakes to file or cause to be filed all forms or undertakings required to be filed by the Corporation in connection with the issue and sale of the Offered Securities such that the distribution of the Offered Securities may lawfully occur without the necessity of filing a prospectus or a registration statement in Canada, the United States or elsewhere, and the Agents undertake to use their best efforts to cause Purchasers to complete any forms required by Securities Laws or other applicable securities laws. All fees payable in connection with such filings under all applicable Securities Laws shall be at the expense of the Corporation.

(c) No Offering Memorandum. Neither the Corporation nor the Agents shall: (i) provide to prospective Purchasers any document or other material or information that would constitute an offering memorandum within the meaning of Securities Laws, other than the Presentation; or (ii) other than in compliance with applicable law, engage in any form of General Solicitation or General Advertising in connection with the offer and sale of the Offered Securities.

2. (a) Material Changes. Until the earlier of the date that the Escrow Release Conditions are satisfied and the Escrow Deadline, the Corporation shall promptly notify the Agents in writing:

- (i) if the Corporation becomes aware of any material fact not previously disclosed, any material change or change in a material fact (in any case, whether actual, anticipated, to the knowledge of the Corporation, contemplated or threatened and other than a change of fact relating solely to the Agents) or any event or development that would result in a material change or change in a material fact in any or all of the business of the Corporation, any Subsidiary or any Target or any other change that is of such a nature as to result in, or could result in this Agreement or the documents to be prepared and filed with the Securities Regulators by the Corporation in connection with the Proposed Acquisitions containing an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or which could render any of the foregoing not in compliance with any Securities Laws;
- (ii) of the full particulars of any actual, anticipated, to the knowledge of the Corporation, contemplated, threatened or prospective change referred to in Section 2(a)(i) above, and the Corporation will, if required to do so, issue or file, promptly and, in any event, within all applicable time limitation periods with the applicable Securities Regulators, a press release, material change report or other document as may be required under Securities Laws and shall comply with all other applicable filing and other requirements under the Securities Laws. Subject to compliance with applicable Securities Laws, the Corporation shall file any such new or amended disclosure documentation without first notifying the Agents, and shall not issue or file, as applicable, any press release or material change report without giving the Agents and their counsel an opportunity for review of the proposed forms, and who shall review any such documents as expeditiously as reasonably possible; and
- (iii) will in good faith discuss with the Agents as promptly as possible any circumstance or event that is of such a nature that there is or ought to be consideration given as to whether there may be a material change or change in a material fact described in Sections 2(a)(i) or (ii) above.

3. (a) Covenants of the Corporation. The Corporation hereby covenants to the Agents and to the Purchasers and their permitted assigns, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Offered Securities, that the Corporation (including its successors and assigns if applicable) will:

- (i) allow the Agents and their representatives to conduct all due diligence regarding the Corporation and the Subsidiaries which the Agents may reasonably require to be conducted prior to the Closing Date;
- (ii) use its commercially reasonable efforts to fulfil or cause to be fulfilled, at or prior to the Closing Time, each of the conditions required to be fulfilled as set out in Section 6;
- (iii) duly execute and deliver this Agreement, the Subscription Receipt Agreement, the Warrant Indenture, the Subscription Agreements and the Compensation Option

- Certificates at the Closing Time, and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Corporation;
- (iv) subject to applicable law, obtain the prior approval of the Lead Agent as to the content and form of any press release relating to the Offering or the Unit Offering;
 - (v) following satisfaction of the Escrow Release Conditions, use the net proceeds of the Offering and Unit Offering to fund the closing date cash portion of the consideration payable in connection with the Proposed Acquisitions and for general corporate purposes;
 - (vi) ensure that the Offered Securities, on payment therefor, and the Compensation Options are duly and validly created, authorized and issued and shall have attributes corresponding in all material respects to the description set forth in this Agreement;
 - (vii) ensure that the Common Shares partially comprising the Units, the Common Shares issued upon the conversion or exercise, as applicable, of the Subscription Receipts and the Compensation Options and the Warrant Shares issued upon the exercise of the Warrants, upon issuance, shall be duly issued as fully paid and non-assessable Common Shares, and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements;
 - (viii) ensure that, in respect of the Subscription Receipts and the Compensation Options, at all times prior to the repurchase or expiry thereof, sufficient Common Shares are allotted and reserved for issuance upon conversion of the Subscription Receipts and sufficient Common Shares are allotted and reserved for issuance upon exercise of the Compensation Options;
 - (ix) provided that the Escrow Release Conditions are satisfied on or before the Escrow Deadline, use its commercially reasonable efforts to ensure that the Common Shares and Warrant Shares issued upon the conversion or exercise, as applicable, of the Subscription Receipts, Warrants and Compensation Options, are, when issued, listed and posted for trading on the CSE;
 - (x) execute and file with the Securities Regulators all forms, notices and certificates relating to the Offering and the Unit Offering required to be filed pursuant to the Securities Laws in the time required by applicable Securities Laws, including, for greater certainty, all forms, notices and certificates set forth in the opinions delivered to the Agents pursuant to this Agreement required to be filed by the Corporation;
 - (xi) neither the Corporation, its associates or affiliates (as such term is defined in the *Securities Act* (Ontario)) will directly or indirectly, offer, issue, sell, grant an option or right in respect of, secure, pledge, or otherwise dispose of, or agree to announce any intention to, offer, issue, sell, grant an option or right in respect of, secure, pledge or otherwise dispose of, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or other equity securities of the Corporation without the prior consent of the Lead Agent, such consent not to be unreasonably withheld, for a period of 120 days following the Closing Date of the Offering, other than: (i) the grant or exercise of stock options and other similar issuances pursuant to any share incentive plan or similar share compensation arrangements in place prior to the date hereof for directors, officers, consultants, employees, customers or suppliers, provided that the exercise or issue prices, as applicable, shall not be less than the Issue Price; (ii) the exercise of outstanding warrants; (iii) obligations of the Corporation in respect of existing agreements; and (iv) the

issuance of securities by the Corporation in connection with the Proposed Acquisitions, the Concurrent Financing or the Unit Offering;

- (xii) prior to the Closing Time, use commercially reasonable efforts to cause each of the senior officers and directors and, in connection with the closing of the Proposed Acquisitions, cause each of the significant shareholders of the Corporation, being each shareholder that holds 5% or more of the issued and outstanding shares of the Corporation after giving effect to the Proposed Acquisitions (each, a “**Locked-up Holder**”), to enter into an undertaking in favour of the Agents pursuant to which such person shall agree not to, and will not permit any of his, her or its affiliates (as such term is defined in the *Securities Act* (Ontario)) to, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap, or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise (any such action is referred to herein as a “**Transfer**”) any Common Shares or other securities of the Corporation convertible into or exercisable or exchangeable (collectively, the “**Securities**”) for Common Shares for a period of 120 days after the Closing Date of the Offering (the “**Lock-up Period**”), without the prior written consent of the Lead Agent (on its own behalf and on behalf of the other Agents), which consent will not be unreasonably withheld or delayed. Notwithstanding the restrictions on Transfers described above, each Locked-up Holder may undertake any of the following: (i) the Locked-up Holder may Transfer any or all of the Locked-up Holder’s Securities to: (a) a spouse, parent, child or grandchild of the Locked-up Holder (a “**Relation**”); (b) corporations, partnerships, limited liability companies or other entities to the extent that such entities are wholly-owned by the Locked-up Holder; (c) trusts existing solely for the benefit of the Locked-up Holder and/or a Relation; or (d) a charitable organization pursuant to a bona fide gift, solely to the extent that in clauses (a), (b), (c) and (d) the recipient of the Locked-up Holder’s Securities agrees in writing to be bound by the terms of the undertaking for the duration of the Lock-Up Period; (ii) if the Locked-up Holder is an individual, upon the death of the Locked-up Holder, the Locked-up Holder or the executor of the Locked-up Holder’s estate may Transfer any or all of the Securities to a recipient of the Securities that agrees in writing as a condition to any such Transfer to be bound by the terms of the undertaking for the duration of the Lock-Up Period; (iii) the Locked-up Holder may Transfer any or all of the Securities pursuant to a bona fide third party take-over bid made to all holders of Common Shares or similar acquisition transaction at any time provided that in the event that such take-over bid or acquisition transaction is not completed, the Securities shall remain subject to the restrictions contained in the undertaking; (iv) the Locked-up Holder may pledge the Securities to a bank or other financial institution for the purpose of giving collateral for a debt made in good faith, but solely to the extent that such bank or financial institution agrees in writing to be bound by the terms of the undertaking for the duration of the Lock-Up Period; and (v) the Locked-up Holder may exercise warrants or options in accordance with the terms thereof; provided that any Common Shares obtained upon such exercise shall remain subject to the terms of the undertaking. All Common Shares issued to shareholders of the Targets as consideration for the Proposed Acquisitions, including any milestone and earn-out payments, will be subject to the lock-up terms and provisions as outlined above for a period of four months from the Closing Date of the Offering;

- (xiii) file the Presentation with the applicable Securities Regulators within the period prescribed by applicable Securities Laws;
- (xiv) promptly notify the Agents of the receipt by the Corporation or any Subsidiary of any notice by any judicial or regulatory authority or any stock exchange requesting any information, meeting or hearing relating to such entity for the Offering or the Unit Offering;
- (xv) use its commercially reasonable efforts to satisfy the Escrow Release Conditions prior to the Escrow Deadline;
- (xvi) duly execute and deliver the Escrow Release Certificate to the Agents, dated as of the date that the Escrow Release Conditions are satisfied; and
- (xvii) promptly notify the Lead Agent in writing or disclose to the public if the Corporation no longer intends to complete the Chalice Acquisition prior to the Escrow Deadline.

4. (a) Representations and Warranties of the Corporation. The Corporation represents and warrants to the Agents and to the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in purchasing the Offered Securities, that:

- (i) each of the Corporation, the Subsidiaries and, to the knowledge of the Corporation, the Corporate Targets is a corporation duly incorporated, continued or amalgamated and validly existing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated, as the case may be, and has all requisite corporate power and authority and is duly qualified and holds all necessary material permits, licences and authorizations necessary or required to carry on its business as now conducted and proposed to be conducted to own, lease or operate its properties and assets and no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;
- (ii) other than the Subsidiaries, the Targets and any entities created for the purposes of effecting the Proposed Acquisitions, upon closing of the Proposed Acquisitions, the Corporation has no direct or indirect material subsidiary or any investment or proposed investment in any Person that is or will be material to the Corporation;
- (iii) the Corporation has all requisite corporate power, authority and capacity to enter into each of this Agreement, the Subscription Receipt Agreement, the Warrant Indenture, the Subscription Agreements and the Compensation Option Certificates and to perform the transactions contemplated herein and therein, including, without limitation, to issue the Offered Securities and the Compensation Options;
- (iv) the Corporation owns all of the issued and outstanding shares of each Subsidiary free and clear of all encumbrances, claims or demands whatsoever and no person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from any Person (other than the Corporation) of any interest in any of the shares in the capital of any Subsidiary. All of the issued and outstanding shares of the Subsidiaries are outstanding as fully paid and non-assessable shares;
- (v) each of the Corporation, the Subsidiaries and, to the knowledge of the Corporation, the Targets has conducted and is conducting its business in material compliance with all applicable laws and regulations of each jurisdiction in which it carries on business, except where the failure to so comply would not have a Material Adverse Effect and each of the Corporation, the Subsidiaries and, to the knowledge of the Corporation, the

Targets hold all material requisite licences, registrations, qualifications, permits and consents necessary or appropriate for carrying on its business as currently carried on and all such licences, registrations, qualifications, permits and consents are valid and subsisting and in good standing in all material respects. Without limiting the generality of the foregoing, neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation, any Target has received a written notice of non-compliance, nor does it know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits which would have a Material Adverse Effect;

- (vi) the Corporation is in compliance in all material respects with all of the rules, policies and requirements of the CSE and the OTCQB and the Corporation's Common Shares are currently listed on the CSE, the OTCQB and the Börse Frankfurt and on no other stock exchange or public market;
- (vii) the Corporation is currently a "reporting issuer" in the provinces of British Columbia, Alberta and Ontario and is in compliance, in all material respects, with all of its obligations as a reporting issuer and since incorporation has not been the subject of any investigation by any stock exchange or any Securities Regulator, is current with all material filings required to be made by it under Securities Laws and other laws, is not aware of any material deficiencies in the filing of any documents or reports with any Securities Regulators and there is no material change relating to the Corporation which has occurred and with respect to which the requisite news release or material change report has not been filed with the Securities Regulators;
- (viii) other than the Leased Premises, each of the Corporation and the Subsidiaries is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material properties and assets thereof, and no other property or assets are necessary for the conduct of the business of the Corporation and the Subsidiaries as currently conducted. Any and all of the agreements and other documents and instruments pursuant to which each of the Corporation or any Subsidiary holds the property and assets thereof (including any interest in, or right to earn an interest in, any Intellectual Property) are valid and subsisting agreements, documents and instruments in full force and effect, enforceable in accordance with the terms thereof, and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, and all material leases, licenses and other agreements pursuant to which the Corporation or any Subsidiary derives the interests thereof in such property are in good standing. The Corporation does not know of any claim or the basis for any claim that might or could materially and adversely affect the right of the Corporation or any Subsidiary to use, transfer or otherwise exploit their respective assets, none of the properties (or any interest in, or right to earn an interest in, any property) of the Corporation or any Subsidiary is subject to any right of first refusal or purchase or acquisition right, and, other than in connection with the sale of the property located at 24075 Klupenger Road, Aurora, Oregon, neither the Corporation nor any Subsidiary has a responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;
- (ix) no legal or governmental proceedings or inquiries are pending to which the Corporation, any Subsidiary or, to the knowledge of the Corporation, any Corporate Target is a party or to which the property thereof is subject that would result in the revocation or modification of any certificate, authority, permit or license necessary to

conduct the business now owned or operated by the Corporation, any Subsidiary or any Corporate Target which, if the subject of an unfavourable decision, ruling or finding could reasonably be expected to have a Material Adverse Effect and, to the knowledge of the Corporation, no such legal or governmental proceedings or inquiries have been threatened against or are contemplated with respect to the Corporation, any Subsidiary or any Corporate Target or with respect to the properties or assets thereof;

- (x) other than as disclosed to the Agents, there are no material actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the best of the Corporation's knowledge, pending or threatened against or affecting the Corporation, any Subsidiary, any Corporate Target, or the directors, officers or employees of the Corporation or its Subsidiaries, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the best of the Corporation's knowledge, there is no basis therefore and neither the Corporation, any Subsidiary nor any Corporate Target is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any governmental authority, which, either separately or in the aggregate, may have a Material Adverse Effect or that would materially adversely affect the ability of the Corporation to perform its obligations under this Agreement, the Subscription Agreements, the Subscription Receipt Agreement or the Warrant Indenture;
- (xi) neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation, any Corporate Target is in violation of its constating documents or in default in any material respect in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease, licence or other agreement or instrument to which it is a party or by which it or its property or assets may be bound;
- (xii) to the knowledge of the Corporation, no counterparty to any material obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease or other agreement or instrument to which the Corporation or any Subsidiary is a party is in default in the performance or observance thereof, except where such violation or default in performance would not have a Material Adverse Effect;
- (xiii) at the Closing Time, all consents, approvals, permits, authorizations or filings as may be required to be made or obtained by the Corporation under Securities Laws necessary for the execution and delivery of this Agreement, the Subscription Receipt Agreement, the Warrant Indenture, the Subscription Agreements, the Compensation Option Certificates, and the creation, issuance and sale, as applicable, of the Offered Securities, the Compensation Options, the Common Shares and Warrants issuable upon the conversion or exercise, as applicable, of the Subscription Receipts and the Compensation Options, the Warrant Shares issuable upon exercise of the Warrants and the consummation of the transactions contemplated hereby and thereby will have been made or obtained, as applicable (other than the filing of reports required under applicable Securities Laws within the prescribed time periods, which documents shall be filed as soon as practicable after the applicable Closing Date and, in any event, within such deadline imposed by applicable Securities Laws);
- (xiv) the Offered Securities, the Common Shares and the Warrants issuable upon the conversion or exercise, as applicable, of the Subscription Receipts and the Compensation Options, the Compensation Options and the Warrant Shares will not be subject to a restricted period or to a statutory hold period under the Securities Laws

which extends beyond four months and one day after the Closing Date in accordance with and subject to the conditions set out in NI 45-102;

- (xv) each of the execution and delivery of this Agreement, the Subscription Receipt Agreement, the Warrant Indenture, the Subscription Agreements and the Compensation Option Certificates, the performance by the Corporation of its obligations hereunder or thereunder, the issue and sale of the Offered Securities hereunder and the consummation of the transactions contemplated in this Agreement, including the issuance and delivery of the Common Shares and Warrants issuable upon conversion of the Subscription Receipts and Compensation Options, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (whether after notice or lapse of time or both): (A) any statute, rule or regulation applicable to the Corporation including, without limitation, the Securities Laws; (B) assuming the filing of articles of amendment, the constating documents, by-laws or resolutions of the Corporation which are in effect at the date hereof; (C) any mortgage, note, indenture, contract, agreement, instrument, lease or other document to which the Corporation or any Subsidiary is a party or by which it is bound; or (D) any judgment, decree or order binding the Corporation or the property or assets of the Corporation or any Subsidiary;
- (xvi) at the Closing Time, each of this Agreement, the Subscription Agreements, the Subscription Receipt Agreement, the Warrant Indenture and the Compensation Option Certificates shall have been duly authorized and executed and delivered by the Corporation and upon such execution and delivery each shall constitute a valid and binding obligation of the Corporation and each shall be enforceable against the Corporation in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;
- (xvii) at the Closing Time, all necessary corporate action will have been taken by the Corporation to authorize the issuance of the Offered Securities, the Compensation Options and the Common Shares and Warrants issuable upon the conversion or exercise, as applicable, of the Subscription Receipts and Compensation Options in accordance with the provisions thereof, including full payment therefor and to reserve and allot for issuance the Common Shares partially comprising the Units and to be issued upon the conversion or exercise, as applicable, of the Subscription Receipts and Compensation Options and the Warrant Shares to be issued on exercise of the Warrants, which Common Shares or Warrant Shares, as applicable, will be validly issued as fully-paid and non-assessable securities in the capital of the Corporation, and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement;
- (xviii) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Corporation, are pending, contemplated or threatened by any regulatory authority
- (xix) the audited comparative consolidated financial statements of the Corporation as at and for the year ended December 31, 2016 and the unaudited interim consolidated

financial statements of the Corporation as at and for the three month period ended March 31, 2017 (collectively, the “**Financial Statements**”) have been prepared in accordance with IFRS, contain no misrepresentations and present fairly, in all material respects, the financial condition of the Corporation on a consolidated basis as at the date thereof and the results of the operations and cash flows of the Corporation on a consolidated basis for the period then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation on a consolidated basis that are required to be disclosed in such financial statements and there has been no material change in accounting policies or practices of the Corporation since December 31, 2016;

- (xx) there are no material liabilities of the Corporation and its Subsidiaries whether direct, indirect, absolute, contingent or otherwise required to be disclosed in the Financial Statements which are not disclosed or reflected in the Financial Statements;
- (xxi) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers’ compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, “**Taxes**”) due and payable by each of the Corporation and each Subsidiary have been paid, except where the failure to pay Taxes would not have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Corporation have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. No examination of any tax return of the Corporation or any Subsidiary is currently in progress to the knowledge of the Corporation and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable, by the Corporation or any Subsidiary in any case;
- (xxii) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurances that, (A) transactions are executed in accordance with management’s general or specific authorization, and (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets;
- (xxiii) each of the Corporation, the Subsidiaries and, to the knowledge of the Corporation, the Corporate Targets owns or has all proprietary rights provided in law and at equity to all patents, trademarks, copyrights, industrial designs, software, trade secrets, know-how, concepts, information and other intellectual and industrial property (collectively, “**Intellectual Property**”) that the Corporation deems necessary to permit the Corporation, the Subsidiaries and the Targets to conduct their respective business as currently conducted. Neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation, any Corporate Target has received any notice nor is the Corporation aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances that would render any Intellectual Property invalid or inadequate to protect the interests of the Corporation, a Subsidiary or a Target therein and which infringement or conflict (if subject to an unfavourable decision, ruling or finding) or invalidity or inadequacy would have a Material Adverse Effect;

- (xxiv) each of the Corporation and the Subsidiaries has taken all reasonable steps to protect its Intellectual Property in those jurisdictions where, in the reasonable opinion of the Corporation and/or each Subsidiary carries on a sufficient business to justify such filings;
- (xxv) to the knowledge of the Corporation, there are no material restrictions on the ability of the Corporation and each Subsidiary to use and explore all rights in the Intellectual Property required in the ordinary course of the business of the Corporation and each Subsidiary, as applicable. None of the rights of the Corporation and each Subsidiary in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by this Agreement;
- (xxvi) other than as disclosed to the Agents, neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation, any Corporate Target has received any notice or claim (whether written, oral or otherwise) challenging its ownership or right to use of any Intellectual Property or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect thereto, nor to the knowledge of the Corporation, is there a reasonable basis for any claim that any person other than the Corporation, a Subsidiary or a Corporate Target has any claim of legal or beneficial ownership or other claim or interest in any Intellectual Property;
- (xxvii) all registrations of Intellectual Property are in good standing and are recorded in the name of the Corporation or a Subsidiary in the appropriate offices to preserve the rights thereto. Other than as would not have a Material Adverse Effect, all such registrations have been filed, prosecuted and obtained in accordance with all applicable legal requirements and are currently in effect and in compliance with all applicable legal requirements. No registration of Intellectual Property has expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be renewed or maintained, except where such expiration, abandonment cancellation, expungement or lapse would not have a Material Adverse Effect;
- (xxviii) any and all of the material agreements and other material documents and instruments pursuant to which any of the Corporation and/or a Subsidiary holds the property and assets thereof (including any interest in, or right to earn an interest in, any Intellectual Property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with terms thereof, none of the Corporation nor a Subsidiary is in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all material leases, licences and other agreements pursuant to which the Corporation or a Subsidiary derives the interests thereof in such property and assets are in good standing and there has been no material default under any such lease, licence or agreement. None of the properties (or any interest in, or right to earn an interest in, any property) of the Corporation or a Subsidiary is subject to any right of first refusal or purchase or acquisition right;
- (xxix) other than as publicly disclosed in its CSE filings, none of the directors, officers or employees of the Corporation or any Subsidiary, any Person who owns, directly or indirectly, more than 10% of any class of securities of the Corporation or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such Person) with the Corporation which, as the case may be, materially affects, is material to or will materially affect the Corporation or any

Subsidiary, except as disclosed in the Financial Statements or related management's discussion and analysis;

- (xxx) the Corporation is not party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any of the securities of the Corporation or any Subsidiary;
- (xxxii) the Corporation, any Subsidiary nor, to the knowledge of the Corporation, any Corporate Target is a party to, bound by or, to the knowledge of the Corporation, affected by any commitment, agreement or document containing any covenant which expressly and materially limits the freedom of the Corporation, a Subsidiary or a Corporate Target to compete in any line of business, transfer or move any of its respective assets or operations or which adversely materially affects the business practices, operations or condition of the Corporation, a Subsidiary or a Corporate Target;
- (xxxiii) neither the Corporation nor a Subsidiary has ever been in violation of, in connection with the ownership, use, maintenance or operation of the property and assets thereof, any applicable federal, provincial, state, municipal or local laws, by-laws, regulations, orders, policies, permits, licenses, certificates or approvals having the force of law, domestic or foreign, relating to environmental, health or safety matters which could reasonably be expected to have a Material Adverse Effect;
- (xxxiv) the authorized capital of the Corporation consists of an unlimited number of Common Shares, of which, as at the date hereof (prior to the completion of the Offering), 141,620,823 Common Shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Corporation. Other than as disclosed in the Financial Statements, there are no outstanding rights, warrants, options, convertible debt or any other securities or rights capable of being converted into, or exchanged or exercised for, any Common Shares of the Corporation;
- (xxxv) the Subscription Receipt Agent, at its principal office in the City of Toronto, Ontario, has been duly appointed as the subscription receipt agent in respect of the Subscription Receipts;
- (xxxvi) the Warrant Agent, at its principal office in the City of Toronto, Ontario, has been duly appointed as the warrant agent in respect of the Warrants;
- (xxxvii) the issue of the Offered Securities will not be subject to any pre-emptive right or other contractual right to purchase securities granted by the Corporation;
- (xxxviii) except as disclosed in the Financial Statements, there are no material liabilities of the Corporation or any Subsidiary, whether direct, indirect, absolute, contingent or otherwise, and the Corporation or any Subsidiary has not made any loans to or guaranteed the obligations of any Person;
- (xxxix) with respect to each of the Leased Premises, the Corporation and the Subsidiaries, as applicable, occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation or a Subsidiary occupies the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement and the completion of the transactions described herein by the Corporation, will not afford any of the parties to such leases or any other person the right to terminate such leases or result in any additional or more onerous obligations under such leases;

- (xxxix) the Corporation, each Subsidiary and, to the knowledge of the Corporation, each Corporate Target is in compliance with all laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where non-compliance with such laws could not reasonably be expected to have a Material Adverse Effect;
- (xl) other than as publicly disclosed or publicly available, the Corporation is not aware of any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Corporation presently in force or, to its knowledge, proposed to be brought into force, or any pending or contemplated change to any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Corporation or any Subsidiary presently in force, that the Corporation anticipates the Corporation or any Subsidiary will be unable to comply with or which could reasonably be expected to materially adversely affect the business of the Corporation or a Subsidiary or the business environment or legal environment under which such entity operates;
- (xli) none of the Corporation or any Subsidiary, any employee or agent thereof, has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, governmental officer or official, or other Person charged with similar public or quasi-public duties, other than payments required or permitted by applicable laws;
- (xlii) all information which has been prepared by the Corporation relating to the Corporation, the Subsidiaries and to the best of its knowledge, the Corporate Targets or their respective businesses, properties and liabilities and made available to the Agents, including for greater certainty, the Presentation, was, as of the date of such information and is as of the date hereof, true and correct in all material respects, taken as a whole, does not contain a misrepresentation and no fact or facts have been omitted therefrom which would make such information materially misleading;
- (xliii) the Corporation has not withheld any material fact relating to the Corporation, any Subsidiary and to the best of its knowledge, any Corporate Target or to the Offering and Unit Offering;
- (xliv) the minute books and corporate records of the Corporation and the Subsidiaries for the period from incorporation to the date hereof made available to the Agents contain copies of all proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders and the directors (or any committee thereof) thereof and there have been no other meetings, resolutions or proceedings of the shareholders or directors of the Corporation to the date hereof not reflected in such corporate records, other than those which are not material to the Corporation, as the case may be;
- (xlv) to the best of the Corporation's knowledge, all forecasts, budgets or projections set forth in the Presentation were prepared in good faith, disclosed all relevant assumptions and contain reasonable estimates of the prospects of the business;
- (xlvi) the Corporation has a reasonable basis for disclosing any forward-looking information contained in the Presentation and is not, as of the date hereof, required to update any such forward looking information pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*, and such forward looking information contained in the Presentation reflects the best currently available estimates and good faith

judgments of the management of the Corporation, as the case may be, as to the matters covered thereby;

- (xlvii) to the knowledge of the Corporation, the Presentation complies in all material respects with Canadian Securities Laws;
- (xlviii) other than the Agents and AC Financial Group, there is no Person acting or purporting to act at the request or on behalf of the Corporation that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement;
- (xlix) the Corporation has provided the Lead Agent with copies of all material documents and correspondence in its possession relating to MMGC's application for a licence pursuant to the *Access to Cannabis for Medical Purposes Regulations* (the "**ACMPR Licences**");
- (l) the Corporation has provided the Lead Agent with copies of all requested material documents and correspondence relating to the licences issued pursuant to the Control and Regulation of Marijuana Act (Ballot Measure 91 (2014), as amended, set forth in ORS §§475B.010 through 475B.395, and in OARs §§845-025-1000 through 845-025-8750 as promulgated by the Oregon Liquor Control Commission, as applicable, to the Corporation and each Subsidiary (the "**Licences**"). The Corporation and each Subsidiary are each in compliance with the terms and conditions of all such Licences and all other licences required in connection with their respective businesses and the Corporation does not anticipate any variations or difficulties in renewing such Licences or any other required licence or permit. The Offering and Unit Offering (including the proposed use of proceeds) will not have any adverse impact on the Licences or require the Corporation or any Subsidiary, as applicable, to obtain any new licence, except that CFA Retail and CFA Productions will be required to obtain new licences and the Corporation will be required to obtain a transfer in respect of NevWa's licences in connection with the Proposed Acquisitions;
 - (i) neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation, MMGC is required to obtain any permits or licences other than the ACMPR Licences pursuant to the *Access to Cannabis for Medical Purposes Regulations* or any other permits from Health Canada or any similar federal, provincial, state or municipal regulatory body or self-regulatory body in connection with the conduct of its business as currently conducted or proposed to be conducted upon closing of the MMGC Acquisition, other than permits or licences that are expected to be obtained in the ordinary course of business;
 - (ii) neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation, any Target, has received any notice or communication from any customer or Health Canada or any applicable regulatory authority in the United States or any state or municipality thereof alleging a defect or claim in respect of any products supplied or sold by the Corporation, any Subsidiary or any Target to a customer and, to the Corporation's knowledge, there are no circumstances that would give rise to any reports, recalls, public disclosure, announcements or customer communications that are required to be made by the Corporation, any Subsidiary or any Target in respect of any products supplied or sold by the Corporation, any Subsidiary or any Target;
 - (iii) all product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Corporation, each Subsidiary and, to the knowledge of the Corporation, each Target in connection

with their business is being conducted in accordance with best industry practices and in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to its current and proposed business, and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects;

- (iv) each of the Corporation, each Subsidiary and, to the knowledge of the Corporation, each Target has security measures and safeguards in place to protect personal information it collects from registered patients and customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Corporation, the Subsidiaries and, to the knowledge of the Corporation, the Targets have complied, in all material respects, with all applicable privacy and consumer protection legislation and none has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Corporation, the Subsidiaries and, to the knowledge of the Corporation, the Targets have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse; and
- (iv) the Corporation is not aware of any facts or circumstances that would cause it to believe that (i) the Chalice Acquisition will not be completed on or before the Escrow Deadline, (ii) the Chalice Acquisition will not be completed in accordance with the Definitive Agreement, or (iii) the Definitive Agreement will be terminated.

(b) Representations, Warranties and Covenants of the Agents. Each of the Agents hereby severally and not jointly or jointly and severally represents, warrants and covenants to the Corporation, and acknowledges that the Corporation is relying upon such representations and warranties in connection with the completion of the Offering and the Unit Offering, that:

- (i) each Agent is duly incorporated and is in good standing in its jurisdiction of incorporation, has all requisite corporate power and authority to enter into and carry out its obligations under this Agreement, and is duly licensed and registered in accordance with applicable Securities Laws;
- (ii) in respect of the offer and sale of the Offered Securities, the Agents have complied and will comply with all Securities Laws and all applicable laws of the jurisdictions outside Canada in which it offers the Offered Securities;
- (iii) the Agents, and each person appointed by them as their agent to assist in the Offering or the Unit Offering, is registered under the applicable securities laws of the Designated Jurisdictions so as to permit it to lawfully fulfil its obligations hereunder;
- (iv) the Agents and their respective representatives have not directed offers of the Offered Securities into the United States or to U.S. Persons, and have not engaged in or authorized, and will not engage in or authorize, any form of Directed Selling Efforts, General Solicitation or General Advertising in connection with or in respect of the Offered Securities;
- (v) the Agents will use their commercially reasonable best efforts to obtain a duly completed and executed Subscription Agreement and all applicable undertakings and other forms required under Securities Laws from each Purchaser; and

- (vi) each Agent represents and warrants that it is not a U.S. Person (as that term is defined in Regulation S promulgated under the U.S. Securities Act), was not offered the Compensation Options within the United States, that this Agreement was not executed on its behalf within the United States and that such Compensation Options may not be exercised within the United States absent registration under the U.S. Securities Act or an exemption from such registration.

5. Closing Deliveries. The purchase and sale of the Offered Securities shall be completed at the Closing Time at the offices of Cassels Brock & Blackwell LLP in Toronto, Ontario or at such other place as the Lead Agent and the Corporation may agree upon in writing. At the Closing Time, the Corporation shall, subject to the provisions of Section 6, issue the Subscription Receipts or Units, as applicable, whether by way of book-entry securities in accordance with the “non-certificated inventory” rules and procedures of CDS, and shall direct CDS to credit the Subscription Receipts or Units, as applicable, to the accounts of participants of CDS as designated by the Lead Agent or by delivery of one or more physical certificates in definitive form to be registered in the name of “CDS & Co.” or such other name or names as the Lead Agent may direct in writing, against payment to the Subscription Receipt Agent or Corporation, as applicable, of the aggregate Issue Price or Unit Issue Price (less the payments to the Agents in connection therewith) therefor, in lawful money of Canada by certified cheque or bank draft payable at par in the City of Toronto, or by electronic money transfer. The Escrowed Funds shall be released upon the satisfaction of the Escrow Release Conditions in accordance with the Subscription Receipt Agreement. The Corporation shall cause all physical certificates being delivered at the Closing Time (other than the Compensation Option Certificates) to be delivered to the Lead Agent in Toronto. The Agents and the Corporation may discharge their payment obligations under this section by delivery of certified cheques or bank drafts from the Agents to the Subscription Receipt Agent, or by electronic money transfer equal to the aggregate Issue Price for the Subscription Receipts issued under the Offering.

6. Closing Conditions. Each Purchaser’s obligation to purchase the Offered Securities shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

- (a) the Agents shall have received a certificate, dated as of the Closing Date signed by the Chief Executive Officer and the Chief Financial Officer of the Corporation, or such other officers of the Corporation as the Lead Agent may agree, certifying for and on behalf of the Corporation (without personal liability), to the best of their knowledge, information and belief, after due inquiry, that:
 - (i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation or prohibiting the issue and sale of the Subscription Receipts or any of the Corporation’s issued securities has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or are contemplated or threatened by any regulatory authority;
 - (ii) since December 31, 2016, (A) there has been no material adverse change (actual, proposed or prospective, whether financial or otherwise) in the business, prospects, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation or any Subsidiary, and (B) no material transactions have been entered into by the Corporation or any Subsidiary other than in the ordinary course of business except as otherwise disclosed in this Agreement;
 - (iii) the Corporation has complied in all material respects (except where already qualified by a materiality or Material Adverse Effect qualification, in which case the Corporation has

complied in all respects) with all the covenants and satisfied in all material respects (except where already qualified by a materiality or Material Adverse Effect qualification, in which case the Corporation has satisfied in all respects) all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time; and

- (iv) the representations and warranties of the Corporation contained in this Agreement and any certificate of the Corporation delivered hereunder are true and correct in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) as at the Closing Time, with the same force and effect as if made on and as at the Closing Time.
- (b) the Agents shall have received a certificate dated the Closing Date, signed by an appropriate officer or officers of the Corporation (without personal liability) addressed to the Agents, with respect to the articles and by-laws of the Corporation, all resolutions of the Corporation's board of directors relating to this Agreement, the Subscription Receipt Agreement, the Warrant Indenture, the Subscription Agreements, the Offered Securities, the Compensation Options, the Common Shares and Warrants comprising the Units and issuable upon the conversion or exercise, as applicable, of the Subscription Receipts and Compensation Options, the Warrant Shares issuable upon exercise of the Warrants and otherwise pertaining to the purchase and sale of the Offered Securities and the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers and such other matters as the Agents may reasonably request;
 - (c) the Agents shall have received a certificate of compliance (or equivalent) with respect to the jurisdiction in which the Corporation and each Subsidiary is in existence, as the case may be;
 - (d) the Agents shall have received satisfactory evidence that all requisite approvals have been obtained by the Corporation in order to complete the Offering and the Unit Offering;
 - (e) the Subscription Agreements, the Subscription Receipt Agreement, the Warrant Indenture and the Compensation Option Certificates shall have been executed and delivered by the Corporation in form and substance satisfactory to the Agents, acting reasonably;
 - (f) the Agents shall have received a certificate from TSX Trust Company as to the number of Common Shares issued and outstanding as at a date not more than two Business Days prior to the Closing Date;
 - (g) the Agents shall have received legal opinions addressed to the Agents and the Purchasers, in form and substance satisfactory to the Agents, acting reasonably, dated as of the applicable Closing Date, from Cassels Brock & Blackwell LLP, counsel to the Corporation, and where appropriate, counsel in the other Designated Jurisdictions, which counsel in turn may rely, as to matters of fact, on certificates of public officials and officers of the Corporation, as appropriate, with respect to the following matters:
 - (i) as to the incorporation and valid existence of the Corporation;
 - (ii) as to the authorized and issued capital of the Corporation;

- (iii) that the Corporation is a reporting issuer under applicable Securities Laws in each of the provinces of British Columbia, Alberta and Ontario and is not on the list of defaulting issuers maintained under such legislation;
- (iv) the corporate power, capacity and authority of the Corporation to carry on its business as presently carried on and to own, lease and operate its properties and assets and, solely in respect of the Corporation, to carry out its obligations under this Agreement, the Subscription Receipt Agreement, the Warrant Indenture, the Offered Securities, the Subscription Agreements, the Compensation Options and to issue the Offered Securities and the Compensation Options;
- (v) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement, the Subscription Agreements, the Subscription Receipt Agreement, the Warrant Indenture and the Compensation Option Certificates, the performance by the Corporation of its obligations hereunder and thereunder and the issuance of the Offered Securities and the Compensation Options;
- (vi) each of this Agreement, the Subscription Agreements, the Subscription Receipt Agreement, the Warrant Indenture and the Compensation Option Certificate has been duly authorized and executed and delivered by the Corporation and constitutes a valid and legally binding agreement of the Corporation enforceable against it in accordance with its terms;
- (vii) the execution and delivery of this Agreement, the Subscription Agreements, the Subscription Receipt Agreement, the Warrant Indenture and the Compensation Option Certificate, the performance by the Corporation of its obligations hereunder and thereunder and the issuance and sale of the Offered Securities does not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both, (A) any statute, rule or regulation applicable to the Corporation; and (B) the constating documents;
- (viii) the Offered Securities have been validly created, executed and issued by the Corporation;
- (ix) the Compensation Options have been validly created, executed and issued by the Corporation;
- (x) the Common Shares partially comprising the Units and issued upon the conversion or exercise, as applicable, of the Subscription Receipts and Compensation Options have been authorized, allotted and reserved for issuance;
- (xi) the Warrants partially comprising the Units and issued upon the conversion or exercise, as applicable, of the Subscription Receipts and Compensation Options will be validly created, executed and issued by the Corporation;
- (xii) the Warrant Shares issued upon exercise of the Warrants have been authorized, allotted and reserved for issuance;
- (xiii) the Common Shares partially comprising the Units and issued upon the conversion or exercise, as applicable, of the Subscription Receipts and the Compensation Options and the Warrant Shares issued upon the exercise of the Warrants, have been authorized and

allotted for issuance to the Purchasers and the Agents (as the case may be) and, upon their issuance in accordance with the terms of the Subscription Receipt Agreement, the Warrant Indenture or the Compensation Option Certificates (as the case may be), will have been validly issued as fully paid and non-assessable shares in the capital of the Corporation;

- (xiv) the issuance and sale by the Corporation of the Offered Securities to the Purchasers resident in the Designated Jurisdictions in accordance with the terms of the Subscription Agreements and the granting and the issuance of the Compensation Options to the Agents in accordance with the terms of this Agreement, is exempt from the prospectus requirements of applicable Securities Laws and no documents are required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained by the Corporation under applicable Securities Laws to permit such issuance and sale, subject only to the filing of the requisite forms under applicable Securities Laws;
- (xv) the issuance of the Common Shares partially comprising the Units, the issuance of the Common Shares upon conversion of the Subscription Receipts, and the issuance of the Warrant Shares upon the exercise of the Warrants and the Compensation Options, is or will be exempt from the prospectus requirements of applicable Securities Laws of the Designated Jurisdictions and no documents are required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained by the Corporation under applicable Securities Laws of the Designated Jurisdictions to permit such issuance and sale;
- (xvi) the first trade in the Offered Securities, the Common Shares and Warrants issued upon the conversion or exercise, as applicable, of the Subscription Receipts and the Compensation Options or the Warrant Shares issued on the exercise of the Warrants being exempt from the prospectus requirements of applicable Securities Laws and no prospectus, offering memorandum or other document is required to be filed, no proceeding is required to be taken and no approval, permit, consent or authorization of regulatory authorities is required to be obtained by the Corporation under applicable Securities Laws to permit such trade through registrants registered under applicable Securities Laws who have complied with such laws and the terms and conditions of their registration, provided that at the time of such trade:
 - (i) the Corporation is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade;
 - (ii) at least four months have elapsed from the “distribution date” (as defined in NI 45-102) of the Subscription Receipts and the Compensation Options;
 - (iii) the certificate or certificates, if any, evidencing the Subscription Receipts, the Common Shares and Warrants comprising the Units and the Compensation Options (and if any Common Shares, Warrants and Warrant Shares have been issued upon the conversion or exercise, as applicable, of the Subscription Receipts, Compensation Options and Warrants before October 3, 2017 the certificate or certificates evidencing such securities (if any)), carry a legend stating that, “Unless permitted under securities legislation, the holder of this security must not trade the security before October 3, 2017”;

- (iv) if the securities being traded are entered into a direct registration or other electronic book-entry system, or if the securityholder did not directly receive a certificate or certificates representing the securities being traded, the securityholder received written notice containing the legend restriction notation set out in subsection (iii) above;
 - (v) the trade is not a “control distribution” (as defined in NI 45-102);
 - (vi) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade;
 - (vii) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and
 - (viii) if the selling security holder is an insider or officer of the Corporation, the selling securityholder has no reasonable grounds to believe that the Corporation is in default of “securities legislation” (as defined in National Instrument 14-101 – *Definitions and Interpretation*);
 - (xvii) the form and terms of Offered Securities, Compensation Options and Warrants have been approved by the board of directors of the Corporation;
 - (xviii) the Subscription Receipt Agent, at its principal office in the City of Toronto, Ontario, has been duly appointed as the subscription receipt agent in respect of the Subscription Receipts; and
 - (xix) the Warrant Agent, at its principal office in the City of Toronto, Ontario, has been duly appointed as the warrant agent in respect of the Warrants;
- (h) the Agents shall have received legal opinions addressed to the Agents, in form and substance satisfactory to the Agents, acting reasonably, dated as of the Closing Date of the Offering, from counsel to each Subsidiary with respect to the following matters: (i) the incorporation and subsistence of the Subsidiary; (ii) the corporate power, capacity and authority of the Subsidiary to carry on its business as presently carried on and to own, lease and operate its properties and assets; (iii) the authorized and issued capital of the Subsidiary; and (iv) the ownership of the issued and outstanding securities of the Subsidiary;
 - (i) the Agents shall have been satisfied, in their sole discretion, with the results of their due diligence review of each of the Corporation and the Subsidiaries and their respective businesses, operations and financial conditions and market conditions at the Closing Time;
 - (j) the Agents shall have received evidence that all conditions precedent to completion of the Concurrent Financing have been completed; and
 - (k) except as agreed to by the Lead Agent, each of the senior officers and directors of the Corporation shall have delivered to the Agents a signed copy of the lock-up undertakings contemplated in subsection 3(a)(xii) of this Agreement.

7. Rights of Termination. The Agents (or any one of them) shall be entitled to terminate their obligations hereunder by written notice to that effect given to the Corporation at or prior to the Closing Time if:

- (a) there should occur any material change (actual, contemplated or threatened) or any change in a material fact, new material fact or occurrence of a material fact or event in the business, operations, assets, affairs, capital, condition or prospects (financial or otherwise) of the Corporation which, in the opinion of the Agents, would reasonably be expected to have a significant adverse effect on the market price or value of the Common Shares or a Material Adverse Effect on the Corporation;
- (b) the Agents determine that there exists any fact or circumstance not generally disclosed to the Agents which, in the opinion of the Agents, might reasonably be expected to have a significant adverse effect on the market price or value of the Common Shares;
- (c) the state of the financial markets, whether national or international, is such that the Offered Securities cannot, in the sole discretion of the Agents, be marketed profitably;
- (d) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) in relation to the Corporation, any Subsidiary or any Target or any of their directors, officers or principal shareholders is commenced, announced or threatened or any order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality or any securities regulatory authority or any law or regulation is enacted or changed which, in the opinion of the Agents, acting reasonably, operates to prevent or restrict the trading of the Common Shares or significantly and adversely affects or will significantly and adversely affect the market price or value of the Offered Securities;
- (e) if there should develop, occur or come into effect or existence any event, action, state, condition (including, without limitation, an act of terrorism) or major financial occurrence of national or international consequence or any law or regulation which in the reasonable opinion of the Agents significantly adversely affects, or involves, or will, or could reasonably be expected to, significantly adversely affect, the financial markets generally, the business, operations or affairs of the Corporation or the market price or value of the Common Shares;
- (f) any order to cease trading the securities of the Corporation is made or threatened by a securities regulatory authority; or
- (g) the Corporation is in breach of a material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement is untrue or false and such breach is not remedied by the Corporation at or prior to the Closing Time.

The Corporation agrees that the conditions contained in Section 6 will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Corporation and the Corporation will use its commercially reasonable efforts to cause all such conditions to be complied with. Any material breach or failure to comply with any of the conditions set out in Section 6 shall entitle the Agents (or any one of them) to terminate their obligation to arrange for the purchase of the Subscription Receipts, by written notice to that effect given to the Corporation at or prior to the Closing Time. It is understood that the Agents may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Agents in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Agents any such waiver or extension must be in writing and signed by the Agents.

8. Right of First Refusal. If, for a period of 18 months following the Closing Date of the Offering, the Corporation: (a) requires additional equity or debt financing, (b) proposes to acquire or dispose of any assets out of the ordinary course of business, (c) decides to hedge, lock-in or swap any currency or interest rate exposure relating to its business, (d) proposes a material corporate transaction, such as an amalgamation, recapitalization, merger, take-over bid, joint venture, plan of arrangement or reorganization, or (e) receives an unsolicited take-over bid, it will offer to engage the Lead Agent as its lead manager, underwriter, private placement agent and/or exclusive financial advisor (as the case may be, depending upon the nature of the transaction) in connection with such transaction, subject to agreeing on mutually acceptable fee arrangements. The terms and conditions relating to any such services will be outlined in a separate engagement letter, underwriting agreement or agency agreement and the fees for such services will be in addition to the fees payable under this Agreement, will be negotiated separately and in good faith and will be consistent with fees paid to North American investment bankers for similar services. If the Lead Agent does not accept the terms and conditions contained in the offer from the Corporation within five days of receipt of such offer, the Corporation may engage any other person as manager, underwriter, private placement agent and/or financial advisor, provided that the terms and conditions of any such engagement shall be no more favourable to such other person as the terms and conditions offered by the Corporation to the Lead Agent.

9. Exercise of Termination Right. The rights of termination contained in Section 7 may be exercised by any Agent acting alone and are in addition to any other rights or remedies the Agents or any of them may have in respect of any of the matters contemplated by this Agreement or otherwise. Any such termination shall not discharge or otherwise affect any obligation or liability of the Corporation provided herein or prejudice any other rights or remedies any party may have as a result of any breach, default or non-compliance by any other party. If the obligations of an Agent are terminated under this Agreement pursuant to the termination rights provided for in Section 7, the Corporation's liabilities to that Agent shall be limited to the Corporation's obligations under the indemnity, contribution and expense provisions of this Agreement.

10. Expenses. Whether or not the Offering or Unit Offering shall be completed, the Corporation shall pay all reasonable expenses of the Offering or Unit Offering, including but not limited to, fees and disbursements of accountants and auditors, technical consultants, translators and other applicable experts; all costs and expenses related to roadshows and marketing activities, printing, filing, issue, sale, and distribution, stock exchange approval and other regulatory compliance; other out-of-pocket expenses of the Agents (including, but not limited to, travel expenses in connection with due diligence and marketing activities, and fees and disbursements of the Agents' legal counsel to a maximum of \$150,000 plus applicable disbursements and taxes) and all taxes payable in respect of any of the foregoing.

11. Survival of Representations and Warranties. All terms, warranties, representations, covenants, indemnities and agreements herein contained or contained in any documents delivered pursuant to this Agreement shall survive the purchase and sale of the Offered Securities and continue in full force and effect for the benefit of the Agents, the Purchasers and/or the Corporation, regardless of the Closing of the Offering and Unit Offering and of any investigations carried out by the Agents or on their behalf and shall not be limited or prejudiced by any investigation made by or on behalf of the Agents in connection with the purchase and sale of the Offered Securities or otherwise for a period ending on the date that is the later of: (a) two years following the Closing Date, or (ii) in respect of the Offering, if the Escrow Release Conditions are satisfied on or before the Escrow Deadline, two years following the closing of the Chalice Acquisition. For greater certainty, the provisions contained in this Agreement in any way related to indemnification or the contribution obligations shall survive and continue in full force and effect, indefinitely. In this regard, the Agents shall act as trustees for the Purchasers and accept these trusts and shall hold and enforce such rights on behalf of the Purchasers.

12. Indemnity. The Corporation agrees to indemnify and hold harmless the Agents, each of their subsidiaries and affiliates and each of their directors, officers, employees, partners, agents, shareholders, each other person, if any, controlling an Agent, or any of its subsidiaries and affiliates (collectively, the “**Indemnified Parties**” and individually, an “**Indemnified Party**”), from and against any and all losses, expenses, claims (including shareholder actions, derivative or otherwise), actions, damages and liabilities, joint or several, including without limitation the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel but not including any amount for lost profits (collectively, the “**Losses**”) that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, connected with or arising out of any action, suit, proceeding, investigation or claim that may be made or threatened by any person or in enforcing this indemnity (collectively the “**Claims**”) insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the Offering or Unit Offering, whether performed before or after the Corporation’s execution of this Agreement and including, without limitation, any Claim in respect of any right of first refusal granted by the Corporation prior to the execution of this Agreement. The Corporation agrees to waive any right the Corporation may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity. The Corporation also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Corporation or any person asserting Claims on behalf of or in right of the Corporation for or in connection with the Offering or Unit Offering (whether performed before or after the Corporation’s execution of the Engagement Letter). The Corporation will not, without the prior written consent of the Agents, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought under this indemnity unless the Corporation has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.

Promptly after receiving notice of a Claim against any Agent or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation, any Agent or any such other Indemnified Party will notify the Corporation in writing of the particulars thereof, provided that the omission so to notify the Corporation shall not relieve the Corporation of any liability which the Corporation may have to any Indemnified Party unless (and only to the extent that) such failure results in forfeiture by the Corporation of substantive rights or defences. The Corporation shall have 14 days after receipt of the notice to undertake, conduct and control, through counsel of their own choosing and at their own expense, the settlement or defense of the Claim. If the Corporation undertakes, conducts or controls the settlement or defense of the Claim, the relevant Indemnified Parties shall have the right to participate in the settlement or defense of the Claim.

The Corporation also agrees to reimburse any Agent for the time spent by its personnel in connection with any Claim at their normal per diem rates. The Agents may retain counsel to separately represent the Agents in the defense of a Claim, which shall be at the Corporation’s expense if (i) the Corporation does not promptly assume the defense of the Claim no later than 14 days after receiving actual notice of the Claim (as set forth above), (ii) the Corporation agrees to separate representation of the Agents, or (iii) the Agents are advised by counsel that there is an actual or potential conflict in the Corporation’s and the Agents’ respective interests or additional defenses are available to the Agents, which makes representation by the same counsel inappropriate, provided that, in no event shall the Corporation be responsible for the fees of more than one separate counsel for all Indemnified Parties in any single jurisdiction.

The foregoing indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable has determined that such Losses to which the Indemnified Party may be subject were caused primarily by the gross negligence, intentional fault or willful misconduct of the Indemnified Party and in such instance, such Indemnified Party shall reimburse any funds advanced by the Corporation to the Indemnified Party pursuant to this indemnity in respect of such Claim.

If for any reason the foregoing indemnity is unavailable (other than in accordance with the terms hereof) to the Agents or any other Indemnified Party or insufficient to hold the Agents or any other Indemnified Party harmless in respect of a Claim, the Corporation shall contribute to the amount paid or payable by the Agents or the other Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Agents or any other Indemnified Party on the other hand but also the relative fault of the Corporation, the Agents or any other Indemnified Party as well as any relevant equitable considerations; provided that the Corporation shall in any event contribute to the amount paid or payable by the Agents or any other Indemnified Party as a result of such Claim any excess of such amount over the amount of the fees received by the Agents under this Agreement.

The Corporation hereby constitutes the Agents as trustees for each of the other Indemnified Parties of the Corporation's covenants under this indemnity with respect to those persons and the Agents agree to accept that trust and to hold and enforce those covenants on behalf of those persons.

The obligations of the Corporation hereunder are in addition to any liabilities which the Corporation may otherwise have to the Agents or any other Indemnified Party.

13. Advertisements. The Corporation shall, at the Agents' request, issue a press release announcing the Offering or the Unit Offering, include a reference to the Agents and their role in any such release or communication, and (ii) ensure that any press release concerning the Offering or Unit Offering complies with applicable law, including U.S. Securities Law restrictions in respect of General Solicitation, General Advertising and Directed Selling Efforts. If the Offering or Unit Offering is successfully completed, the Corporation acknowledges and agrees that the Agents will be permitted to publish, at their own expense, public announcements or other communications relating to their services in connection with the Offering or Unit Offering as they consider appropriate..

14. Notices. Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

(a) If to the Corporation, to:

Golden Leaf Holdings Ltd.
C/O DSA Corporate Services Inc.
36 Toronto Street, Suite 1000
Toronto, Ontario, M5C 2C5
Attention: Don Robinson, Chief Executive Officer
Email: drobinson@goldenxtrx.com

with a copy (which shall not constitute notice) to:

Cassels Brock & Blackwell LLP
Scotia Plaza, Ste. 2100

40 King Street West
Toronto, Ontario M5H 3C2

Attention: Eva Bellissimo
Email: ebellissimo@casselsbrock.com

(b) If to the Agents, to:

Canaccord Genuity Corp.
161 Bay Street, Suite 3000
Toronto, Ontario M5J 2S1

Attention: Steve Winokur
Email: SWinokur@canaccordgenuity.com

Echelon Wealth Partners Inc.
130 King Street West, Suite 2500, P.O. Box 47
Toronto, Ontario M5X 2A2

Attention: Bill Wasson
Email: bwasson@echelonpartners.com

Mackie Research Capital Corporation
199 Bay Street, Suite 4500
Commerce Court West, Box 368
Toronto, Ontario M5L 1G2

Attention: Jeff Reymer
E-Mail: jreymer@mackieresearch.com

with a copy (which shall not constitute notice) to:

DLA Piper (Canada) LLP
Suite 6000, 1 First Canadian Place
PO Box 367, 100 King St W
Toronto, Ontario M5X 1E2

Attention: Robert Fonn
Email: robert.fonn@dlapiper.com

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by facsimile transmission to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by facsimile transmission shall be deemed to be given and received on the first Business Day following the day on which it is confirmed to have been sent.

15. Time of the Essence. Time shall, in all respects, be of the essence hereof.

- 16. Canadian Dollars.** All references herein to dollar amounts are to lawful money of Canada.
- 17. Headings.** The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.
- 18. Singular and Plural, etc.** Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.
- 19. Entire Agreement.** This Agreement constitutes the only agreement among the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings, including, without limitation, the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.
- 20. Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.
- 21. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Corporation and the Agents irrevocably attorn to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Agreement.
- 22. Successors and Assigns.** The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation, the Agents and the Purchasers and their respective executors, heirs, successors and permitted assigns; provided that, this Agreement shall not be assignable by any party without the written consent of the others.
- 23. Further Assurances.** Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.
- 24. Absence of Fiduciary Relationship.** The Corporation acknowledges and agrees that: (a) the Agents have not assumed or will assume a fiduciary responsibility in favour of the Corporation with respect to the Offering contemplated hereby or the process leading thereto and the Agents have no obligation to the Corporation with respect to the Offering contemplated hereby except the obligations expressly set forth in this Agreement; (b) the Agents and their affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Corporation; and (c) the Agents have not provided any legal, accounting, regulatory or tax advice with respect to the Offering contemplated hereby and the Corporation has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate
- 25. Effective Date.** This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.
- 26. Language.** The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. *Les parties reconnaissent avoir expressément demandé que la présente convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement*

27. Counterparts and Facsimile. This Agreement may be executed in any number of counterparts and delivered by email or facsimile, each of which so executed and delivered shall constitute an original and all of which taken together shall form one and the same agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

If the Corporation is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agents.

Yours very truly,

CANACCORD GENUITY CORP.

Per: “Steve Winokur”
Authorized Signatory

ECHELON WEALTH PARTNERS INC.

Per: “Bill Wasson”
Authorized Signatory

MACKIE RESEARCH CAPITAL CORPORATION

Per: “Jeff Reymer”
Authorized Signatory

The foregoing is hereby accepted on the terms and conditions herein set forth.

DATED as of this 2nd day of June, 2017

GOLDEN LEAF HOLDINGS LTD.

Per: “Don Robinson”
Authorized Signatory