

NEWLEAF BRANDS, INC.
789 W Pender Street, Suite 810
Vancouver, British Columbia
V6C 1H2

April 6, 2020

1220611 B.C. Ltd. o/a Mydecine Group
8243 Victoria Main
Victoria, British Columbia
V8W 3R8

Attention: Brendan Purdy, Director

Dear Sir:

Proposed Acquisition of 1220611 B.C. Ltd. (“Mydecine”) by NewLeaf Brands, Inc. (“NewLeaf”)

This letter of intent (“**LOI**”) is to generally record certain non-binding intentions and binding obligations agreed to by NewLeaf and Mydecine in connection with a transaction whereby NewLeaf, a British Columbia corporation listed on the Canadian Securities Exchange (the “**CSE**”), will acquire, by way of share exchange or otherwise, all of the issued and outstanding securities of Mydecine, a private British Columbia corporation (the “**Transaction**”), which will follow and be conditional upon certain conditions (the “**Conditions**”) as set out herein.

The matters described in this LOI reflect the present intentions of Mydecine and NewLeaf, and except as expressly stated in this LOI, are not binding on Mydecine or NewLeaf and do not constitute a complete statement of the matters described therein. The complete agreement for the Transaction will be documented by a definitive agreement (the “**Definitive Agreement**”). Upon the execution of this LOI by the parties, the matters described in Sections 2, 3.1, 3.2, 3.3 and 3.11 will constitute legally binding and enforceable covenants and agreements of Mydecine and NewLeaf, which are given in consideration of the mutual premises herein contained and other good and valuable consideration, the receipt and sufficiency of which each party acknowledges.

Any references to monetary amounts in this LOI are in the currency of the United States.

1. Proposed Transaction

1.1 The Transaction. NewLeaf intends to acquire, by way of a share exchange, all of the issued and outstanding securities of Mydecine (the “**Mydecine Shares**”) from the securityholders of Mydecine (the “**Mydecine Securityholders**”) in consideration for the issuance to the Mydecine Securityholders of number of common shares in the capital of NewLeaf (“**NewLeaf Shares**”) equal to US\$850,000 at a deemed price per share equal to the minimum allowable by the Policies of the CSE. Mydecine, NewLeaf and the Mydecine Securityholders will only be legally bound to complete the Transaction upon execution of the Definitive Agreement incorporating the material terms and conditions of this LOI together with such additional terms, conditions, representations and warranties as are necessary and customary for a transaction of similar size and scope. Mydecine and NewLeaf agree to negotiate the terms of the Definitive Agreement in good faith with a view to its execution within 60 days of signing the LOI (the “**Cut Off Date**”).

1.2 Structure. The parties acknowledge that the term sheet attached to this LOI as Schedule “A” (the “**Term Sheet**”) is intended to form the basis for negotiating the Definitive Agreement among Mydecine and NewLeaf and that the final structure of the proposed Transaction will be subject to compliance with CSE Policy 6, and is subject to the mutual agreement of the parties, subject to their receipt of final tax, corporate, securities law and financial advice.

1.3 Definitive Agreement and Closing. Firm dates for entering into the Definitive Agreement and for the closing date of the Transaction will be determined by the parties following completion of due diligence. The Cut-Off Date may not be extended unless otherwise agreed in writing by the parties.

2. Confidentiality

2.1 Confidentiality. Each of Mydecine and NewLeaf (in such instance, the “**Receiving Party**”) acknowledges and agrees that the other party (in such instance, the “**Disclosing Party**”) is prepared to provide, or has provided certain information (whether in written, electronic, oral, visual or any form) that is confidential or proprietary or, that by the nature of its disclosure or the nature of the information itself, would reasonably be considered to be confidential to the Disclosing Party, including information about its financial condition, results of operations, business, strategies, technical information, marketing information and all other non-public information (collectively, the “**Confidential Information**”). The following provisions apply in respect of all Confidential Information shared by one party to the other party in connection with this LOI:

(a) **Obligations.** The parties each agree not to use any Confidential Information disclosed to it by the other party for any purpose other than in connection with this LOI. The Receiving Party will, at all times, protect the secrecy of the Disclosing Party’s Confidential Information using the same degree of care, but no less than a reasonable degree of care, as the Receiving Party uses to protect similar information it owns of like importance, and will exercise commercially reasonable and diligent efforts to avoid the disclosure or unauthorized use of, the Disclosing Party’s Confidential Information. The Receiving Party will use commercially reasonable efforts to mark or identify all Confidential Information as confidential at the time of its disclosure or within a reasonable period of time thereafter.

(b) **Inclusions.** Confidential Information includes the content or status of any discussions or negotiations regarding the Transaction, or any Alternative Transaction (as defined below).

(c) **Exclusions.** This Section 2.1 imposes no obligation upon the Receiving Party with respect to Confidential Information received by it that the Receiving Party can establish with documentary evidence, other than by a breach of this Section 2.1

(i) was already possessed or known to the Receiving Party before its disclosure and such information was obtained without any duty of confidentiality (except where such knowledge arises from disclosure by a person who is an insider or who has a special relationship, as defined in the *Securities Act* (British Columbia), with the Disclosing Party),

(ii) was developed by or for the Receiving Party independently without any direct or indirect use of the Disclosing Party’s Confidential Information,

(iii) was independently obtained by the Receiving Party from a source that was not, at the relevant time, prohibited from disclosing it to them under any legal, contractual or fiduciary obligation,

(iv) is or has become part of the public domain through no fault of the Receiving Party, or

(v) was rightfully received by the Receiving Party from a third party (other than a person who is an insider or who is in a special relationship, as defined in the *Securities Act* (British Columbia), with the Disclosing Party) without any obligation of confidentiality.

(d) **Representatives.** Subject to Section 2.1(f), the Receiving Party will limit disclosure of any and all of the Disclosing Party's Confidential Information strictly to those of its directors, officers, consultants, counsel, agents, accountants, advisors and personnel (each a "**Representative**") to whom disclosure is necessary to carry out the Transaction, and will advise each such Representative to maintain the confidentiality of the Confidential Information in a manner no less protective than set forth herein. If the Representative's employment, appointment or relationship with the Receiving Party expires or is terminated, the Receiving Party will use its reasonable best efforts to recover any Confidential Information in the Representative's custody or control.

(e) **Restrictions.** Without restricting the generality of Section 2.1(a), the Receiving Party will not, and will advise each Representative not to, directly or indirectly

(i) copy or reproduce any of the Disclosing Party's Confidential Information, except as necessary to make any disclosure permitted by this Section 2.1 or to carry out the Transaction,

(ii) copy, reproduce, disclose, disassemble or decompile any technology, software, data or hardware included in the Confidential Information, or otherwise attempt to reverse engineer the design, function or, if applicable, source code of any of the Confidential Information, provided that if this prohibition is limited or restricted in any way by any applicable law, it will only apply to the maximum extent permitted by such law,

(iii) use any of the Disclosing Party's Confidential Information (A) on or before the Cut-Off Date, for any purpose other than the Transaction, and (B) after the Cut-Off Date, for any purpose whatsoever, except for compliance with Section 2.1(h) or as may be separately agreed to by the Disclosing Party in writing, or

(iv) subject to Section 2.1(f), disclose the existence, content, or substance of any of the Confidential Information to any third party other than its Representatives who have complied with Section 2.1(d).

(f) **Required Disclosure.** If the Receiving Party or any Representative is requested or required (including, without restriction, by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other similar process) by law to disclose any of the Disclosing Party's Confidential Information, it may disclose only that portion of Confidential Information that is legally required to be disclosed, as determined by legal counsel, and must

(i) unless prohibited by such applicable law, provide the Disclosing Party with written notice as soon as practicable so that the Disclosing Party may contest the disclosure or seek an appropriate protective order, and

(ii) delay such requested or required disclosure until as late as practicable within the deadlines set out in such order or as its counsel may otherwise determine to comply with applicable law.

(g) **Notification.** The Receiving Party will promptly notify the Disclosing Party if the Receiving Party becomes aware of any breach or violation of this Section 2.1 by it or its Representatives and will give the Disclosing Party commercially reasonable assistance in connection therewith.

(h) **Return or Destruction.** Upon the Cut-Off Date, the Receiving Party will, as soon as practicable, return or cause to be returned to the Disclosing Party all originals and copies in any form of the Disclosing Party's Confidential Information in its possession or control or will destroy or cause to be destroyed all originals, copies and related materials (being all memoranda, notes, reports and documents containing copies, extracts or analyses of the Disclosing Party's Confidential Information) in its possession or control, and will instruct each of its Representatives to will do the same. For the purposes of this Section 2.1(h)

(i) information stored in electronic form will be deemed to be destroyed when the Receiving Party or a Representative performs a commercially reasonable application- or operating system-level delete function with respect to such data, notwithstanding that such information may be forensically recoverable or restored from such party's ordinary backup and archival mechanisms, and

(ii) to the extent that the Receiving Party or a Representative performs or permits such recovery or restoration, it will treat such recovered or restored information as the Confidential Information of the Disclosing Party under this Section 2.1, and the Receiving Party will require its Representatives to do the same.

(i) **Ownership.** The Receiving Party acknowledges and agrees that all of the Disclosing Party's Confidential Information is the sole and exclusive property of the Disclosing Party or its licensors regardless of whether it came into being before or after the execution of this LOI, and also that all right, title and interest in and to such Confidential Information, and any portion thereof, will be and remain vested in Disclosing Party except for the limited right for to use it in accordance with this Section 2.1 for the Transaction.

(j) **Disclaimer.** Except as may be set out in the Definitive Agreement,

(i) the Receiving Party understands that the Disclosing Party's Confidential Information may not contain all the information that a party desiring to enter into a transaction might request or require,

(ii) the Disclosing Party makes no representation or warranty (whether express or implied, direct or indirect) whatsoever in respect of its Confidential Information, including as to the accuracy or completeness of any of its Confidential Information, and

(iii) neither the Disclosing Party nor any of its Representatives will have any liability of any nature or kind whatsoever (including consequential loss or damage) to the Receiving Party, its Representatives or any other person that either directly or indirectly results from or arises out of the furnishing of the Disclosing Party's Confidential Information or the use made by the Receiving Party, its Representatives or any other person of any of such Confidential Information.

(k) **Forecasts.** Without restricting the generality of the foregoing, each of the parties acknowledge and agree that (a) the Confidential Information may include estimates, forecasts, evaluations, assessments, projections and other business-related material, the accuracy of which

will depend on the future operations of the respective party, and (b) no representation or warranty by either party is made respecting the accuracy of such material.

2.2 Alternative Transaction. In this Section 2 “**Alternative Transaction**” means, other than pursuant to the Transaction, (a) an amalgamation, merger, arrangement or other business combination of, affecting or involving a party hereto or any of its subsidiaries (which term includes, without limitation, such party and its subsidiaries), (b) the acquisition, directly or indirectly or in any manner, of any securities of such party or any of its subsidiaries, (c) the acquisition, directly or indirectly or in any manner, of any securities or assets of any other person, (d) the sale, lease, exchange, transfer or other disposition of any material portion of the assets of such party or any of its subsidiaries, (e) the adoption of any plan of liquidation or dissolution of, affecting or involving such party or any of its subsidiaries, or (f) any similar transaction of, affecting or involving such party or any of its subsidiaries.

2.3 Non-Solicitation and Standstill. During the period commencing on the date of this LOI and ending on the earlier of the date that Mydecine and NewLeaf enter into a Definitive Agreement and the Cut-Off Date, Mydecine agrees to

(a) not, directly or indirectly, solicit, initiate or encourage any inquiries, expressions of interest, proposals or offers from, requests for proposals or offers to, discussions or negotiations with, or provide information to, or facilitate discussions with, any person relating to any Alternative Transaction, and

(b) immediately notify NewLeaf in writing upon receipt of any inquiries, requests, expressions of interest, proposals or offers from any person relating to any Alternative Transaction which has been received by it,

and forthwith disclose to Mydecine all relevant details thereof.

2.4 Exclusion. Section 2.3 will not prevent the directors or managers of Mydecine from complying with applicable law or from responding as required by law in such capacity to any unsolicited expression of interest, proposal or offer or from making such disclosure which in the judgment of the board of directors or managers of Mydecine upon the advice of counsel is required by law.

2.5 Publicity. No party will issue any press release, public announcement or public statement about the transactions contemplated herein which has not been previously approved by the other party, except that any party may issue a press release or filing with a regulatory authority if counsel for such party advises that such press release or filing is necessary (in which case such party will first make a reasonable effort to obtain the approval of the other).

2.6 Injunctive Relief. Each party acknowledges that

(a) any breach by it or any of its Representatives of any of the provisions of this Section 2 would cause the other party and its shareholders to suffer immediate and irreparable harm for which such other party would not be adequately compensated by monetary damages,

(b) accordingly, upon any actual or threatened breach by it or its Representatives of this Section 2, the other party may, in addition to any other remedy for relief, seek to enforce the performance of this Section 2 by injunction, specific performance or other equitable relief, without proof of actual damage or posting of any security bond, and further notwithstanding that damages may be readily quantifiable,

(c) it will not assert sufficiency of damages as a defence in any proceeding for such injunctive or other equitable relief, and

(d) the remedies set out in this Section 2 are in addition to any other remedy to which the other party may be entitled at law or in equity.

3. General Provisions

3.1 Termination. If the parties have not entered into the Definitive Agreement by the Cut-Off Date, this LOI will terminate, except those provisions intended to be binding and survive termination of this LOI which shall survive any actual or purported termination or expiry of this LOI.

3.2 Due Diligence and Efforts. Immediately after execution of this LOI, each of Mydecine and NewLeaf will (a) complete its legal, accounting and business due diligence of the other party before the closing of the Transaction, and (b) use commercially reasonable, good faith efforts to negotiate and enter into, as soon as reasonably practicable but in any event before the Cut-Off Date, the Definitive Agreement. From the date of the execution of this LOI until the closing of the Transaction, each of Mydecine and NewLeaf shall be entitled to perform and carry out, at its own expense, such inspections and reviews of the other party, its corporate records, and such other records as it may determine advisable, as part of its review and due diligence and each party shall forthwith provide to the other party all of the documents requested by it in its possession or control for its due diligence review.

3.3 Costs and Expenses. Each party will be responsible for its own costs and expenses (including the fees and disbursements of legal counsel) incurred in connection with this LOI, the Definitive Agreement and the Transaction.

3.4 Further Assurances. The parties will with reasonable diligence do all such things and provide all such reasonable assurances as may be required to obtain all third party consents and approvals required in connection with the transactions contemplated in this LOI including, but not limited to, the approval of the CSE, and each party will provide such further documents and instruments and perform such further acts and things as may be reasonably necessary to effect the intent and purposes of this LOI.

3.5 Notices. All notices permitted or required by this LOI must be delivered to the parties personally or by courier to the address of the other party set out on the first page of this LOI or to such other address notified by one party to the other from time to time.

3.6 Successors and Assigns. This LOI will enure to the benefit of and will be binding on and enforceable by the parties and, where the context so permits, their respective successors (including any successor by reason of the amalgamation of any party) and permitted assigns.

3.7 No Assignment. No party may assign this LOI nor any of its rights or obligations hereunder in whole or in part without the prior written consent of the other parties, which consent may be withheld in each such party's sole discretion.

3.8 Relationship. Nothing in this LOI creates or is intended to create any partnership, joint venture relationship, fiduciary relationship or relationship of trust between the parties or their respective Representatives.

3.9 Entire Agreement. This LOI constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral.

3.10 Amendment of LOI. No waiver, addition to or amendment of this LOI will be effective unless made in writing signed by authorized signatories of the parties and is expressly stated to be a waiver, addition or amendment of this LOI, and no such waiver, addition or amendment will obligate any party to any future waivers, additions or amendments except to the extent set out therein.

3.11 Governing Law, Jurisdiction and Interpretation. This LOI will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein (without reference to its conflict of laws principles) and each party hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia. The insertion of headings in this LOI is for convenience of reference only and will not affect the construction or interpretation of this LOI. The word “or” is not exclusive and the word “including” is not intended to limit in any fashion the matter being described.

3.12 Severability. If any provision of this LOI is determined to be void or unenforceable in whole or in part, it will be severable and will not be deemed to affect or impair the enforceability or validity of any other covenant or provision of this LOI or any part thereof.

3.13 Counterparts. This LOI may be executed by the parties in as many counterparts as may be necessary, each of which so signed will be deemed to be an original (and each signed copy sent by electronic or facsimile transmission will be deemed to be an original), and such counterparts together will constitute one and the same instrument and notwithstanding the date of execution will be deemed to bear the date set forth above.

3.14 Independent Legal Advice. Each of Mydecine and NewLeaf acknowledges that it has read, understands and agrees with all of the provisions of this LOI and acknowledges that it has had the opportunity to obtain independent legal advice with respect thereto.

3.15 Regulatory Approval. This LOI and the transactions contemplated hereunder are subject to receipt of written acceptance by the CSE and the approval of any applicable gaming regulatory authorities.

If the above correctly sets forth your understanding with respect to the proposed transactions, kindly so indicate by executing the enclosed copy of this letter in the space provided below and returning it to the undersigned.

Yours very truly,

NEWLEAF BRANDS, INC.

Per:

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Authorized Signatory

ACKNOWLEDGED, ACCEPTED AND AGREED to this 6th day of April, 2020.

1220611 B.C. LTD. O/A MYDECINE GROUP

Per:

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Authorized Signatory

SCHEDULE “A”

TERM SHEET

All capitalized terms used in this Term Sheet that are not otherwise defined have the meanings ascribed to them in the LOI to which this Schedule “A” is attached. This Term Sheet includes the terms with respect to the Transaction which is subject to the Conditions.

Parties:	<p>The parties to the Transaction (each a “Party” and together, the “Parties”) are:</p> <ul style="list-style-type: none">• 1220611 B.C. Ltd., a private British Columbia corporation; and• NewLeaf Brands, Inc., a British Columbia corporation listed on the CSE.
Structure and Purchase Price:	<p>The board of directors of NewLeaf will, subject to the results of their due diligence review of Mydecine and review of the form of Definitive Agreement, authorise and approve a business combination whereby NewLeaf will acquire, by way of share exchange, all of the issued and outstanding securities of Mydecine in consideration for the issuance to the BeWhare Securityholders of a number of NewLeaf Shares equal to US\$850,000, at a deemed price per share equal to the minimum allowable by the Policies of the CSE.</p> <p>Although this LOI contemplates a transaction by way of share exchange, the Parties will give <i>bona fide</i> consideration to a different form of transaction should such different form provide material advantages to one Party without materially adversely affecting the others. Mydecine and NewLeaf will negotiate in good faith to determine the structure that would be most beneficial to all Parties, taking into account various securities, tax and operating considerations.</p>
Representations and Warranties:	<p>The Definitive Agreement will include customary representations and warranties for a transaction of this type, such representations and warranties will be made equally by each Party and survive a period of one year from the Closing.</p>
Conditions Precedent to Closing:	<p>The Closing will be subject to the following conditions precedent:</p> <p>(a) <u>in favour of NewLeaf</u>, which are for the exclusive benefit of NewLeaf and which are to be performed or complied with at or prior to the completion of the Transaction:</p> <ul style="list-style-type: none">(i) completion of a due diligence review of Mydecine’s business and financial matters to NewLeaf’s satisfaction;(ii) receipt of all required regulatory (including the CSE and any applicable regulatory authorities) and shareholder approvals; and(iii) no adverse material change (as defined under Canadian securities laws and the Definitive Agreement) having occurred in the affairs of Mydecine. <p>(b) <u>in favour of Mydecine</u>, which are for the exclusive benefit of Mydecine and which are to be performed or complied with at or prior to the completion of the Transaction:</p>

	<p>(i) completion of a due diligence review of NewLeaf’s business and financial matters to NewLeaf’s satisfaction;</p> <p>(iii) receipt of all required regulatory approvals and shareholder approvals; and</p> <p>(iv) no adverse material change (as defined under Canadian securities laws and the Definitive Agreement) having occurred in the affairs of NewLeaf.</p>
No Break Fee:	In the event that the condition precedents are not satisfied or waived there will be no liability or further obligation whatsoever on the part of NewLeaf or Mydecine, save for and except the duty of confidentiality as set out in Section 2 of the LOI.
Closing Date:	The consummation of the transactions under the Definitive Agreement (collectively, the “ Closing ”) will be the day which is the 10th business day following the satisfaction or waiver of the condition precedents in the Definitive Agreement or such other date as mutually agreed to by the Parties, but in any event no later than May 31, 2020.