

**BLUEBERRIES MEDICAL CORP.**

and

**BBV LABS INC.**

and

**each of the shareholders of BBV LABS INC.**

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**SHARE PURCHASE AGREEMENT**

Dated June 28, 2019

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## SHARE PURCHASE AGREEMENT

Share Purchase Agreement dated June 28, 2019, by and among Blueberries Medical Corp., a company formed under the laws of the Province of British Columbia (the “**Purchaser**”), BBV Labs Inc., a company formed under the laws of the Republic of Panama (the “**Corporation**”), *[Redacted – Confidential Information]* and *[Redacted – Confidential Information]* (“*[Redacted – Confidential Information]*”), together with *[Redacted – Confidential Information]* the “**Vendors**” and each a “**Vendor**”).

### **RECITALS:**

- (a) The Purchaser is interested in developing additional projects for the cultivation of cannabis and the manufacture of cannabis derivative products for medicinal and other purposes in North and South America.
- (b) On March 7, 2019, the Corporation entered into a “Definitive Agreement of Cooperation for the Development of the Provincial Program of Promotion of the Cultivation and Production of Cannabis with Scientific, Medicinal and Therapeutic Purposes of the Province of Jujuy in Argentina” (as amended on May 27, 2019, the “**Joint Venture Agreement**”) with Cannabis Avatara, S.E., an Argentinean State Owned Company, organized and existing under the Laws of Argentina with domicile in the Province of Jujuy, Argentina (“**Cannava**”).
- (c) Pursuant to the Joint Venture Agreement, the Corporation and Cannava have agreed to form an unincorporated joint venture (the “**Joint Venture Project**”) for (i) the development of a project for the cultivation and growth of cannabis in an area of up to *[Redacted – Commercially Sensitive Information]* hectares located in the Pongo Farm, Jujuy Province, Argentina (the “**Cultivation Facility**”) and (ii) the manufacture of cannabis derivative products for scientific, medicinal and therapeutic purposes.
- (d) Pursuant to the Joint Venture Agreement, Cannava has agreed to contribute to the Joint Venture Project:
  - i. all required permits and authorization necessary to import seeds, cultivate, grow and harvest cannabis, process cannabis and extract cannabis oil and other derivative products, export cannabis and derivative products and import and export equipment and products;
  - ii. *[Redacted – Commercially Sensitive Information]*;
  - iii. *[Redacted – Commercially Sensitive Information]*;
  - iv. a best-efforts undertaking to grant the Corporation or its designated special purpose vehicle access to the “Perico Free Trade Zone” to undertake manufacture and distribution activities; and
  - v. the master security protocol for the Joint Venture Project.
- (e) Pursuant to the Joint Venture Agreement, the Corporation has agreed to contribute to the Joint Venture Project:

- i. all required financing for the Joint Venture Project and execution of the security protocol;
  - ii. all required intellectual property required for the Joint Venture Project;
  - iii. training of all technical and non-technical personnel required for the Joint Venture Project; and
  - iv. all the required infrastructure for the Joint Venture Project.
- (f) Pursuant to the Joint Venture Agreement, proceeds from the cultivation and growth activities will be distributed 30% to Cannava and 70% to the Corporation and proceeds from the manufacture and distribution activities will be distributed 10% to Cannava and 90% to the Corporation.
- (g) In accordance with the Joint Venture Agreement, the Corporation agreed to assign its rights to the Joint Venture Agreement to a special purpose vehicle denominated SATIN S.A.S., which is in the process of being incorporated in the Province of Jujuy and which initially will be owned 75% by the Corporation and 25% local Argentinean investors (the “**SPV**”).
- (h) The Purchaser and the Corporation entered into a letter of intent dated March 20, 2019 (the “**Binding LOI**”), further amended and restated on April 30, 2019 (the “**Amended and Restated Binding LOI**”) which details the agreed terms proposed by the Purchaser to the Corporation and the Vendors for the acquisition by the Purchaser of 100% of the shares of the Corporation.
- (i) In accordance with the terms of the Amended and Restated Binding LOI, the Corporation agreed to make a down-payment of US\$300,000 to Cannava as consideration for the contributions of Cannava to the Joint Venture Project (the “**JV Down Payment**”).
- (j) The Vendors are the sole shareholders and hold all of the issued and outstanding shares in the capital of the Corporation.
- (k) The Purchaser wishes to purchase from the Vendors, and the Vendors wish to sell to the Purchaser, all of the issued and outstanding shares in the capital of the Corporation.
- (l) Concurrently with the execution of this Agreement, the Purchaser shall pay to Cannava, on behalf of the Corporation, the JV Down Payment.
- (m) This Agreement sets forth the terms and conditions upon which the Purchaser will purchase from each Vendor and each Vendor will sell to the Purchaser all of the issued and outstanding shares of the Corporation.

In consideration of the above and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties hereto hereby agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Defined Terms

As used in this Agreement, the following capitalized terms have the following meanings unless the context otherwise requires:

- 1.1.1 **"Affiliate"** means, in relation to a Person that is not an individual, any other Person which, directly or indirectly, Controls, is Controlled by or is under common Control with such Person.
- 1.1.2 **"Agreement"** means this Share Purchase Agreement, including the Schedules and the Exhibits attached hereto, as it may from time to time be amended, restated, replaced or supplemented in accordance with the terms hereof.
- 1.1.3 **"Amended and Restated Binding LOI"** has the meaning set out in the Recitals.
- 1.1.4 **"Authorization"** means, with respect to any Person, any order, decree, permit, certificate, certificate of authorization, approval, registration, waiver, license, consent, agreement, directive, notice or similar authorization of any Governmental Entity having jurisdiction over the Person.
- 1.1.5 **"Binding LOI"** has the meaning set out in the Recitals.
- 1.1.6 **"Books and Records"** means all information relating to the Corporation, the SPV and the Joint Venture Project in the possession or under the control of the Corporation, the SPV or the Vendors, whether in written form, in electronic form or in other media.
- 1.1.7 **"Business Day"** means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are closed for business in Toronto, Ontario or Argentinean chartered banks are closed for business in Buenos Aires, Argentina.
- 1.1.8 **"Cannava"** has the meaning set out in the Recitals.
- 1.1.9 **"Claims"** includes any regulatory audits by a Governmental Entity, claims, demands, complaints, grievances, arbitrations, alternative dispute resolution processes, applications, orders, charges, indictments, investigations, prosecutions, actions, suits, causes of action, assessments or reassessments.
- 1.1.10 **"Closing"** means the completion of the purchase and sale transaction contemplated by this Agreement effective as at the Time of Closing.
- 1.1.11 **"Closing Allocation Certificate"** means a certificate delivered by the Vendors to the Purchaser setting forth the allocation of the Purchaser Shares among the Vendors.
- 1.1.12 **"Closing Date"** has the meaning set out in Section 7.1.
- 1.1.13 **"Consent"** means, with respect to any Person, the unconditional written consent of a contracting party to, or as a result of, the transactions contemplated by this Agreement if required by the terms of any Contract, between such contracting party and such Person.

- 1.1.14 “Contract”** means any agreement, contract, licence, instrument, engagement, undertaking or commitment of any nature, whether written or oral.
- 1.1.15 “Control”** (and any derivatives thereof, including **“Controlled”**) means (i) in relation to a Person that is a corporation, the ownership, directly or indirectly, of voting shares of such Person which carry more than 50% of the voting rights attaching to all voting shares of such Person and which are sufficient, if exercised, to elect a majority of its board of directors, and (ii) in relation to a Person that is a partnership, limited partnership, trust or other unincorporated entity (a) the ownership, directly or indirectly, of voting securities of such Person carrying more than 50% of the voting rights attaching to all voting securities of the Person, or (b) the ownership of other interests or the holding of a position (such as general partner or trustee) entitling the holder to exercise control and direction over the activities of such Person.
- 1.1.16 “Corporate Records”** means the corporate records in respect of each of the Corporation and the SPV including (i) all Governing Documents; (ii) all minutes of meetings and resolutions of shareholders and directors (and any committees); (iii) the share certificate books, share and/or securities register, register of transfers and register of directors; and (iv) the corporate seals, if any.
- 1.1.17 “Corporation”** has the meaning set out in the Preambles.
- 1.1.18 “Cost Reimbursement”** means the amount of US\$20,000 that was paid by the Purchaser to the Corporation prior to the date hereof.
- 1.1.19 “Cultivation Facility”** has the meaning set out in the Recitals.
- 1.1.20 “Damages”** means any loss, liability, Claim, damage, expense, reduction of value, fines, penalties or interest (whether or not involving a Third Party Claim) including loss of value and loss of profit (including all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter.
- 1.1.21 “Debt”** means: (i) all indebtedness for borrowed money, including any related prepayment fees or expenses (including overdraft facilities) (whether short term or long term) or any loans from shareholders, (ii) all obligations for the deferred purchase price of property including, without limitation, all earn-out liabilities and any future payments, whether or not the quantum can be ascertained, on account of earn-out arrangements, (iii) all obligations evidenced by notes, bonds, debentures or other similar instruments, (iv) any indebtedness arising under capitalized leases, conditional sales contracts and other similar title retention instruments, (v) any obligation in respect of letters of credit and bankers' acceptances, (vi) all liabilities less all assets arising under any interest rate swap or other interest rate protection agreement or other similar interest rate agreement, (vii) all loans due to any related party (within the meaning of the Tax Act), including any shareholder, (viii) all indebtedness of others referred to in paragraphs (i) through (vii) above directly or indirectly guaranteed by Corporation or the SPV, (ix) any declared dividend not paid by Corporation or the SPV as at the date hereof and (xii) all accrued interest, fees, prepayment, penalties or other similar obligations with respect to any of the foregoing, in each case on a consolidated basis.

- 1.1.22 “Environment”** means all components of the earth, including air (and all layers of the atmosphere), land (and all surface and subsurface soil, underground spaces and cavities, sediment and all land submerged under water) and water (and all surface and underground water), organic and inorganic matter and living organisms and any sewer system. For greater certainty, the interacting natural systems that include components referred to above are included in the definition of **“Environment”**.
- 1.1.23 “Environmental Laws”** means all applicable Laws relating to public health and safety, pollution or the protection of the Environment, including civil responsibility for acts or omissions with respect to the Environment, and all Authorizations issued or required to be issued pursuant to such Laws.
- 1.1.24 “Environmental Liabilities”** means any Damages, obligations or other responsibilities arising from or under Environmental Laws and consisting of or relating to: (i) any environmental conditions (including on-site or off-site contamination, and regulation of Hazardous Materials); (ii) Damages and responses, investigative, remedial, monitoring or inspection obligations arising under Environmental Laws; (iii) cleanup or corrective action, including any investigation, cleanup, removal, containment, monitoring or other remediation or response actions required by Environmental Laws (whether or not such has been required or requested by any Governmental Entity or any other Person) and for any natural resource damages; or (iv) any other compliance, corrective, investigative, notice or remedial measures required under Environmental Laws.
- 1.1.25 “Exclusivity Payment”** means the amount of US\$5,000 that was paid by the Purchaser to the Corporation prior to the date hereof.
- 1.1.26 “Governing Documents”** means, with respect to any Person, (i) if a corporation or company, the certificate and articles of incorporation and the by-laws; (ii) if a partnership, the partnership agreement and any declaration or statement of partnership required to be filed with any Governmental Entity in order to form the partnership or, in the case of a limited partnership, maintain the limited liability of any partners; (iii) if a limited liability company, the articles of organization and operating agreement; (iv) if another type of Person, any other charter or similar document adopted or filed with any Governmental Entity in connection with the creation, formation or organization of the Person; (v) all shareholders' or equityholders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of such Person or relating to the rights, duties and obligations of the shareholders or equityholders of such Person; and (vi) any amendment or supplement to any of the foregoing.
- 1.1.27 “Governmental Entity”** means (i) any governmental or public department, central bank, court, commission, board, bureau, agency, commissioner, minister, governor-in-council, cabinet, tribunal or instrumentality whether international, multinational, national, federal, provincial, state, municipal, local or other, (ii) any subdivision or authority of any of the above, (iii) any stock exchange and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.
- 1.1.28 “Hazardous Materials”** means any waste or other substance or material that is prohibited, listed, defined, designated or classified as, or otherwise determined to be, dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or

pursuant to any Environmental Laws, including any mixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials.

**1.1.29 “Indemnification Notice”** has the meaning set out in Section 8.4.

**1.1.30 “Intellectual Property”** means all domestic and foreign:

- (a) patents, applications for patents and reissues, divisionals, divisions, continuations, renewals, re-examinations, extensions and continuations-in-part of patents or patent applications;
- (b) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing;
- (c) copyrights, copyright registrations and applications for copyright registration;
- (d) designs, design registrations, design registration applications, industrial designs, industrial design registrations, industrial design registration applications, integrated circuit topographies, mask works, mask work registrations and applications for mask work registrations;
- (e) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law (unregistered) trade-marks, trade-mark registrations, trade-mark applications, trade dress and logos, and the goodwill associated with any of the foregoing;
- (f) software; and
- (g) any other intellectual property and industrial property.

**1.1.31 “Interim Period”** means the period between the date of this Agreement and Closing.

**1.1.32 “Joint Venture Agreement”** has the meaning set out in the Recitals.

**1.1.33 “Joint Venture Project”** has the meaning set out in the Recitals.

**1.1.34 “JV Down Payment”** has the meaning set out in the Recitals.

**1.1.35 “Laws”** means (i) all constitutions, treaties, laws, statutes, codes, ordinances, principles of common law, notices, orders, decrees, rules, regulations and municipal by-laws, whether domestic, foreign or international, (ii) all judgments, orders, writs, injunctions, decisions, rulings, decrees, directions, sanctions and awards of any Governmental Entity, and (iii) all policies, practices and guidelines of any Governmental Entity which, although not actually having the force of law, are considered by such Governmental Entity as requiring compliance as if having the force of law or which establish the interpretative position of the law by such Governmental Entity, in each case binding on or affecting the Person referred to in the context in which such word is used.

- 1.1.36 “Lien”** means any hypothec, mortgage, charge, pledge, prior claim, security interest, assignment, lien (statutory or otherwise), *Bank Act* security, servitude, easement, title defect, restriction on transfer (such as a right of first refusal), restrictive covenant, conditional sale, resolutive condition, leasing, title retention agreement or other encumbrance, arrangement or condition of any nature which, in substance, secures payment or performance of an obligation.
- 1.1.37 “Material Adverse Change” or “Material Adverse Effect”** means, with respect to any event, matter or circumstance, any change or effect that individually or when taken together with all other changes or effects of a similar nature that have occurred during any relevant period of time before the determination of the occurrence of that change or effect, is or is reasonably likely to be materially adverse to the Corporation, the SPV, the Joint Venture Project and their activities; provided, however, that in determining whether there has been a Material Adverse Change or Material Adverse Effect, any adverse change or effect attributable to the following shall be disregarded: (i) general economic business or financial market conditions or changes in the markets or industry in which the Corporation, SPV or Joint Venture Project operates, so long as the Corporation, SPV or Joint Venture Project is not disproportionately affected thereby; or (ii) any change in applicable Law or accounting standards that applies to the Corporation, SPV or Joint Venture Project, as the case may be, so long as the Corporation, SPV or Joint Venture Project are not disproportionately affected thereby.
- 1.1.38 “Notice”** has the meaning set out in Section 9.4.
- 1.1.39 “Ordinary Course”** means an action taken by any Person in the ordinary course of such Person’s business that is consistent in all material respects with the past customs and practices of such Person and that is taken in the ordinary course of the normal day-to-day operations of such Person.
- 1.1.40 “Outside Date”** has the meaning set out in Section 6.2.1.
- 1.1.41 “Party”** means any one of the Corporation, the Vendors or the Purchaser and, subject to Section 9.14, their respective permitted assigns.
- 1.1.42 “Person”** is to be interpreted broadly and includes an individual, partnership, corporation, company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns are to have a similarly extended meaning.
- 1.1.43 “Proposed Transaction”** has the meaning set out in Section 5.5.
- 1.1.44 “Purchase Price”** has the meaning set out in Section 2.2.
- 1.1.45 “Purchased Shares”** means all of the issued and outstanding shares in the capital of the Corporation as of Closing, as set out in Schedule 2.1.
- 1.1.46 “Purchaser”** has the meaning set out in the Preambles.
- 1.1.47 “Purchaser’s Closing Certificate”** has the meaning set out in Section 6.3.1.
- 1.1.48 “Purchaser Shares”** means the common shares in the capital of the Purchaser issuable to the Vendors pursuant to Section 2.3.

- 1.1.49 “Purchaser Indemnified Persons”** means (i) the Purchaser, (ii) if Closing occurs, the Corporation and the SPV, and (iii) their respective Affiliates, shareholders, partners, directors, officers, employees, agents, and representatives of (i) and/or (ii), but excluding, in each case, the Vendors.
- 1.1.50 “Purchaser’s Core Representations”** means the representations and warranties contained in Sections 4.1.1, 4.1.2, 4.1.5 and 4.1.6
- 1.1.51 “Representatives”** shall mean the officers, directors, employees, agents, attorneys, accountants, advisors and representatives of the Purchaser.
- 1.1.52 “SPV”** has the meaning set out in the Recitals.
- 1.1.53 “Tax Act”** means the *Income Tax Act*, R.S.C. 1985 (5<sup>th</sup> Supp.) c.1 and the regulations promulgated thereunder, as amended.
- 1.1.54 “Tax Returns”** means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including estimated tax returns and reports, withholding tax returns and reports, and information returns and reports), and any amendments, schedules, attachments, supplements, appendices and exhibits thereto, which have been prepared or filed or required to be prepared or filed in respect of Taxes.
- 1.1.55 “Taxes”** means (i) any and all federal, national, provincial, state, municipal, local and foreign taxes, assessments, contributions and other governmental charges, fees, duties, impositions and liabilities including Canada Pension Plan and provincial pension plan contributions, provincial health plan contributions, employment insurance contributions, parental insurance premiums, worker's compensation and deductions at source, including taxes based on or measured by gross receipts, income, profits, sales, capital, use, occupation, goods and/or services, harmonized, value added, *ad valorem*, transfer, franchise, withholding, stamp, customs duties, payroll, contributions, premiums, recapture, employment, excise and property taxes; (ii) all interest, penalties, fines and additions to tax or other additional amounts imposed on or with respect of amounts of the type described in paragraph (i) above; (iii) any liability for the payment of any amounts of the type described in paragraph (i) or (ii) above as a result of being a member of an affiliated, consolidated, combined or unitary group for any period, and (iv) any liability for the payment of any amounts of the type described in paragraph (i) or (ii) above as a result of any express or implied obligation to indemnify any other Person or as a result of any obligations under any agreements or arrangements with any other Person with respect to such amounts or as a result of being a transferee, and including any liability for Taxes of a predecessor entity.
- 1.1.56 “Time of Closing”** means 8:00 a.m. ET on the Closing Date.
- 1.1.57 “Third Party Claim”** has the meaning set out in Section 8.5.1.
- 1.1.58** *[Redacted – Confidential Information]*
- 1.1.59** *[Redacted – Confidential Information]*
- 1.1.60 “Vendor” or “Vendors”** has the meaning set out in the Preambles.

**1.1.61 “Vendors’ Closing Certificate”** has the meaning set out in Section 6.1.1.

**1.1.62 “Vendors’ Core Representations”** means the representations and warranties contained in Sections 3.1, 3.2.1, 3.2.2, 3.2.3, 3.2.6, 3.2.7, 3.2.8, 3.2.10, 3.2.11, 3.2.14 and 3.2.26.

## **1.2 Gender and Number**

Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and *vice versa*.

## **1.3 Headings, etc.**

The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Agreement. The preamble and recitals to this Agreement are an integral part of this Agreement.

## **1.4 Currency**

All references in this Agreement to “dollars” or to “\$” are expressed in US currency unless otherwise specifically indicated.

## **1.5 Certain Phrases**

In this Agreement the words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation”. The expression “Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Agreement. The expression “in any capacity whatsoever” means in any capacity whatsoever, including as principal, agent, mandatary, joint venture, partner, trustee, member, or, independent contractor, subcontractor, licensor, license, franchiser, franchise, distributor, consultant, supplier or by and through any Person or otherwise.

## **1.6 Knowledge**

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of the Vendors, it will be deemed to refer to the actual knowledge of any Vendor or any director or officer of the Corporation and/or the SPV, and to the extent that such Persons did not possess sufficient knowledge of the facts or matters relating to any such representation or warranty, the knowledge such Persons: (i) should have obtained through reasonable inquiries of the Vendors, the other officers or employees of any one of the Corporation and/or the SPV who, having regard to their positions, job descriptions and responsibilities, would reasonably be expected to have knowledge relevant to the representation and warranty in question; and (ii) should have reasonably obtained as a prudent operator of the Business.

## **1.7 Accounting Terms**

All accounting terms used in this Agreement are to be interpreted in accordance with International Financial Reporting Standards (as developed and approved by the International Accounting Standards Board) unless otherwise specified.

## **1.8 Incorporation of Schedules and Exhibits**

Any schedule or exhibit attached to this Agreement is an integral part of this Agreement.

## **1.9 References to Persons**

Any reference in this Agreement to a Person includes its heirs, administrators, liquidators, executors, successors and permitted assigns.

## **1.10 Statutes**

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended, re-enacted or replaced.

## **1.11 Non-Business Days**

Whenever payments are to be made or an action is to be taken on a day which is not a Business Day, such payment must be made or such action must be taken on or not later than the next succeeding Business Day.

## **1.12 Computation of Time Periods**

If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Agreement, then the first day of the period is not counted, but the day of its expiry is counted.

## **1.13 Legal Representation; No Presumption Against Party that Stipulated the Obligation**

Each Party acknowledges that such Party has been represented by counsel in connection with the negotiation and execution of this Agreement and related matters, and that the terms of this Agreement and related matters have been negotiated by it. Any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the Party that stipulated the obligation has no application and any such right is expressly waived by the Parties.

## **1.14 Overlapping Representations**

Any representation and warranty given by a Party in this Agreement will not be deemed to be limited or qualified solely because a similar or more general representation and warranty given by such Party in this Agreement is limited or qualified.

## **ARTICLE 2 PURCHASE AND SALE; PURCHASE PRICE**

### **2.1 Purchase and Sale**

Subject to the terms and conditions of this Agreement, the Vendors agree to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendors, as at Closing, all (but not less than all) of the Purchased Shares held by the Vendors as set forth in Schedule 2.1, such Purchased Shares constituting all (but not less than all) of the issued and outstanding shares or other securities of the Corporation as at Closing.

## **2.2 Purchase Price**

The purchase price (the “**Purchase Price**”) payable by the Purchaser for the Purchased Shares shall be an amount equal to US\$8,165,000.

## **2.3 Payment of the Purchase Price**

Subject to the terms and conditions of this Agreement, the Purchaser shall satisfy the Purchase Price by: (a) issuing 16,000,000 common shares in the capital of the Purchaser on the Closing Date to the Vendors in accordance with the Closing Allocation Certificate, such common shares to be issued at a deemed price per common share equal to US\$0.51, being the US dollar equivalent of the closing price of common shares of the Purchaser on the Canadian Securities Exchange on the date immediately preceding the announcement of the transactions contemplated by this Agreement; and (b) crediting the Exclusivity Payment against the balance.

# **ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE VENDORS**

## **3.1 Separate Representations and Warranties as to the Vendors**

Each Vendor, separately represents and warrants to the Purchaser as follows as of the date hereof with respect to itself, himself or herself only, as the case may be, and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Purchased Shares notwithstanding any investigation by or on behalf of the Purchaser:

### **3.1.1 Capacity**

Such Vendor has the full legal capacity to enter into and perform his or her obligations under this Agreement and each agreement, certificate and other instrument given pursuant to this Agreement to which he or she is a party, in each case, in accordance with the terms hereof and thereof.

### **3.1.2 No Conflict**

The execution, delivery and performance by such Vendor of this Agreement and each agreement, certificate and other instrument given pursuant to this Agreement to which he or she is a party do not and will not (or would not with the giving of notice, the lapse of time, or both):

- (a) result in a breach, default or violation of, or conflict with, or allow any other Person to exercise any rights under, any term, condition or provision of any Contracts to which such Vendor is a party or pursuant to which any of such Vendor’s assets may be affected;
- (b) result in a breach or violation of any Law; or
- (c) require such Vendor to make any filing with, give any notice to, or obtain or maintain any Authorization of, any Governmental Entity, or otherwise require such Vendor to obtain any Consent.

### **3.1.3 Execution and Binding Obligation**

This Agreement and each agreement, certificate and other instrument given pursuant to this Agreement to which such Vendor is a party has been duly executed and delivered by, and constitutes a legal, valid and binding obligation of, enforceable against, such Vendor in accordance with its terms subject only to any limitation on enforcement under applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement and other similar Laws of general application affecting the enforcement of creditors' rights and (ii) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance and injunction.

### **3.1.4 Title to Purchased Shares**

Such Vendor is the sole, unconditional, legal and beneficial owner of the number and class of shares of the Corporation, as set out beside such Vendor's name in Schedule 2.1, with good and valid title thereto, free and clear of all Liens. At Closing, such shares shall constitute all of such Vendor's shares or other securities interests in the Corporation, whether issued or unissued, and such Vendor shall transfer good and valid title to the Purchaser of the Purchased Shares held by him or her, free and clear of all Liens.

### **3.1.5 No Other Agreements to Purchase**

Except for the Purchaser's rights under this Agreement, no Person has any written or oral agreement, option or warrant, or any right or privilege (whether by Law or by Contract) capable of becoming such, for the purchase or acquisition from such Vendor of any of the Purchased Shares.

### **3.1.6 Residency**

The Purchased Shares to be sold by such Vendor do not constitute taxable Canadian property within the meaning of the Tax Act.

### **3.1.7 Bankruptcy**

Such Vendor has not filed a petition for bankruptcy protection, has not proposed or made a general assignment for the benefit of its creditors, has not had any petition for a bankruptcy order filed against it, and there is no proceeding to have a receiver appointed over any of its assets, nor has such Vendor had any encumbrancer seize any of its property or had any execution or distress become enforceable or levied against any of its property.

### **3.1.8 No Brokers, etc.**

No broker, finder, agent or similar intermediary has acted on behalf of such Vendor in connection with this Agreement or the transactions contemplated hereby, and there are no brokerage commissions, finders' fees or similar fees or commissions payable by such Vendor in connection with this Agreement or the transactions contemplated hereby.

### **3.2 Representations and Warranties as to the Corporation, the SPV and the Joint Venture Project**

The Vendors hereby jointly and severally represent and warrant to the Purchaser as follows as of the date hereof, and acknowledge and confirm that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Purchased Shares notwithstanding any investigation by or on behalf of the Purchaser:

#### **3.2.1 Incorporation, Corporate Power and Qualification**

- (a) Each of the Corporation is a corporation duly and validly formed, organized, in good standing and existing under the Laws of its jurisdiction of formation and has the corporate power and authority to own and operate its property, conduct its business and activities as currently conducted and, with respect to the Corporation, enter into and perform its obligations under this Agreement and under each agreement, certificate and other instrument given pursuant to this Agreement to which it is a party. The Corporation is duly qualified, licensed or registered to carry on business in the jurisdictions listed in Schedule 3.2.1. The jurisdictions listed in Schedule 3.2.1 include all jurisdictions in which the nature of the assets, the business or the activities of the Corporation makes such qualification necessary or in which the Corporation owns or leases any assets or conducts any business or activities.
  
- (b) On the Closing Date, the SPV will be a corporation duly and validly formed, organized, in good standing and existing under the Laws of its jurisdiction of formation and will have the corporate power and authority to own and operate its property, conduct its business and activities as then conducted. On the Closing Date, the SPV will be duly qualified, licensed or registered to carry on business in the jurisdictions listed in Schedule 3.2.1. The jurisdictions listed in Schedule 3.2.1 include all jurisdictions in which the nature of the assets, the business or the activities of the SPV, as at the Closing Date, will make such qualification necessary or in which the SPV, as at the Closing Date, will own or lease any assets or conducts any business or activities.

#### **3.2.2 No Default**

The Corporation is not in breach, default or violation (and no event has occurred that with the giving of notice, the lapse of time, or both) would constitute a breach, default or violation of any term, condition or provision of its Governing Documents or of any resolutions of its board of directors or shareholders. On the Closing Date, the Corporation will not be in breach, default or violation (and no event will have occurred that with the giving of notice, the lapse of time, or both) would constitute a breach, default or violation of any term, condition or provision of its Governing Documents or of any resolutions of its board of directors or shareholders.

### **3.2.3 No Conflict**

The execution, delivery and performance by the Corporation of this Agreement and each agreement, certificate and other instrument given pursuant to this Agreement to which it is a party and the lawful completion of the transactions contemplated hereby and thereby:

- (a) have been duly authorized by all necessary corporate action on the part of the Corporation;
- (b) do not and will not (or would not with the giving of notice, the lapse of time, or both) result in a breach, default or violation of, or conflict with, or allow any other Person to exercise any rights under, any of the term, condition or provision of (i) the Corporation's or the SPV's Governing Documents or of any resolutions of their respective board of directors or shareholders, or (ii) any Contracts to which the Corporation or the SPV is, or as of the Closing Date will be, a party or pursuant to which any of such party's assets, business, activities or share capital may be affected, as applicable;
- (c) do not and will not (or would not with the giving of notice, the lapse of time, or both) result in a breach, default or violation of, or cause the termination or revocation of, any Authorization held by the Corporation or that will be held the SPV on the Closing Date necessary to the ownership or the use of the assets or the operation of any of the business or activities of any one of them; and
- (d) do not and will not (or would not with the giving of notice, the lapse of time, or both) result in a breach or violation of any Law.

### **3.2.4 Required Authorizations**

There is no requirement of the Corporation or the SPV to make any filing with, give any notice to, or obtain or maintain any Authorization of, any Governmental Entity as a result of the execution of this Agreement or as a condition to the lawful completion of the transactions contemplated by this Agreement and each agreement, certificate and other instrument given pursuant to this Agreement to which the Corporation or the SPV is or as of the Closing Date will be a party or to the continued operation of any of the business and activities of any one of them.

### **3.2.5 Required Consents**

There is no requirement of the Corporation to obtain any Consent as a result of the execution of this Agreement and, other than the Consent of Cannava to assign the Joint Venture Agreement from the Corporation to the SPV, there is no requirement of either the Corporation or the SPV to obtain any Consent as a condition to the lawful completion of the transactions contemplated by this Agreement.

### **3.2.6 Execution and Binding Obligation**

This Agreement has been, and each agreement, certificate and other instrument given pursuant to this Agreement to which the Corporation is a party has been duly executed and delivered by the Corporation, and constitutes and will constitute at Closing, a legal, valid and binding obligation of, enforceable against the Corporation in accordance with its

terms subject only to any limitation on enforcement under applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement reorganization, moratorium and other similar Laws of general application affecting the enforcement of creditors' rights and (ii) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance and injunction. Provided however that if there is a need to submit the Agreement to any administrative or judicial authority in Panama, (i) the Agreement must be translated into Spanish, by a licensed translator in Panama; (ii) if the Agreement has been executed outside of Panama, the signatures on the Agreement should be authenticated by a diplomatic or consular officer of Panama in the jurisdiction of execution or pursuant to the 1961 Hague Convention on the Legalization of documents (*Apostille*); and (iii) a stamp tax at the rate of US\$0.10 for each US\$100.00 of the face value of the corresponding obligations may be levied in the event that the Agreement is submitted before any administrative or judicial authority in Panama.

### **3.2.7 Authorized and Issued Capital of the Corporation**

- (a) The authorized capital the Corporation is 100 shares, each with a nominal value of US\$100 and the issued and outstanding capital of the Corporation is set forth on Schedule 3.2.7(a). All of the issued and outstanding shares of the Corporation have been duly issued and outstanding as fully paid and non-assessable, free and clear of all Liens. Such shares constitute all (and not less than all) of the issued and outstanding shares in the capital of the Corporation and are registered in the name of the Vendors as set forth in Schedule 2.1. Such shares have been issued, and transferred, in compliance with all applicable Laws.
- (b) There are no outstanding options, warrants, rights, securities, debentures, loans or notes convertible or exchangeable for any shares or other securities of the Corporation.

### **3.2.8 Authorized and Issued Capital of the SPV**

- (a) On the Closing Date, the authorized capital the SPV will be 3,600 shares each with a nominal value of 100 Argentine Pesos each and the issued and outstanding capital of the SPV will be as set forth on Schedule 3.2.8(a). When issued, all of the issued and outstanding shares of the SPV will be duly issued and outstanding as fully paid and non-assessable, free and clear of all Liens. As of the Closing Date, the shares held in the capital of the SPV as set forth on Schedule 3.2.8(a) will be registered in the name of the Corporation and such shares will have been issued in compliance with all applicable Laws.
- (b) On the Closing Date, there will be no outstanding options, warrants, rights, securities, debentures, loans or notes convertible or exchangeable for any shares or other securities of the SPV.

### **3.2.9 Bankruptcy**

The Corporation has not filed a petition for bankruptcy protection, has proposed or made a general assignment for the benefit of its creditors, has not had any petition for a bankruptcy order filed against it, and there is no proceeding to have a receiver appointed over any of its assets, nor has the Corporation had any encumbrancer seize any of its property or had any execution or distress become enforceable or levied against any of its

property. As of the Closing Date, the SPV will not have filed a petition for bankruptcy protection, will not have proposed or made a general assignment for the benefit of its creditors, will not have had any petition for a bankruptcy order filed against it, and there will be no proceeding to have a receiver appointed over any of its assets, nor will any encumbrancer have seized any of its property or had any execution or distress become enforceable or levied against any of its property.

### **3.2.10 Subsidiaries**

Other than with respect to the SPV to be formed following the date hereof, the Corporation does not have any subsidiaries and it does not hold any shares or other ownership, equity or proprietary interests in any other Person, in any manner whatsoever.

### **3.2.11 No Other Agreements to Purchase**

Except for Purchaser's rights under this Agreement, no Person has any written or oral agreement, option or warrant, or any right or privilege (whether by Law or by Contract) capable of becoming such for the purchase, subscription, allotment or issuance of any of (i) the unissued shares or other securities of the Corporation or (ii) the assets of the Corporation. As of the Closing Date, no Person will have any written or oral agreement, option or warrant, or any right or privilege (whether by Law or by Contract) capable of becoming such for the purchase, subscription, allotment or issuance of any of (i) the unissued shares or other securities of the SPV or (ii) the assets of the SPV.

### **3.2.12 Corporate Records**

The Corporate Records of the Corporation are, and on the Closing Date the Corporate Records of both the Corporation and the SPV will be, complete and accurate, and contain copies of all of:

- (a) the Governing Documents and resolutions adopted by the shareholders and directors of the Corporation and the SPV since the date of its formation, all of which have been duly adopted in compliance with all Laws;
- (b) the registers of all past or present securities, shares, shareholders and securities or shares issuances, redemptions and transfers; and
- (c) the registers of directors, listing all former and present directors, all of whom were properly elected.

### **3.2.13 Shareholders' Agreements, etc.**

Neither Vendor nor the Corporation is or has been, and on the Closing Date the SPV will not be, subject to, or affected by, any shareholders' agreement, voting trust or similar arrangement with respect to the voting or ownership of shares or other securities or interests of the Corporation, the SPV or the Joint Venture Project.

### **3.2.14 No Assets and No Liabilities**

Since the date of its incorporation, the Corporation has not carried on any business or conducted any operations other than in connection with the formation of the SPV and the entering into of the Joint Venture Agreement. Other than the Corporation's ownership of the SPV and Corporation's interest in the Joint Venture Agreement, the Corporation has not any legal or beneficial ownership of any assets or property. Other than as set out in the Joint Venture Agreement, the Corporation has no liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise). On the Closing Date, the SPV will not have, since the date of its incorporation, carried on any business or conducted any operations other than the assignment and assumption of the Joint Venture Agreement from the Corporation. On the Closing Date, other than as set out in the Joint Venture Agreement, the SPV will have no liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise).

### **3.2.15 Compliance with Laws**

The Corporation has always conducted and is continuing to conduct its business and activities in compliance with all applicable Laws. On the Closing Date, the SPV will have always conducted and will be continuing to conduct its business and activities in compliance with all applicable Laws.

### **3.2.16 Joint Venture Agreement**

Other than the Joint Venture Agreement, the Binding LOI and the Amended and Restated Binding LOI, the Corporation is not a party to or bound by any Contract. On the Closing Date, other than the assignment and assumption of the Joint Venture Agreement, the SPV will not be a party to or bound by any Contract. The Corporation has, and on the Closing Date the SPV will have, performed all obligations required to be performed by either of them and is and will be entitled to all benefits under, and is and will not be not in breach, default or violation or alleged to be in such breach, default or violation of, the Joint Venture Agreement. The Joint Venture Agreement is in full force and effect, unamended and there exists no actual, alleged or anticipated default on the part of any part thereto. There exists no actual, alleged or anticipated or event of default or event or condition (including the purchase of the Purchased Shares) which would with the giving of notice, the lapse of time, or both, result in a breach, default or violation under the Joint Venture Agreement. A true and complete copy of the Joint Venture Agreement is attached as Schedule 3.2.16.

### **3.2.17 Authorizations to Operate**

- (a) **Required Authorizations.** Schedule 3.2.17(a) contains a complete and accurate list of all of the Authorizations necessary to permit the Joint Venture Project to lawfully conduct, operate or occupy its activities and business in the manner currently conducted, operated or occupied and proposed to be conducted, operated or occupied pursuant to the terms of the Joint Venture Agreement.
- (b) **Authorizations Held.** Cannava holds the Authorizations listed in Schedule 3.2.17(b) for the benefit of the Joint Venture Project, each of which is valid and in full force and effect.

- (c) **No Default.** There is no actual, alleged or anticipated event or condition (including the purchase of the Purchased Shares) which (or would with the giving of notice, the lapse of time, or both), (i) constitutes a breach, default or violation of any Authorization listed in Schedule 3.2.17(b); (ii) results directly or indirectly in the revocation, withdrawal, suspension, cancellation or termination of, or any modification to, any Authorization listed in Schedule 3.2.17(b); or (iii) would prevent or materially impede the ability of Cannava, the Corporation or the SPV to obtain the Authorizations listed in Schedule 3.2.17(a) for the benefit of the Joint Venture Project.
- (d) **No Notice of Default.** The Corporation has not, to the knowledge of the Vendors, Cannava has not and, as of Closing the SPV will not have, received, at any time, any notice or other communication (whether oral or written) from any Governmental Entity or any other Person with respect to (i) any actual, alleged, possible or potential violation of or failure to comply with any term or requirement of any Authorization listed in Schedule 3.2.17(b) or (ii) any actual, proposed, possible or potential revocation, withdrawal, suspension, cancellation, termination of, or modification to, any Authorization listed in Schedule 3.2.17(b).

### **3.2.18 Environmental Matters**

- (a) To the best of the Corporation and the Vendors' knowledge, none of the real properties to be used by the Joint Venture Project or over which the Joint Venture Project will have charge, management or control (A) has ever been used as a waste disposal site or as a licensed landfill or (B) has ever had asbestos, asbestos-containing materials, PCBs, lead, radioactive substances or aboveground or underground storage systems, active or abandoned, located on, at, in or under them;
- (b) To the best of the Corporation and the Vendors' knowledge, there are no Hazardous Materials located on, at, in or under any of the real properties to be used by the Joint Venture Project or over which it will have charge, management or control, contrary to or in excess of applicable limits pursuant to Environmental Laws; and
- (c) To the best of the Corporation and the Vendors' knowledge, there are no pending or threatened Claims or restrictions of any nature arising or resulting from any Environmental Liabilities or under or pursuant to any Environmental Laws with respect to or affecting the Joint Venture Project.

### **3.2.19 Intellectual Property**

The Corporation does not own or license any Intellectual Property and it is not infringing upon the Intellectual Property rights of any Person. On the Closing Date, the SPV will not own or license any Intellectual Property and will not be infringing upon the Intellectual Property rights of any Person.

### **3.2.20 Books and Records**

All accounting and financial Books and Records have been fully, properly and accurately kept and completed in all respects.

### **3.2.21 Debt**

The Corporation has no liabilities or obligations for Debt as at the date hereof. On the Closing Date, the SPV will have no liabilities or obligations for Debt.

### **3.2.22 Bank Accounts and Powers of Attorney**

Schedule 3.2.22 is a complete and accurate list showing (A) the name of each financial institution in which the Corporation has, or which the SPV will at Closing have, an account or safety deposit box and the names of all Persons authorized to draw on the account or to have access to the safety deposit box and (B) the names of all Persons holding powers of attorney from the Corporation or the SPV. Complete and accurate copies of the powers of attorney have been provided to Purchaser.

### **3.2.23 Tax Matters**

To date, the Corporation has not been under any obligation to file any foreign, federal, national, provincial, state, municipal and local income, added value, goods and services and sales or use Tax Returns. On the Closing Date, the SPV will not have been under any obligation to file any foreign, federal, national, provincial, state, municipal and local income, added value, goods and services and sales or use Tax Returns.

### **3.2.24 Employees**

The Corporation has not and has never had any employees. On the Closing Date, the SPV will not have and will never have had any employees.

### **3.2.25 Litigation**

There have been no Claims in the last five (5) years, and there are no Claims in progress, pending, or to the knowledge of the Vendors threatened, against or affecting the Corporation or the Joint Venture Project or the business, activities or assets of the Corporation or the Joint Venture Project. The Corporation is not, and has not at any time in the last five years been, subject to any judgment, order or decree, entered in any lawsuit or proceeding nor has the Corporation settled any Claim before being prosecuted in respect of it. The Corporation is not, and has not at any time in the last five years been, the plaintiff or complainant in any Claim. On the Closing Date, the SPV will not be subject to any Claims and there will be no Claims threatened against or affecting the SPV. On the Closing Date, the SPV will not be subject to any judgment, order or decree, will not have entered in any lawsuit or proceeding nor will it have settled any Claim before being prosecuted in respect of it. On the Closing Date, the SPV will not have been a plaintiff or complainant in any Claim.

### **3.2.26 No Brokers, etc.**

No broker, finder, agent or similar intermediary has acted on behalf of the Corporation in connection with this Agreement or the transactions contemplated hereby, and there are no brokerage commissions, finders' fees or similar fees or commissions payable by the Corporation or the SPV in connection with this Agreement or the transactions contemplated hereby.

### **3.2.27 Full Disclosure**

No representation or warranty or other statement made by the Corporation or any Vendor in this Agreement or otherwise in connection with the transactions contemplated by this Agreement contains any untrue statement of fact or omits to state a fact necessary to make the statements in this Agreement or therein, in light of the circumstances in which they were made, not misleading.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF PURCHASER**

### **4.1 Representations and Warranties of the Purchaser**

The Purchaser represents and warrants to Vendors as follows and acknowledges and confirms that the Vendors are relying on such representations and warranties in connection with the transactions contemplated by this Agreement notwithstanding any investigation by or on behalf of the Vendors:

#### **4.1.1 Incorporation and Authority**

The Purchaser is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and it has the full corporate power and authority to enter into and perform its obligations under this Agreement.

#### **4.1.2 No Conflict**

Except for the Authorizations disclosed in Schedule 4.1.3 and the Consents disclosed in Schedule 4.1.4, the execution, delivery and performance by the Purchaser of this Agreement:

- (a) have been duly authorized by all necessary action on the part of the Purchaser;
- (b) do not and will not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach, default or violation of, or conflict with, or allow any other Person to exercise any rights under, any term, condition or provision of its Governing Documents or any resolutions of its directors or shareholders; and
- (c) do not and will not (or would not with the giving of notice, the lapse of time, or both) result in a breach or violation of any Law.

#### **4.1.3 Required Authorizations**

There is no requirement of the Purchaser to make any filing with, give any notice to, or obtain any Authorization of, any Governmental Entity as a condition to the lawful completion of the transactions contemplated by this Agreement, except for the filings, notifications, Authorizations described in Schedule 4.1.3.

#### **4.1.4 Required Consents**

There is no requirement of the Purchaser to obtain any Consents as a result of the execution of this Agreement or as a condition to the lawful completion of the transactions contemplated by this Agreement, except for the Consents described in Schedule 4.1.4.

#### **4.1.5 Execution and Binding Obligation**

This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to any limitation on enforcement under applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement and other similar Laws of general application affecting the enforcement of creditors' rights and (ii) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance and injunction.

#### **4.1.6 No Brokers, etc.**

Except as disclosed in Schedule 4.1.6, no broker, finder, agent or similar intermediary has acted on behalf of the Purchaser, in connection with this Agreement or the transactions contemplated hereby, and there are no brokerage commissions, finders' fees or similar fees or commissions payable by the Purchaser, in connection with this Agreement or the transactions contemplated hereby.

### **ARTICLE 5 PRE-CLOSING COVENANTS OF THE PARTIES**

#### **5.1 Conduct of Business Before Closing**

**5.1.1** Except as expressly provided in this Agreement or with the prior written consent of the Purchaser, the Corporation shall, and the Vendors shall cause each of the Corporation, and the SPV (when incorporated) to, during the Interim Period:

- (a) conduct its business and activities in the Ordinary Course;
- (b) not to take any steps to cause a Material Adverse Change;
- (c) maintain the Books and Records and all other documents, files, records and other data, financial or otherwise relating to the Corporation, the SPV, or the Joint Venture Project;
- (d) not enter into any material contractual arrangements;
- (e) not adopt any amendment to their respective Governing Documents; or
- (f) not issue, reissue, sell, deliver, transfer, repurchase, redeem, acquire or pledge or authorize or propose the issuance, reissuance, sale, delivery, transfer, repurchase, redemption, acquisition or pledge of shares or other voting or equity interest or any securities convertible into shares or other equity or voting interests, or any rights, warrants or options to acquire any voting or equity interest.

The Vendors shall notify the Purchaser forthwith of any breach of this Section 5.1.1. If the Vendors or the Corporation breach this Section 5.1.1, then this Agreement shall be voidable at the Purchaser's option, by written notice to the Vendors given not more than ten (10) days following the date the Purchaser had actual notice of such breach.

## **5.2 Purchaser Access**

**5.2.1** The Corporation and the Vendors shall cause the Corporation and the SPV to (i) permit Representatives, during the Interim Period, without undue interference to the ordinary conduct of the business of the Corporation or the SPV, to have reasonable access upon reasonable notice to the assets of the Corporation, the SPV and the Joint Venture Project and any information relating to the Corporation, the SPV or the Joint Venture Project, and (ii) furnish to the Purchaser or its Representatives such financial and operating data and other information with respect to the assets, business and activities of the Corporation, the SPV or the Joint Venture Project as the Purchaser may from time to time reasonably request.

**5.2.2** No investigations made by or on behalf of the Purchaser or information received by the Purchaser in the course of its due diligence investigations, whether under this Section 5.2 or any other provision of this Agreement, has the effect of waiving, diminishing the scope of, or otherwise affecting any representation or warranty made in this Agreement.

## **5.3 Filings and Authorizations**

Each of the Parties, as promptly as practicable after the execution of this Agreement, shall (i) make, or cause to be made, all filings and submissions under all Laws applicable to it, that are required for it to consummate the purchase and sale of the Purchased Shares in accordance with the terms of this Agreement, (ii) use its commercially reasonable efforts to obtain, or cause to be obtained, all Authorizations necessary or advisable to be obtained by it in order to consummate such purchase and sale, and (iii) use its commercially reasonable efforts to take, or cause to be taken, all other actions necessary, proper or advisable in order for it to fulfill its obligations under this Agreement.

## **5.4 Notice of Inaccurate Representation or Warranty**

The Vendors shall promptly notify the Purchaser, and the Purchaser shall promptly notify the Vendors upon (i) any representation or warranty made by such Party contained in this Agreement becoming inaccurate during the Interim Period, or (ii) such Party's knowledge that any such representation or warranty was inaccurate when it was made on the date of this Agreement. Any such notification must set out particulars of the inaccurate representation or warranty and details of any actions being taken by the Party to rectify the inaccuracy.

## **5.5 Exclusive Dealing**

During the Interim Period, the Vendors and the Corporation shall not, directly or indirectly, and shall cause the Corporation and the SPV not to, directly or indirectly, solicit, initiate or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any inquiries or proposals from, any Person (other than Purchaser) relating to any transaction involving the sale of any shares of the Corporation or the SPV or the sale or other direct or indirect (including by way of amalgamation or license) disposition of all or substantially all of the business or any part of the assets of the Corporation or the SPV

(including any interest in the Joint Venture Project) (each, a “**Proposed Transaction**”). Without limitation to the preceding, if any Vendor, the Corporation, the SPV or any of their Affiliates, employees, officers, directors, representatives or agents receives, or becomes aware of, any inquiries or proposal relating to any Proposed Transaction, then such Vendor, the Corporation or the SPV, as the case may be, shall no later than one day after such receipt or becoming aware thereof notify the Purchaser in writing of such Proposed Transaction and of any further developments with respect to such Proposed Transaction. Such notification must disclose in reasonable detail the identity of the offeror and the terms and conditions of such Proposed Transaction and be accompanied with any written communication received relating to such Proposed Transaction.

## **ARTICLE 6 CONDITIONS OF CLOSING**

### **6.1 Conditions for the Benefit of Purchaser**

The purchase and sale of the Purchased Shares are subject to the following conditions to be fulfilled or performed at or before the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in writing in its sole discretion:

#### **6.1.1 Truth of Representations and Warranties and Performance of Covenants**

Each of:

- (a) the representations and warranties of the Vendors in Section 3.1 and 3.2 will, in each case, have been true and accurate in all respects on the date hereof and will be true and accurate in all respects on the Closing Date with the same force and effect as if made at and as of the Closing Date and as though the term “Closing Date” was substituted for the terms “the date hereof”, “the date of this Agreement” or similar terms throughout such representations and warranties; and
- (b) the covenants contained in this Agreement to be performed by any of the Vendors or the Corporation on or before the Closing Date will have been performed in all material respects and none of the Vendors nor the Corporation will be in material breach, default or violation of any agreement on its part contained in this Agreement,

and the Purchaser will have received certificates confirming the foregoing, signed by each Vendor in form and substance reasonably satisfactory to the Purchaser (the “**Vendors' Closing Certificate**”). The receipt of the Vendors' Closing Certificate and the consummation of Closing will not constitute a waiver by the Purchaser or an amendment of any of the representations and warranties or covenants of the Vendors which are contained in this Agreement. Upon delivery of the Vendors' Closing Certificate, the representations and warranties of Vendors will be deemed to have also been made on and as of the Closing Date and as though the terms “Closing Date” and “the date of this Agreement” was substituted for the term, “the date hereof” or similar terms throughout such representations and warranties, except as may be qualified in the Vendors' Closing Certificates.

### **6.1.2 Authorizations and Consents**

All filings, notifications and Authorizations listed in Schedule 4.1.3, all Consents listed in Schedule 4.1.4 and the Consent of Cannava in respect of the assignment of the Joint Venture Agreement from the Corporation to the SPV, will have been made, given or obtained on terms acceptable to the Purchaser, acting reasonably, and all such filings, notifications, Authorizations and Consents will be in force and will not have been modified as at the Closing Date.

### **6.1.3 Due Diligence Review**

The Purchaser shall have completed its due diligence examination of the Corporation, the SPV and the Joint Venture Project to its satisfaction in its sole and unfettered discretion.

### **6.1.4 Formation and SPV**

The SPV shall have been duly formed and be in good standing and all of the Corporation's right, title and interest in and to the Joint Venture Agreement shall have been assigned from the Corporation to the SPV, all to the satisfaction of the Purchaser in its sole and unfettered discretion.

### **6.1.5 Deliveries**

Each Vendor shall deliver or cause to be delivered to the Purchaser the following in form and substance satisfactory to the Purchaser:

- (a) original share certificates of the Corporation representing the Purchased Shares duly endorsed and signed in favor of the Purchaser for transfer, together with the original share registry book of the Corporation evidencing that the Purchaser is the holder of the Purchased Shares;
- (b) originals of (i) the Governing Documents of the Corporation, the SPV and the Joint Venture Project, and (ii) all resolutions of the directors of the Corporation approving the transfer of the Purchased Shares and the entering into and completion of the transactions contemplated by this Agreement;
- (c) the Corporate Records;
- (d) a recent company certificate issued by the Public Registry Office of Panama and a good standing certificate with respect to the Corporation issued by the Tax Authority of Panama;
- (e) the Vendors' Closing Certificate;
- (f) duly executed resignations and releases effective as at Closing of each director and officer of the Corporation and the SPV;
- (g) a release in favour of the Corporation and the SPV from each Vendor;
- (h) the Closing Allocation Certificate; and

- (i) such other documents and other instruments of transfer and conveyance as may reasonably be requested by the Purchaser each in form and substance reasonably satisfactory to the Purchaser, acting reasonably, and executed by the Vendor Parties, as well as the Corporation and the SPV, if and as necessary.

#### **6.1.6 No Legal Action**

No Claim will be pending or threatened by any Person in any jurisdiction, and no order or notice will have been made, issued or delivered by any Governmental Entity, seeking to enjoin, restrict or prohibit, or enjoining, restricting or prohibiting, on a temporary or permanent basis any of the transactions contemplated by this Agreement or imposing any temporary or permanent terms or conditions on the transactions contemplated by this Agreement, the business and activities of the Corporation, the SPV or the Joint Venture Project.

#### **6.1.7 No Material Change**

Since the date of the Agreement, there will have been no Material Adverse Change.

#### **6.1.8 Ordinary Course**

The Corporation, the SPV and the Joint Venture Project shall have each carried on their business and activities in the Ordinary Course.

### **6.2 Termination by Purchaser**

**6.2.1** If any of the conditions set forth in Section 6.1 have not been satisfied, or waived by the Purchaser, on or before July 31, 2019 (the “**Outside Date**”), or it becomes reasonably apparent that any of such conditions cannot be satisfied on or before such date, then the Purchaser may terminate this Agreement by notice in writing to the Vendors, provided, however, that the Purchaser will not be entitled to terminate this Agreement if the failure or impossibility of satisfaction of the condition was as a result of the breach, default or violation by the Purchaser of any of its obligations under this Agreement.

**6.2.2** Upon termination of this Agreement by the Purchaser pursuant to this Section 6.2: (a) the Purchaser will be released from all obligations hereunder, other than its obligations under Sections 6.2.2, 9.6, 9.7 and 9.9 which will survive any termination of this Agreement; and (b) within five Business Days of the date of termination, the Corporation shall pay the Purchaser the amount of US\$300,000 by wire transfer of immediately available funds to an account designated by the Purchaser in writing as repayment of the JV Down Payment. The Vendors and the Corporation will only be released from their obligations hereunder (other than their obligations under Sections 9.6, 9.7 and 9.9 which will survive any termination of this Agreement) if the failed condition for which the Purchaser has terminated this Agreement was not capable of being satisfied or caused to be satisfied by Vendors notwithstanding their commercially reasonable efforts.

### **6.3 Conditions for the Benefit of Vendors**

The purchase and sale of the Purchased Shares are subject to the following conditions to be fulfilled or performed at or before the Closing Date, which conditions are

for the exclusive benefit of the Vendors and may only be waived, in whole or in part, by the Vendors, in writing in their sole discretion:

### **6.3.1 Truth of Representations and Warranties and Performance of Covenants**

Each of:

- (a) the representations and warranties of the Purchaser made in Section 4.1 will have been true and accurate in all respects on the date hereof and will be true and accurate in all respects on the Closing Date with the same force and effect as if made at and as of the Closing Date and as though the term "Closing Date" was substituted for the terms "the date hereof", "the date of this Agreement" or similar terms throughout such representations and warranties; and
- (b) the covenants contained in this Agreement to be performed by the Purchaser on or before the Closing Date will have been performed in all material respects and the Purchaser will not be in material breach, default or violation of any agreement on its part contained in this Agreement,

and the Vendors will have received a certificate confirming the foregoing, signed for and on behalf of the Purchaser, in form and substance reasonably satisfactory to the Vendors (the "**Purchaser's Closing Certificate**"). The receipt of the Purchaser's Closing Certificate and the consummation of Closing will not constitute a waiver by the Vendors or an amendment of any of the representations and warranties or covenants of Purchaser which are contained in this Agreement. Upon delivery of the Purchaser's Closing Certificate, the representations and warranties of the Purchaser will be deemed to have also been made on and as of the Closing Date and as though the term "Closing Date" was substituted for the terms "the date hereof" and "the date of this Agreement" or similar terms throughout such representations and warranties, except as may be qualified in the Purchaser's Closing Certificate.

### **6.3.2 Deliveries**

The Purchaser shall deliver or cause to be delivered to Vendors the following in form and substance satisfactory to the Vendors acting reasonably:

- (a) certified copies of resolutions of the Purchaser approving the entering into and completion of the transactions contemplated by this Agreement;
- (b) a recent certificate of status, compliance, good standing or similar certificate with respect to the Purchaser issued by the appropriate government officials of its jurisdiction of formation;
- (c) the Purchaser's Closing Certificate; and
- (d) such other documents as may reasonably be requested by the Vendors each in form and substance reasonably satisfactory to the Vendors, acting reasonably.

### **6.3.3 No Legal Action**

No Claim will be pending or threatened by any Person in any jurisdiction, and no order or notice will have been made, issued or delivered by any Governmental Entity, seeking to enjoin, restrict or prohibit, or enjoining, restricting or prohibiting, on a temporary or permanent basis any of the transactions contemplated by this Agreement or imposing any temporary or permanent terms or conditions on the transactions contemplated by this Agreement.

### **6.3.4 Delivery of Purchase Price**

Subject to the terms of this Agreement, the Purchaser will have delivered the Purchase Price payable at Closing in accordance with Section 2.3.

### **6.4 Termination by Vendors**

**6.4.1** If any of the conditions set forth in Section 6.3 have not been satisfied, or waived by the Vendors, on or before the Outside Date, or it becomes reasonably apparent that any of such conditions cannot be satisfied on or before such date, then the Vendors may terminate this Agreement by notice in writing to the Purchaser, provided, however, that the Vendors will not be entitled to terminate this Agreement if the failure or impossibility of satisfaction of the condition was as a result of the breach, default or violation of any obligations of the Vendor or the Corporation under this Agreement.

**6.4.2** Upon termination of this Agreement by the Vendors pursuant to this Section 6.4, the Corporation and Vendors will be released from all obligations hereunder, other than their obligations under Sections 9.6, 9.7 and 9.9 which will survive any termination of this Agreement. The Purchaser will only be released from its obligations hereunder (other than its obligations under Sections 9.6, 9.7 and 9.9 which will survive any termination of this Agreement) if the failed condition for which the Vendors have terminated this Agreement was not capable of being satisfied or caused to be satisfied by the Purchaser notwithstanding its commercially reasonable efforts.

## **ARTICLE 7 CLOSING**

### **7.1 Date, Time and Place of Closing**

The Closing will take place at the offices of Cassels Brock & Blackwell LLP, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3C2 on the second Business Day after the conditions to Closing set forth in Article 6 (excluding conditions that, by their terms, cannot be satisfied until the Closing) have been satisfied (or waived by the Party entitled to waive such condition) or at such other place, on such other date and at such other time as may be agreed upon in writing between the Vendors and the Purchaser (the date the Closing occurs being referred to herein as the "**Closing Date**").

## **ARTICLE 8 INDEMNIFICATION**

### **8.1 Indemnification in Favour of Purchaser**

**8.1.1** Subject to the terms and conditions of this Article, each Vendor (severally, (and not jointly or jointly and severally), with any other Vendor) shall indemnify and save the Purchaser Indemnified Persons harmless for and from any Damages suffered by, imposed upon or asserted against the Purchaser Indemnified Persons, as a result of, in respect of, connected with, or arising out of, under or pursuant to any breach, inaccuracy, default or violation of any representation or warranty given by such Vendor in Section 3.1.

**8.1.2** Subject to the terms and conditions of this Article, the Vendors shall jointly and severally indemnify and save the Purchaser Indemnified Persons harmless for and from any Damages suffered by, imposed upon or asserted against the Purchaser Indemnified Persons, as a result of, in respect of, connected with, or arising out of, under or pursuant to:

- (a) any failure of any the Vendors or the Corporation to perform or fulfill any of its covenants under this Agreement;
- (b) any breach, inaccuracy, default or violation of any representation or warranty given by the Vendors in Section 3.2; and
- (c) any liabilities or obligations of the Corporation or the SPV for Taxes arising in respect of: (i) any period ending on or before the Closing Date; (ii) any portion of a period up to and including the Closing Date;

**8.1.3** For purposes of calculating Damages pursuant to this Section 8.1, the representations and warranties given by any Vendor will be deemed to have been made without the inclusion of limitations or qualifications as to materiality, such as the words “material”, “immaterial” and “in all material respects” or words of similar import.

### **8.2 Indemnification in Favour of Vendors**

**8.2.1** Subject to the terms and conditions of this Agreement, the Purchaser shall indemnify and save the Vendors harmless for and from any Damages suffered by, imposed upon or asserted against the Vendors as a result of, in respect of, connected with, or arising out of, under or pursuant to:

- (a) any failure of the Purchaser to perform or fulfill any covenant of the Purchaser under this Agreement; and
- (b) any breach, inaccuracy, default or violation of any representation or warranty given by the Purchaser contained in this Agreement.

### **8.3 Time Limitations**

**8.3.1** The representations and warranties of any of the Vendors contained in this Agreement will survive Closing and, notwithstanding Closing and any investigation made by or on behalf of Purchaser, will continue for a period of twenty four months after Closing, except that:

- (a) Vendors' Core Representations and the corresponding representations and warranties set out in the Vendors' Closing Certificates will survive Closing and continue in full force and effect without limitation of time;
- (b) the representations and warranties set out in Section 3.2.23 (Tax Matters) (and the corresponding representations and warranties set out in the Vendors' Closing Certificates) will survive until the date that is 90 days following the expiration of all periods allowed for objecting to or appealing from the final determination of any proceedings relating to any assessment, reassessment or additional assessment of the Corporation or the SPV by any Governmental Entity in respect of any Tax period ending on or before the Closing Date; and
- (c) any Claim involving fraud, fraudulent or intentional misrepresentation, or intentional breach of any of the Vendors or the Corporation will survive and continue in full force and effect without limitation of time.

**8.3.2** The covenants of any of the Vendors and the Corporation contained in this Agreement, including the obligations of indemnification set out in Section 8.1, will survive Closing and continue in full force and effect without limitation of time except as otherwise provided in Section 8.3.1.

**8.3.3** The representations and warranties of the Purchaser contained in this Agreement will survive Closing and, notwithstanding Closing and any investigation made by or on behalf of any Vendor, will continue for a period of twenty four months after Closing, except that:

- (a) Purchaser's Core Representations and the corresponding representations and warranties set out in the Purchaser's Closing Certificate will survive Closing and continue in full force and effect without limitation of time; and
- (b) a Claim for any breach, default or violation of any representations and warranties of the Purchaser contained in this Agreement involving fraud, fraudulent or intentional misrepresentation, or intentional breach of the Purchaser will survive and continue in full force and effect without limitation of time.

**8.3.4** The covenants of the Purchaser contained in this Agreement, including the obligations of indemnification set out in Section 8.2, will survive Closing and continue in full force and effect without limitation of time, except as otherwise provided in Section 8.3.3.

**8.3.5** An obligation to indemnify for Damages subject to a survival period will continue after the end of the applicable survival period set forth in this Agreement if a Claim for indemnification with respect to such Damages was made in accordance with this Agreement before the end of the applicable survival period.

#### **8.4 Notification**

Promptly upon obtaining knowledge thereof, the Indemnified Party shall notify the Indemnifying Party of any cause which the Indemnified Party has determined has given or could give rise to indemnification under this Article 8 (an "**Indemnification Notice**"). The omission to so notify the Indemnifying Party does not relieve the Indemnifying Party from any duty to indemnify and hold harmless which otherwise might exist with respect to such cause unless the notification occurs after the expiration of the applicable time limit, if any, as set out in Section 8.3 or (and only

to the extent that) the omission to so notify materially prejudices the ability of the Indemnifying Party to exercise its right to defend provided in this Article 8.

## **8.5 Defence of Third Party Claim**

**8.5.1** If any Claim is instituted or asserted by a third party against the Indemnified Party (which, in the case of Purchaser, includes the Corporation and the SPV after Closing) (each a “**Third Party Claim**”), then the Indemnifying Party has the right, after receipt of the Indemnified Party’s Indemnification Notice under Section 8.4 and upon giving notice to the Indemnified Party within not more than fifteen (15) days of such receipt (or sooner if the nature of the Third Party Claim so requires and if so specified in the Indemnification Notice), to defend the Third Party Claim at its own cost and expense with counsel of its own selection, provided that:

- (a) the Indemnified Party has at all times the right to fully participate in the defence at its own cost and expense, provided, however, that the Indemnifying Party reimburses to the Indemnified Party all defence costs and expenses of the Indemnified Party before the date the Indemnifying Party validly exercises its right to defend the Third Party Claim;
- (b) the Third Party Claim seeks only monetary damages and does not seek any injunctive or other relief against the Indemnified Party;
- (c) the Indemnifying Party unconditionally acknowledges in writing that it will indemnify and hold the Indemnified Party harmless with respect to the Third Party Claim; and
- (d) legal counsel chosen by the Indemnifying Party is satisfactory to the Indemnified Party, acting reasonably.

The Indemnifying Party shall pay all amounts payable pursuant to a Third Party Claim in accordance with the terms of the settlement or final non-appealable judgment. The Indemnifying Party shall pay the relevant Governmental Entity the amount, if any, necessary to assert the rights of the Indemnified Party to object to a Third Party Claim that relates to Taxes or Tax attributes of the Indemnified Party.

**8.5.2** The Indemnifying Party will not be permitted to compromise and settle or to cause a compromise and settlement of any Third Party Claim without the prior written consent of the Indemnified Party, unless:

- (a) the terms of the compromise and settlement require only the payment of money and do not require the Indemnified Party to admit any wrongdoing, take or refrain from taking any action, acknowledge any rights of the third Person making the Third Party Claim or waive any rights that the Indemnified Party may have against such third Person making the Third Party Claim; and
- (b) the Indemnified Party receives, as part of the compromise and settlement, a legally binding and enforceable unconditional release, which is in form and substance satisfactory to the Indemnified Party, acting reasonably, from any and all obligations or liabilities it may have with respect to the Third Party Claim.

- 8.5.3** If the Indemnifying Party fails to give notice of its intention to participate in the Third Party Claim in accordance with Section 8.5.1, then the Indemnifying Party will be deemed to have waived its right to participate in the Third Party Claim and the Indemnified Party will have the right (but not the obligation) to undertake the defence of the Third Party Claim and compromise and settle the Third Party Claim on behalf, for the account and at the risk and expense of the Indemnifying Party.
- 8.5.4** The Indemnified Party shall, at the request of the Indemnifying Party, make available to the Indemnifying Party or its representatives on a timely basis all documents, records and other materials in the possession of the Indemnified Party, at the expense of the Indemnifying Party, reasonably required by the Indemnifying Party for its use in defending any Third Party Claim, the defence of which it has elected to participate in, and the Indemnified Party shall otherwise cooperate on a timely basis with the Indemnifying Party in the defence of such Claim.
- 8.5.5** Notwithstanding the other provisions of this Section 8.5, if (i) the Indemnified Party determines in good faith that there is a reasonable probability that a Third Party Claim may adversely affect it or its Affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, or (ii) in cases where the Indemnifying Party is also party to the Third Party Claim, the Indemnified Party determines in good faith that joint representation would not be appropriate, then the Indemnified Party may, by notice to the Indemnifying Party, assume the exclusive right to defend, compromise or settle such Third Party Claim.

## **8.6 Payment of Indemnification**

If any indemnification becomes due from an Indemnifying Party to an Indemnified Party hereunder, such indemnification shall be paid within ten (10) Business Days after the Indemnified Party becomes entitled to indemnification by certified cheque, bank draft or wire transfer of immediately available funds to an account designated by the Indemnified Party.

## **8.7 Remedies Cumulative**

The rights of each Purchaser Indemnified Person on the one hand and each of the Vendors on the other hand under this Article 8 are cumulative, and each Purchaser Indemnified Person on the one hand and each of the Vendors on the other hand will have the right in any particular circumstance, in its sole discretion, to enforce any provision of this Article 8 without regard to the availability of a remedy under any other provision of this Article 8.

## **8.8 Adjustment to Purchase Price**

Any payment made by Vendors as Indemnifying Parties pursuant to this Article 8 will constitute a dollar-for-dollar decrease of the Purchase Price and any payment made by Purchaser as an Indemnifying Party pursuant to this Article 8 will constitute a dollar-for-dollar increase of the Purchase Price.

## **ARTICLE 9 MISCELLANEOUS**

### **9.1 Risk of Loss**

From the date hereof until the time Closing is actually completed on the Closing Date, the assets and operations of the Corporation and the SPV will be and will remain at the risk of Vendors, the Corporation and the SPV.

### **9.2 Further Assurances**

From time to time after the Closing Date, each Party shall, at the request of any other Party, execute and deliver, or cause to be executed and delivered, such additional conveyances, transfers and other assurances and take, or cause to be taken, all such action as is reasonably required to effectively transfer the Purchased Shares to the Purchaser and carry out the purposes and intent of this Agreement.

### **9.3 Post-Closing Tax Returns**

The Vendors shall prepare or cause to be prepared all Tax Returns with respect to the Corporation and the SPV for all Tax periods ending on or prior to the Closing Date which are required to be filed after the Closing on a consistent basis with past practice, including the taking of any deductions, provided that such past practice and deductions are made in accordance with applicable Law. The Purchaser shall have the right to review any income tax returns to be filed for such periods prepared by the Vendors ("**Post-Closing Income Tax Returns**") and the Vendors shall provide the Purchaser with such Post-Closing Income Tax Returns at least 30 days prior to the relevant filing due date. The Purchaser may notify the Vendors in writing within ten Business Days after delivery of the Post-Closing Income Tax Returns to the Purchaser of any reasonable objections with respect to any item set forth in such Post-Closing Income Tax Return together with a reasonably detailed description of the objection. The Vendors and the Purchaser shall use good faith efforts to resolve any such objections within three Business Days after delivery of the notice of disagreement.

### **9.4 Notices**

All notices and other communications given pursuant to this Agreement (each a "**Notice**") must be in writing and will be deemed given only if (i) delivered personally, or by same-day courier, (ii) sent by e-mail, (iii) sent by a Canadian or internationally-recognized overnight courier to the Parties at the addresses set forth below or to such other address as the Party to whom Notice is to be given may have furnished to the other Parties in writing in accordance with this Section 9.4. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be deemed not to be changed.

(a) If to Purchaser or the Corporation after Closing, at:

c/o  
Blueberries S.A.S.  
Calle 93 num 15-51

Oficina 406  
Bogotá, Colombia

Attention: Christian Toro  
Email: ctoro@blueberriesmed.com

with a copy to Cassels Brock & Blackwell LLP, at:

2100 Scotia Plaza  
40 King Street West  
Toronto, Ontario M5H 3C2

Attention: David Gardos  
Email: dgardos@casselsbrock.com

(b) If to any Vendor at:

*[Redacted – Confidential Information]*

Attention: *[Redacted – Confidential Information]*  
E-mail: *[Redacted – Confidential Information]*

A Notice will be deemed to have been delivered and received (i) in the case of personal delivery or same-day courier, on the date of such delivery, except that if the same-day courier delivery is made at or after 4:00 p.m. (local time in place of receipt), then the Notice will be deemed to have been delivered and received on the next Business Day, (ii) in the case of e-mail transmission, except that if the e-mail is received at or after 4:00 p.m. (local time in place of receipt), then the Notice will be deemed to have been delivered and received on the next Business Day, (iii) in the case of a Canadian or internationally-recognized overnight courier in circumstances under which such courier guarantees next Business Day delivery, on the next Business Day after the date when sent.

## **9.5 Time of the Essence**

Time is of the essence of this Agreement.

## **9.6 Public Disclosure**

Prior to the Closing Date, no press release or other announcement concerning, or filings in respect of, this Agreement or the transactions contemplated hereby shall be made by a Vendor, the Corporation or the SPV, on the one hand, or by the Purchaser, on the other hand, without the prior written consent of the other (such consent not to be unreasonably withheld) provided, however, that any Party may, without such consent, make such disclosure if the same is required under applicable Laws, by any stock exchange on which any of the securities of such Party or any of its Affiliates are listed or by any securities commission or Governmental Entity having jurisdiction over such Party or any of its Affiliates, and if such disclosure is required, the Party making the disclosure shall use best efforts to give prior oral or written notice to the other, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure.

## **9.7 Confidentiality**

Except as required by Law (unless the Law permits non-disclosure of information for confidentiality or other purposes and if such non-disclosure is not permitted, the receiving Party seeking to disclose such information shall notify the other Party and shall seek confidential treatment of such information), the Purchaser, the Corporation, the SPV and the Vendors will receive and maintain all information received from the others strictly in confidence and will not disclose to any Person or make public or authorize the disclosure of any such information and will not use such information for any purpose except for the purpose contemplated herein unless: (i) the specific information is now or hereafter publicly disclosed other than as a result of breach of this provision; (ii) the specific information was already in the possession of the receiving Party on a non-confidential basis before the receipt by it of such information from the other Party; (iii) the specific information is disclosed to the receiving Party by a third Person having no obligation of confidentiality to the disclosing party with regard to the information or (iv) the specific information is independently generated by the receiving Party without the use and not as a consequence of the disclosure by the other Party. If this Agreement is terminated, each Party must immediately return all confidential information that was furnished to it to the disclosing Party of such information, without retaining any copy thereof. If Closing occurs, then the obligations of confidentiality of the Purchaser with respect to information of the Corporation and the SPV will terminate, and Vendors and their respective Affiliates shall thenceforth hold such information in confidence in accordance with the terms of this Section 9.7.

## **9.8 Third Party Beneficiaries**

Except as otherwise provided in Section 8.1, the Parties intend that this Agreement will not benefit or create any right, stipulation for the benefit of, delegation open for acceptance by, or cause of action in favour of, any Person, other than the Parties and their respective successors and permitted assigns. No Person, other than the Parties, is entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum except for the Purchaser's Indemnified Persons who may rely on the provisions of this Agreement solely for the purposes of Section 8.1.

## **9.9 Expenses**

Other than the Cost Reimbursement, the Purchaser will pay for its own fees and expenses and the Vendors shall pay for their own fees and expenses as well as the fees and expenses of the Corporation and the SPV which are incurred prior to Closing, in each case, in connection with the negotiation, preparation, execution and performance of this Agreement, the transactions and the agreements contemplated by them, including the fees and expenses of legal counsel, investment advisers, accountants, brokers, finders, agents or similar intermediary. If this Agreement is terminated, the obligation of each Party to pay its own fees and expenses will be subject to any indemnification rights of such Party arising from a breach, default or violation of this Agreement by another Party.

## **9.10 Amendments**

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Parties.

### **9.11 Waiver**

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar) or be deemed to be a waiver with respect to any other future instance involving the same provisions. No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any further exercise of that right or the exercise of any other right it may have.

### **9.12 Non-Merger**

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties will not merge on and will survive the Closing. Notwithstanding the Closing or any investigation made by or on behalf of any Party, the covenants, representations and warranties will continue in full force and effect. Closing will not prejudice any right of one Party against any other Party in respect of anything done or omitted under this Agreement or in respect of any right to Damages or other remedies.

### **9.13 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations, correspondence and discussions, whether oral or written, of the Parties including the provisions of the Binding LOI and the Amended and Restated Binding LOI. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, conventional, legal or otherwise, among the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

### **9.14 Successors and Assigns**

**9.14.1** This Agreement is binding upon and enures to the benefit of the Parties and their respective heirs, administrators, liquidators, executors, successors and permitted assigns.

**9.14.2** Neither this Agreement nor any of the rights or obligations under this Agreement may be assigned, transferred or delegated, by any Vendor or the Corporation without the prior written consent of the Purchaser, which consent can be withheld in the Purchaser's sole discretion. Any purported assignment, transfer or delegation without such written consent will be null and void and of no effect.

**9.14.3** The Purchaser may assign, transfer or delegate, as applicable, this Agreement or any of its rights and obligations under this Agreement, in whole or in part, to any of its Affiliates without the prior written consent of any Vendor or the Corporation, provided that the Purchaser shall not, by reason of any such assignment, transfer or delegation, be released from its obligations under this Agreement.

### **9.15 Severability**

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, in whole or in part, by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision or part thereof will be severed from this Agreement and the remaining part of such provision and all other provisions will continue in full force and effect.

### **9.16 Governing Law**

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each Party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the Province of Ontario and all courts competent to hear appeals therefrom.

### **9.17 Independent Legal Advice**

Each Party acknowledges, confirms, and agrees that Cassels Brock & Blackwell LLP has acted as counsel to the Purchaser. Each Vendor and the Corporation covenants and agrees that it had the opportunity to seek and was not prevented nor discouraged from seeking independent legal advice prior to the execution and delivery of this Agreement and that, in the event that it did not avail itself with that opportunity prior to signing this Agreement, it did so voluntarily without any undue pressure and agrees that its failure to obtain independent legal advice should not be used by it as a defence to the enforcement of its obligations under this Agreement. Upon execution of this Agreement, each Party hereby acknowledges and confirms that it has either obtained such independent legal advice or waived its opportunity to seek and obtain such advice.

### **9.18 Counterparts**

This Agreement may be executed and delivered in any number of counterparts (including by facsimile, PDF, email or other electronic means), each of which is deemed to be an original, and such counterparts together constitute one and the same agreement.

**[Signature page follows]**

The Parties have signed this Share Purchase Agreement as of the date first written above.

**BLUEBERRIES MEDICAL CORP.**

By: "Christian Toro"  
Name: Christian Toro  
Title: Executive Chairman

**BBV LABS INC.**

By: [Redacted – Confidential Information]  
Name: [Redacted – Confidential Information]  
Title: President

Witness signature  
Name: [Redacted – Confidential Information] } [Redacted – Confidential Information]

**[Redacted – Confidential Information]**

By: "[Redacted – Confidential Information]"  
Name: [Redacted – Confidential Information]  
Title: President

**Schedule 2.1.**  
TO THE  
**SHARE PURCHASE AGREEMENT**

Dated June 28, 2019

Among

Blueberries Medical Corp. (the "**Purchaser**"), BBV Labs Inc. (the "**Corporation**"), *[Redacted – Confidential Information]* and *[Redacted – Confidential Information]* ("*[Redacted – Confidential Information]*"), together with *[Redacted – Confidential Information]* the "**Vendors**" and each a "**Vendor**")

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**Purchased Shares:**

Certificate 2 representing 33 common shares in the capital of the Corporation issued in the name of *[Redacted – Confidential Information]*

Certificate 3 representing 67 common shares in the capital of the Corporation issued in the name of *[Redacted – Confidential Information]*

**Schedule 3.2.1.**  
TO THE  
**SHARE PURCHASE AGREEMENT**

Dated June 28, 2019

Among

Blueberries Medical Corp. (the "**Purchaser**"), BBV Labs Inc. (the "**Corporation**"), *[Redacted – Confidential Information]* and *[Redacted – Confidential Information]* ("*[Redacted – Confidential Information]*"), together with *[Redacted – Confidential Information]* the "**Vendors**" and each a "**Vendor**")

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**Jurisdictions:**

The Corporation: Panama

The SPV: Argentina

**Schedule 3.2.7(a).**  
TO THE  
**SHARE PURCHASE AGREEMENT**

Dated June 28, 2019

Among

Blueberries Medical Corp. (the "**Purchaser**"), BBV Labs Inc. (the "**Corporation**"), *[Redacted – Confidential Information]* and *[Redacted – Confidential Information]* ("*[Redacted – Confidential Information]*"), together with *[Redacted – Confidential Information]* the "**Vendors**" and each a "**Vendor**")

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**Authorized Capital of the Corporation:**

The authorized capital the Corporation is of US\$10,000.00 divided in 100 shares with a par value of US\$100.00 each.

**Issued Capital of the Corporation:**

Certificate 2 representing 33 common shares in the capital of the Corporation issued in the name of *[Redacted – Confidential Information]*

Certificate 3 representing 67 common shares in the capital of the Corporation issued in the name of *[Redacted – Confidential Information]*

**Schedule 3.2.8(a).**  
TO THE  
**SHARE PURCHASE AGREEMENT**

Dated June 28, 2019

Among

Blueberries Medical Corp. (the "**Purchaser**"), BBV Labs Inc. (the "**Corporation**"), *[Redacted – Confidential Information]* and *[Redacted – Confidential Information]* ("*[Redacted – Confidential Information]*"), together with *[Redacted – Confidential Information]* the "**Vendors**" and each a "**Vendor**")

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**Authorized Capital of the SPV:**

The authorized capital the SPV is of AP\$360,000.00 divided in 3,600 shares with a par value of AP\$100.00 each.

**Issued Capital of the SPV:**

2,700 shares are issued in the name of the Corporation.

900 shares are issued in the name of *[Redacted – Confidential Information]*.

**Schedule 3.2.16.**  
TO THE  
**SHARE PURCHASE AGREEMENT**

Dated June 28, 2019

Among

Blueberries Medical Corp. (the "**Purchaser**"), BBV Labs Inc. (the "**Corporation**"), *[Redacted – Confidential Information]* and *[Redacted – Confidential Information]* ("*[Redacted – Confidential Information]*"), together with *[Redacted – Confidential Information]* the "**Vendors**" and each a "**Vendor**")

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*[Redacted – Commercially Sensitive Information]*

**Schedule 3.2.17(a).**  
TO THE  
**SHARE PURCHASE AGREEMENT**

Dated June 28, 2019

Among

Blueberries Medical Corp. (the “**Purchaser**”), BBV Labs Inc. (the “**Corporation**”), *[Redacted – Confidential Information]* and *[Redacted – Confidential Information]* (“*[Redacted – Confidential Information]*”), together with *[Redacted – Confidential Information]* the “**Vendors**” and each a “**Vendor**”)

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**Authorizations required by the Joint Venture:**

- Import of Seeds:
  - Country of Origin Certificate
  - Registration as an Authorized Establishment before the National Registry of Commercialization and Inspection of Seeds of the National Service of Sanitary and Agricultural Quality (Servicio Nacional de Sanidad y Calidad Agroalimentaria or SENASA).
  - Permit from the National Institute of Seeds (Instituto Nacional de Semillas or INASE)
  - Controlled Substances Permit from the National Administration of Medicine, Food and Medical Technology (Administración Nacional de Medicamentos, Alimentos y Tecnología Médica or ANMAT)
  
- Cultivation
  - Permit from the Health Ministry of the Nation
  - Permit from the Ministry of Security
  
- Industrial Activities
  - Permits form the National Administration of Medicine, Food and Medical Technology (Administración Nacional de Medicamentos, Alimentos y Tecnología Médica or ANMAT)
  
- Commercialization and Export
  - Permits form the National Administration of Medicine, Food and Medical Technology (Administración Nacional de Medicamentos, Alimentos y Tecnología Médica or ANMAT)

**Schedule 3.2.17(b).**  
**TO THE**  
**SHARE PURCHASE AGREEMENT**

Dated June 28, 2019

Among

Blueberries Medical Corp. (the “**Purchaser**”), BBV Labs Inc. (the “**Corporation**”), *[Redacted – Confidential Information]* and *[Redacted – Confidential Information]* (“*[Redacted – Confidential Information]*”), together with *[Redacted – Confidential Information]* the “**Vendors**” and each a “**Vendor**”)

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**Authorizations held by Cannava:**

Permit from the Health Ministry of the Nation (Secretaria de Salud de Nación ) for a Pilot Cultivation Plan (Resolution 361/2019)

Permit from the Ministry of Security approving the Security Protocol for the Pilot Cultivation Plan (Resolution 76/2019).

These permits will have to be extended to cover the Pilot Plan to be undertaken with BBM upon the presentation of our pilot plan to be presented with the National Institute of Agricultural Technology or INTA

**CANNAVA is**

1. Registered as Commercial Operator (importer-exporter) before the National Service of Sanitary and Agricultural Quality (Servicio Nacional de Sanidad y Calidad Agroalimentaria or SENASA).
2. an Authorized Establishment before the National Registry of Commercialization and Inspection of Seeds of the SENASA.
3. Registered before the Registry of the Director of Inspection of Substances Subject to Special Control of the National Medicine Institute (Instituto Nacional de Medicamentos or INAME) and the National Administration of Medicine, Food and Medical Technology (Administración Nacional de Medicamentos, Alimentos y Tecnología Médica or ANMAT).

**The Activities of Cannava are Supported by the following Agreements**

1. Cooperation Agreement between the Health Ministry of the Nation (Secretaria de Salud de Nación) and the Government of the Province of Jujuy for the implementation of the provincial plan of promotion and cultivation and/or production of Cannabis with medicinal, scientific and therapeutic purposes
2. Technical Cooperation Agreement between the Government of the Province of Jujuy and National Institute of Agricultural Technology or INTA.

**Schedule 3.2.22.**  
TO THE  
**SHARE PURCHASE AGREEMENT**

Dated June 28, 2019

Among

Blueberries Medical Corp. (the “**Purchaser**”), BBV Labs Inc. (the “**Corporation**”), *[Redacted – Confidential Information]* and *[Redacted – Confidential Information]* (“*[Redacted – Confidential Information]*”), together with *[Redacted – Confidential Information]* the “**Vendors**” and each a “**Vendor**”)

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**Bank Accounts:** N/A

**Powers of Attorney:** General power of attorney to *[Redacted – Confidential Information]* for judicial and administrative proceedings, regarding the registration of BBV Branch before any administrative authority in Argentina

**Schedule 4.1.3.**  
TO THE  
**SHARE PURCHASE AGREEMENT**

Dated June 28, 2019

Among

Blueberries Medical Corp. (the "**Purchaser**"), BBV Labs Inc. (the "**Corporation**"), *[Redacted – Confidential Information]* and *[Redacted – Confidential Information]* ("*[Redacted – Confidential Information]*"), together with *[Redacted – Confidential Information]* the "**Vendors**" and each a "**Vendor**")

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The Purchaser must give notice to the Canadian Securities Exchange.

**Schedule 4.1.4.**  
TO THE  
**SHARE PURCHASE AGREEMENT**

Dated June 28, 2019

Among

Blueberries Medical Corp. (the "**Purchaser**"), BBV Labs Inc. (the "**Corporation**"), *[Redacted – Confidential Information]* and *[Redacted – Confidential Information]* ("*[Redacted – Confidential Information]*"), together with *[Redacted – Confidential Information]* the "**Vendors**" and each a "**Vendor**")

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None.

**Schedule 4.1.6.**  
TO THE  
**SHARE PURCHASE AGREEMENT**

Dated June 28, 2019

Among

Blueberries Medical Corp. (the "**Purchaser**"), BBV Labs Inc. (the "**Corporation**"), *[Redacted – Confidential Information]* and *[Redacted – Confidential Information]* ("*[Redacted – Confidential Information]*"), together with *[Redacted – Confidential Information]* the "**Vendors**" and each a "**Vendor**")

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None.