



Cannabis Compliance Inc.
 2345 Argentia Road, Suite 102
 Mississauga, ON L5N 8K4
 Canada

www.cannabiscomplianceinc.com

Quote Number 00001958 Created Date 10/15/2018
 Prepared By John Salmas Contact Name Joel Dumaresq
 Email john@cannabiscomplianceinc.com Phone (604) 306-4000
 Email joel@pashleth.com

Bill To Name Cervantes Capital Corp
 Bill To Suite 810-789 West
 Pender Street
 Vancouver British Columbia V6C 1H2
 Canada

Quantity	Product	Sales Price	Total Price
1.00	Course Registration	CAD 5,000.00	CAD 5,000.00
1.00	Federal Sales Licence	CAD 5,000.00	CAD 5,000.00
1.00	GMP Compliance	CAD 22,000.00	CAD 22,000.00
1.00	Security Plan	CAD 35,000.00	CAD 35,000.00
1.00	Standard Cultivation License	CAD 110,000.00	CAD 110,000.00
1.00	Standard Processing License	CAD 0.00	CAD 0.00
Grand Total			CAD 177,000.00

Please see following page for a detailed description of scope and services

*** Tax is not included ***

This Quote is valid for 30 days

Standard Terms and Conditions

Once signed by the Client and Cannabis Compliance Inc., this Quote shall become a binding Agreement. The Standard Terms and Conditions attached hereto are an integral part of this Agreement. The Quote should be read in conjunction with the Standard Terms and Conditions. In the event of conflict or inconsistency between the terms and conditions set forth in this Quote and the Standard Terms and Conditions, the terms and conditions in this Quote shall take precedence.



Joel Dumaresq

October 23, 2018

Cannabis Compliance Inc.

Edward Collins



Name & Title

2018-10-23

Date

Schedule 1

Standard Cultivation Licence

A Standard Cultivation Licence is applicable to clients seeking to cultivate cannabis products on a large scale for commercial or R&D purposes.

A Standard cultivation can be both indoor and outdoor. Standard Licence allows to possess cannabis, to obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting cannabis, for the purpose of testing, to obtain cannabis by altering its chemical or physical properties by any means; and to sell cannabis.

A Standard Cultivation License can be stacked with Standard Processing, Sales, Analytical Testing and Research License's.

The Consultant shall perform the following Services in each of the phases described below.

Standard Cultivation Licence Application Services:

To be eligible for a Standard Cultivation Licence application, the Office of Medical Cannabis (OMC) department within Health Canada requires a thorough and professionally drafted application with supporting documentation. Cannabis Compliance Inc. is responsible for submitting and completing the application documentation according to high industry standards, and keeping the Client informed of the application process throughout.

Cannabis Compliance Inc. will provide strong recommendations on a proposed site and floor plan based on industry experience. The final floor plan will be professionally drawn by a design firm.

Cannabis Compliance Inc. will provide the core SOPs that are required for running a site in accordance to the regulations. The Client is responsible for customization of those SOPs accordingly. A subset of these SOPs is used to support the application.

This service agreement does not include any Health Canada application/licence fees.

1. Site Details:

- Completion of administrative application forms and related supporting documentation (Authorized Corporate Representatives, Security Clearance, License specifics and related requirements);
- Work on Site application forms and related supporting documentation (Site location Survey, Site Floor plan and related requirements);
- Guidance for work with local authorities for fulfillment of related application requirements (Notices to Local Government, Police and Fire Departments); Work on application file review with Office of Medical Cannabis (OMC) department

2. CTLS Support:

- Assisting in creating user accounts in the CTLS system for the applicant(s): Limited to current key personnel who were identified on the ACMPR application.

- Ensuring all requirements for the license(s) that the applicant selects in the CTLS are met. Some of these may differ from the requirements associated with your existing application under the ACMPR that was filed with Health Canada.

3. Recruitment:

A. Master Grower and Alternate Master Grower:

NOTE: An applicant may designate one Alternate Master Grower who can replace the Master Grower, when required. This alternate must be identified in advance and requires approval from Health Canada.

B. Head of Security and Alternate Head of Security:

NOTE: An applicant may designate one alternate who can replace the Head of Security, when required. This alternate must be identified in advance and requires approval from Health Canada.

The recruitment and training of a Head of Security or Alternate of Security and a Master Grower or Alternate Grower is an important step in licence operations and compliance. The client acknowledges that all recruitment and training services are excluded from the scope of this service agreement.

4. Individuals to be identified and Security Clearances:

The applicant must identify whether a partner or cooperative with direct control is applicable. The role of the SPIC is no longer in scope of the current Cannabis Regulations. In place of the SPIC role, the applicant must designate one Responsible Personnel and up to one Alternate Responsible Personnel as well as the additional roles below.

CCI will assist in the completion of administrative application forms and related supporting documentation for Security Clearances.

- a. Partners: For all licence classes if the applicant is a partnership
- b. Head of Security and Alternate Head of Security: For cultivation, processing or sale for medical purposes licence only
- c. Master Grower and Alternate Master Grower: For Cultivation license only
- d. Any individual, partnership (partners), corporation (directors and officers), or cooperative (directors and officers) in a position to directly control the applicant

Business Model: for multiple sites only (not including research)

Business Model must clearly explain how activities will take place across the sites, including details on whether the site activities will take place in conjunction with each other or they function completely separately, as well as details on how the transfer of any material would take place from one site to another.

CCI will develop a Business model for the applicant to fulfill the requirements if applicable.

Head of Security:

CCI will provide a detailed job description and a summary of the roles and responsibilities.

Site Organization Chart, List of individuals in Key Positions and Security Status, and Cannabis Tracking and Record Keeping:

CCI will assist in drafting an organizational chart and defining key position roles, responsibilities, and ensuring the appropriate security status will be obtained.

Security Awareness and Training and SOPs:

CCI will assist in the development of a security training program and supplemental SOPs as part of the Organizational Security Plan. CCI will support the inaugural roll out of the training program.

5. Record Keeping and Reporting:

A. CCI will support the applicant in sourcing a record keeping system integrator for the purposes of their application. The following summaries will be included in the application:

o **Record keeping method:**

Include a description of record keeping methods to be used to ensure that all record keeping, and reporting requirements are met as outlined in the Cannabis Regulations and in Appendix G: Record Keeping Requirements.

o Details must include:

- o the name of the system that the applicant intends to use and a copy of the manual/pamphlet if applicable\
- o details explaining how that system will capture, report and reconcile the information required
- o Supporting summary for Record Keeping which complies with all relevant requirements of Cannabis regulations

o Record Keeping SOP

6. Good Production Practices (GPP) Report:

CCI will provide the GPP report supplemented with all applicable SOPs. The report will demonstrate a compliance plan listing the relevant standard operating procedures with detailed descriptions for each. Such SOPs will include requirements for:

- Pest Control
- Storage
- Distribution
- Building
- Filtration of Air
- Equipment
- Sanitation Program
- Quality Assurance
- Methods and Procedures

- Testing

7. **Other CCI services:**

- CCI will also assist the applicant in submitting the completed application via the CTLS
- CCI will monitoring and periodically follow up with Health Canada on the status of the application, including assistance to respond to all RFI/RMI (Requests for More Information) from Health Canada during the various review stages of the application.

Schedule 2

Standard Processor Licence

A Standard Processor Licence is applicable to clients seeking to manufacture cannabis products on a large scale for commercial or R&D purposes.

A Standard Processor Licence requires an indoor facility; allowing clients to possess, process and sell cannabis products. This includes possessing dried cannabis, producing cannabis oil (a maximum concentration of 10 mg/mL), manufacturing capsules, sprays, pre-rolls (10mg per dosage unit); with a maximum of 30g per package, and selling cannabis products which include dried, fresh, plants and seeds. Clients of this license could sell to any type of license and provincially licensed site.

A Standard Processor License can be stacked with Standard Cultivation, Sales, Analytical Testing and Research License's.

The Consultant shall perform the following Services in each of the phases described below.

Standard Processor Licence Application Services:

To be eligible for a Standard Processor Licence application, the Office of Medical Cannabis (OMC) department within Health Canada requires a thorough and professionally drafted application with supporting documentation. Cannabis Compliance Inc. is responsible for submitting and completing the application documentation according to high industry standards, and keeping the Client informed of the application process throughout.

Cannabis Compliance Inc. will provide strong recommendations on a proposed site and floor plan based on industry experience. The final floor plan will be professionally drawn by a design firm.

Cannabis Compliance Inc. will provide the core SOPs that are required for running a site in accordance to the regulations. The Client is responsible for customization of those SOPs accordingly. A subset of these SOPs is used to support the application.

This service agreement does not include any Health Canada application/licence fees.

The following services will be provided:

1. Site Details:

- Completion of administrative application forms and related supporting documentation (Authorized Corporate Representatives, Security Clearance, Licence specifics and related requirements);
- Work on Site application forms and related supporting documentation (Site location Survey, Site Floor plan and related requirements);
- Guidance for work with local authorities for fulfillment of related application requirements (Notices to Local Government, Police and Fire Departments); Work on application file review with Office of Medical Cannabis (OMC) department

2. CTLS Support:

- **Assisting in creating user accounts in the CTLS system for the applicant(s):** Limited to current key personnel who were identified on the ACMPR application.
- **Ensuring all requirements for the licence(s) that the applicant selects in the CTLS are met. Some of these may differ from the requirements associated with your existing application under the ACMPR that was filed with Health Canada.**

- **Recruitment:**

For the purposes of a Standard Processing License applicant, the applicant must recruit:

- **a Quality Assurance Person and an Alternate Quality Assurance Person**

NOTE: An applicant may designate a maximum of two alternates who can replace the Quality Assurance Person, when required. These alternates must be identified in advance and requires approval from Health Canada, because there are specified qualifications for this position

The applicant must submit:

- The candidates resume
- Diploma, degree, or certificate or transcripts that may be applicable
- Security Clearance Forms

AND

- **A Head of Security and Alternate Head of Security**

NOTE: An applicant may designate one alternate who can replace the Head of Security, when required. This alternate must be identified in advance and requires approval from Health Canada.

The recruitment and training of a Quality Assurance Person or Alternate Quality Assurance Person and a Head of Security or Alternate Head of Security is an important step in licence operations and compliance. The client acknowledges that all recruitment and training services are excluded from the scope of this service agreement.

3. Individuals to be identified and Security Clearances:

The applicant must identify whether a partner or cooperative with direct control is applicable. The role of the SPIC is no longer in scope of the current Cannabis Regulations. In place of the SPIC role, the applicant must designate one RPIC and up to one ARPIC as well as the additional roles below.

CCI will assist in the completion of administrative application forms and related supporting documentation for Security Clearances.

- Partners:** For all licence classes if the applicant is a partnership

- b. **Head of Security and Alternate Head of Security:** For cultivation, processing or sale for medical purposes licence only
- c. **QAP and Alternate QAP:** For processing licence only *[Note: a QAP is longer required for a cultivation licence only]*
- d. **Any individual, partnership (partners), corporation (directors and officers), or cooperative (directors and officers) in a position to directly control the applicant**

- **Business Model:** for multiple sites only (not including research)
 - Business Model must clearly explain how activities will take place across the sites, including details on whether the site activities will take place in conjunction with each other or they function completely separately, as well as details on how the transfer of any material would take place from one site to another.

CCI will develop a Business model for the applicant to fulfill the requirements if applicable.

- **Head of Security:**
 - CCI will provide a detailed job description and a summary of the roles and responsibilities.
- **Site Organization Chart, List of individuals in Key Positions and Security Status, and Cannabis Tracking and Record Keeping:**
 - CCI will assist in drafting an organizational chart and defining key position roles, responsibilities, and ensuring the appropriate security status will be obtained.
- **Security Awareness and Training and SOPs:**
 - CCI will assist in the development of a security training program and supplemental SOPs as part of the Organizational Security Plan.
 - CCI will support the inaugural roll out of the training program.

4. Record Keeping and Reporting:

- CCI will support the applicant in sourcing a record keeping system integrator for the purposes of their application. The following summaries will be included in the application:
 - **Record keeping method:**
Include a description of record keeping methods to be used to ensure that all record keeping, and reporting requirements are met as outlined in the Cannabis Regulations and in Appendix G: Record Keeping Requirements.
 - Details must include:
 - the name of the system that the applicant intends to use and a copy of the manual/pamphlet if applicable
 - details explaining how that system will capture, report and reconcile the information required

- Supporting summary for Record Keeping which complies with all relevant requirements of Cannabis regulations
- Record Keeping SOP

5. Good Production Practices (GPP) Report:

CCI will provide the GPP report supplemented with all applicable SOPs. The report will demonstrate a compliance plan listing the relevant standard operating procedures with detailed descriptions for each. Such SOPs will include requirements for:

- Pest Control
- Storage
- Distribution
- Building
- Filtration of Air
- Equipment
- Sanitation Program
- Quality Assurance
- Methods and Procedures
- Testing

6. Other CCI services:

- CCI will also assist the applicant in submitting the completed application via the CTLS
- CCI will monitoring and periodically follow up with Health Canada on the status of the application, including assistance to respond to all RFI/RMI (Requests for More Information) from Health Canada during the various review stages of the application.

Schedule 3

Sale for Medical Purposes (with possession) Licence

A Sale for Medical Purpose (with possession) Licence is applicable to clients seeking to possess and sell cannabis for Medical Purposes.

A Sale for Medical Purpose (with possession) Licence allows for the possession and sale of cannabis products. A licence allows the sale and distribution of cannabis products to a registered client authorized to use cannabis for medical purposes. The licensee is allowed to sell or distribute cannabis products to a licence holder (with the exception of a cultivator). They are authorized to sell or distribute cannabis products that are dried, fresh plants, or cannabis seeds to micro and standard cultivators. A licence allows for the sale or distribution of plants or plant seeds to a licenced nursery. The licensee is permitted to sell or distribute cannabis products other than plants or seeds to a hospital employee. This licence does not allow for packaging and labelling, material must be sold in the packaging which they were sold to the licensee.

A Sale for Medical Purpose (with possession) Licence can be stacked with the following licences: Micro/Standard Cultivator Micro/Standard Processing, Analytical Testing and Research License's.

The Consultant shall perform the following Services in each of the phases described below.

Sale for Medical Purposes (with possession) Licence Application Services:

To be eligible for A Sale for Medical Purposes (with possession) Licence application, the Office of Medical Cannabis (OMC) department within Health Canada requires a thorough and professionally drafted application with supporting documentation. Cannabis Compliance Inc. is responsible for submitting and completing the application documentation according to high industry standards, and keeping the Client informed of the application process throughout.

Cannabis Compliance Inc. will provide strong recommendations on a proposed site and floor plan based on industry experience. The final floor plan will be professionally drawn by a design firm. Cannabis Compliance Inc. will provide the full site and physical security design and risk management programs required for the application process. CCI Security Consultant expertise will work with client based on regulatory standards and applicable laws in order to generate a full package that will encompass security directive steps as part of the application process.

Cannabis Compliance Inc. will provide the core SOPs that are required for running a site in accordance to the regulations. The Client is responsible for customization of those SOPs accordingly. A subset of these SOPs is used to support the application.

This service agreement does not include any Health Canada application/licence fees.

1. Site Details:

- Completion of administrative application forms and related supporting documentation (Authorized Corporate Representatives, Security Clearance, Licence specifics and related requirements);
- Work on Site application forms and related supporting documentation (Site location Survey, Site Floor plan and related requirements);

- Guidance for work with local authorities for fulfillment of related application requirements (Notices to Local Government, Police and Fire Departments); Work on application file review with Office of Medical Cannabis (OMC) department

2. CTLS Support:

- **Assisting in creating user accounts in the CTLS system for the applicant(s):** Limited to current key personnel who were identified on the ACMPR application.
- **Ensuring all requirements for the licence(s) that the applicant selects in the CTLS are met. Some of these may differ from the requirements associated with your existing application under the ACMPR that was filed with Health Canada.**

3. Recruitment:

A. Head of Security and Alternate Head of Security:

NOTE: An applicant may designate one alternate who can replace the Head of Security, when required. This alternate must be identified in advance and requires approval from Health Canada.

The recruitment and training of a Head of Security or Alternate of Security is an important step in licence operations and compliance. The client acknowledges that all recruitment and training services are excluded from the scope of this service agreement.

4. Individuals to be identified and Security Clearances:

The applicant must identify whether a partner or cooperative with direct control is applicable. The role of the SPIC is no longer in scope of the current Cannabis Regulations. In place of the SPIC role, the applicant must designate one Responsible Personnel and up to one Alternate Responsible Personnel as well as the additional roles below.

CCI will assist in the completion of administrative application forms and related supporting documentation for Security Clearances.

- Partners:** For all licence classes if the applicant is a partnership
- Head of Security and Alternate Head of Security:** For cultivation, processing or sale for medical purposes licence only
- Any individual, partnership (partners), corporation (directors and officers), or cooperative (directors and officers) in a position to directly control the applicant**

5. Organizational Security Plan:

The following must be included under the Physical Security Requirements:

Physical Security Plan

A Site Plan –with all security features identified as well as the perimeter of the site delineated.

A Floor Plan - floor plan(s) of the building(s) with all security features illustrated and identified and floor plan(s) for any proposed storage area(s) with all security features illustrated and identified
Nomenclature in the plans needs to be consistent with what is submitted in the Site Details.

CCI will develop a Physical Security Plan for the applicant to fulfill the requirements if applicable

Business Model: for multiple sites only

Business Model must clearly explain how activities will take place across the sites, including details on whether the site activities will take place in conjunction with each other or they function completely separately, as well as details on how the transfer of any material would take place from one site to another.

CCI will develop a Business model for the applicant to fulfill the requirements if applicable.

Head of Security:

CCI will provide a detailed job description and a summary of the roles and responsibilities.

Site Organization Chart, List of individuals in Key Positions and Security Status, and Cannabis Tracking and Record Keeping:

CCI will assist in drafting an organizational chart and defining key position roles, responsibilities, and ensuring the appropriate security status will be obtained.

Security Awareness and Training and SOPs:

CCI will assist in the development of a security training program and supplemental SOPs as part of the Organizational Security Plan. CCI will support the inaugural roll out of the training program.

6. Record Keeping and Reporting:

A. CCI will support the applicant in sourcing a record keeping system integrator for the purposes of their application. The following summaries will be included in the application:

o **Record keeping method:**

Include a description of record keeping methods to be used to ensure that all record keeping, and reporting requirements are met as outlined in the Cannabis Regulations and in Appendix G: Record Keeping Requirements.

o Details must include:

- o the name of the system that the applicant intends to use and a copy of the manual/pamphlet if applicable\
- o details explaining how that system will capture, report and reconcile the information required
- o Supporting summary for Record Keeping which complies with all relevant requirements of Cannabis regulations
- o Record keeping methods that will capture the following information:
 - Medical client registration information
 - Filling of orders and refusal to fill orders
 - Medical documentation provided by client
 - Communication with provincial or territorial licensing authorities

o Record Keeping SOP

7. Good Production Practices (GPP) Report:

CCI will provide the GPP report supplemented with all applicable SOPs. The report will demonstrate a compliance plan listing the relevant standard operating procedures with detailed descriptions for each. Such SOPs will include requirements for:

- Storage
- Distribution
- Building
- Filtration of Air
- Equipment
- Sanitation Program
- Methods and Procedures

8. Other CCI services:

- CCI will also assist the applicant in submitting the completed application via the CTLS
- CCI will monitoring and periodically follow up with Health Canada on the status of the application, including assistance to respond to all RFI/RMI (Requests for More Information) from Health Canada during the various review stages of the application.

Schedule 4

GMP Compliance

During the preparation of the GPP Application package for the client, CCI will provide overall assistance to ensure that elements of GMP are incorporated. Specifically the floor planning and site plans will need to include GMP requirements for process, equipment and personnel flow and cross contamination. Materials of construction can be assessed during the build out for GMP conformance, and the QMS will need to be upgraded to GMP after the licence application.



Total Amount of the Contract: \$ 177,000.00
Province*: BC

at least -
 have to in
 places i.e
 rounding

Payment Terms	Pretax Amount	Sales Tax Amount	Total Amount with Sales Tax
25% Due upon signing	\$ 44,250.00	\$ 2,212.50	\$ 46,462.50
25% Due on day 60.	\$ 44,250.00	\$ 2,212.50	\$ 46,462.50
25% Due on day 90.	\$ 44,250.00	\$ 2,212.50	\$ 46,462.50
25% Due on day 120.	\$ 44,250.00	\$ 2,212.50	\$ 46,462.50
	\$ -	0	\$ -
Total:	\$ 177,000.00	\$ 8,850.00	\$ 185,850.00

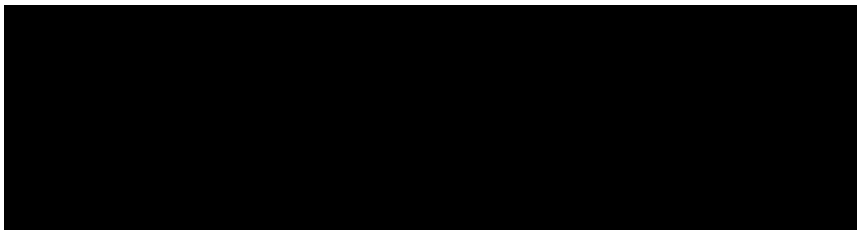
Payment Methods:

Cheque

Accounts Receivable
 Cannabis Compliance Inc.
 2345 Argentia Rd, Unit 102
 Mississauga Ontario
 L5N 8K4

Wire Transfer

WIRING DETAILS:



CANNABIS COMPLIANCE CONSULTANCY SERVICES STANDARD TERMS AND CONDITIONS

1. **Term.** This Agreement shall commence on the date of signature by both the Consultant and the Client, and shall continue until completion of the Services, or for a period of 2 years whichever is earlier (the "**Termination Date**"), unless terminated in accordance with Section 17 (the "**Term**"). The parties may amend the Termination Date by mutual written agreement.
2. **Services**
 - 2.1 The Consultant shall provide the services (the "**Services**") set forth in the attached price quotation (the "**Quote**") to the Client either personally or through the Consultant's employees, sub-contractors or any other third parties.
 - 2.2 The Client shall provide the Consultant with access to its premises and equipment to the extent necessary for the Consultant's performance of the Services.
 - 2.3 The Consultant shall make itself available for consultation with the Client at such times and places as are mutually agreeable to the parties.
 - 2.4 The Consultant shall provide or retain all the necessary personnel to the Project in order to coordinate the execution of the Services and to determine in general with third parties that the work is being carried out in accordance with the requirements of this Agreement.
3. **Independent Consultant Relationship**
 - 3.1 The Consultant is and shall remain at all times an independent contractor and not an employee or dependent contractor of the Client. Nothing in this Agreement shall be construed to create any association, partnership, joint venture, agency, fiduciary or employment relationship between the Consultant and the Client, for any purpose, and neither party has the authority to contract for or bind the other party in any manner whatsoever.
 - 3.2 The Consultant will be free to perform consulting and other services to the Consultant's other clients during the term of this Agreement, provided however, that the Consultant shall ensure that the Consultant is able to perform the Services pursuant to this Agreement in a timely and professional fashion.
4. **Fees and Expenses**
 - 4.1 In consideration of the provisions of the Services by the Consultant, the Client shall pay the Consultant the non-refundable amounts outlined in the Quote (the "**Fees**").
 - 4.2 The Client shall pay the Fees in accordance with the Consultant's fee for the Service within 5 days after the Client's receipt of the Consultant's invoice as set forth in the Quote. Without limiting its rights or remedies, the Consultant shall have the right to halt or terminate its services entirely if payment is not received within thirty (30) days of the invoice date. Interest shall be charged on unpaid accounts after thirty (30) days from the date of the bill. Interest shall be calculated and payable at the rate of 18% per annum (1.5% per month). All payments are non-refundable and shall be in Canadian dollars and made by certified cheque or wire transfer.
 - 4.3 The Client will pay for the reimbursement of the Consultant's pre-approved expenses associated with the project.
 - 4.4 The Client shall be responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, provincial or municipal governmental entity on any amounts payable by the Client hereunder; provided that, in no event shall Client pay or be responsible for any taxes, statutory withholdings, deductions or remittances, imposed on or with respect to the Consultant's income, revenues, gross receipts, real or personal property.
5. **Third Parties and Internal Use**
 - 5.1 This Agreement is not intended for the express or implied benefit of any third party. No third party is entitled to rely, in any manner or for any purpose, on the advice, opinions, reports or services of the Consultant contemplated in this Agreement. The Client further agrees that the advice, opinions and reports issued by the Consultant shall not be distributed to any third party without the prior written consent of the Consultant.
 - 5.2 The Consultant does not warrant and is not responsible for any third party products or services obtained independently by the Client notwithstanding any participation or involvement by the Consultant. The Client shall have the sole and exclusive rights and remedies with respect to any defect in third party products or services and any claim shall only be brought against the third party vendor and not against the Consultant.
6. **Intellectual Property Matters**

All intellectual property rights, including copyrights, patents, patent disclosures and inventions (whether patentable or not), trademarks service marks, trade secrets, know-how and other confidential information, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith, derivative works and all other rights (collectively, "**Intellectual Property Rights**") in and to all documents, work product and other materials that are delivered to the Client under this Agreement in the course of performing the Services (collectively, the "**Deliverables**") except for any confidential information of the Client shall be owned by the Consultant. The Consultant hereby grants the Client a license to use all Intellectual Property Rights in the Deliverables free of additional charge and on a non-exclusive, non-transferable, non-sublicenseable, fully paid-up, royalty-free and perpetual basis to the extent necessary to enable the Client to make reasonable use of the Deliverables and the Services.
7. **Confidential Information**
 - 7.1 The Consultant acknowledges that in the course of providing the Services, the Consultant may create or have access to information that is treated as confidential and proprietary by the Client, including, without limitation, information pertaining to any Deliverables, in each case whether spoken, written, printed, electronic or in any other form or medium (collectively, the "**Confidential Information**").
 - 7.2 The Consultant shall treat all Confidential Information as strictly confidential and only use the Confidential Information for the purpose of the Services. The Consultant shall not, without the prior authorization of the Client, either during the Term or at any time after the termination of this Agreement:
 - (a) use any Confidential Information for the benefit or purposes of the Consultant or any other person, company or organization whatsoever; or
 - (b) disclose any Confidential Information to any person, company or other organization whatsoever.
 - 7.3 Confidential Information shall not include information that is or becomes generally available to the public other than through the

Consultant's breach of this Agreement or is communicated to the Consultant by a third party that had no confidentiality obligations with respect to such information.

7.4 If, either during the Term or after the termination of this Agreement, the Consultant is required to disclose any Confidential Information by law or court order or pursuant to any requirement, request or process of any legal, regulatory or governmental authority, the Consultant shall give the Client prior notice of such requirement, request or process so that the Client may seek at the Client's sole cost and expense, a protective order or other remedy.

8. Non-Solicitation

8.1 During the term of this Agreement and continuing for 24 months after the termination of this Agreement, neither Party shall directly or indirectly, for its own account or for the account of others, urge, induce, entice, or in any manner whatsoever solicit any employee directly involved in the activities conducted pursuant to this Agreement to leave the employment of the other Party or any of its affiliates. For purposes of the foregoing, urge, induce, entice or solicit shall not be deemed to mean: (a) circumstances where an employee of a Party initiates contact with the other Party or any of its affiliates with regard to possible employment; or (b) general solicitations of employment not specifically targeted at employees of a Party or any of its affiliates, including responses to general advertisements.

9. Representations and Warranties

9.1 The Consultant represents and warrants that:

- (a) the Consultant has the right to enter into this Agreement, to grant the rights granted herein and to perform fully the Consultant's obligations in this Agreement;
- (b) the Consultant's performance of the terms this Agreement and the engagement of the Consultant with the Client do not and will not breach any confidentiality agreement entered into by the Consultant with any third party;
- (c) the Consultant has the required skill, experience and qualifications to perform the Services;
- (d) the Consultant shall perform the Services in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services, and in compliance with all applicable federal, provincial, territorial and municipal laws and regulations; and
- (e) the Consultant shall devote such time, attention and energy as is necessary to implement and comply with its obligations under this Agreement.

9.2 The Client represents and warrants that:

- (a) the Client has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder;
- (b) the execution of this Agreement by its representative whose signature is set forth at the end of this Agreement has been duly authorized by all necessary corporate action.

10. Client's Responsibilities

10.1 The Client shall at its own expense comply with and perform its obligations under this Agreement and, without limiting the generality of the foregoing, shall:

- (a) provide full information regarding its requirements for the Project;
- (b) appoint a senior employee to oversee, evaluate and accept the Services provided by the Consultant. In no case, shall any decision to accept or implement such

services be a decision of the Consultant, and all such decisions shall be the decisions of the Client according to the Client's own internal management rules;

- (c) make payment to the Consultant of the Fee and pay the Expenses and Reimbursable Amounts in accordance with the provisions of Schedule "A" of this Agreement; and
- (d) provide for the payment of third parties in accordance with their respective contracts.

10.2 The Client shall review and approve all applications prepared by the Consultant prior to submission to Health Canada.

10.3 Acceptance by the Client shall be defined as the deliverable being delivered to the Client and the Client not making any complaints or rejections of deliverables within 30 days. Such acceptance shall acknowledge that the deliverables are in good order and that Client is satisfied with same, and all agreed upon payments are due and payable.

11. Third Party Cost

11.1 All services, information, and reports required to be furnished by the third parties shall be furnished at the Client's expense and the Consultant shall be entitled to rely on the accuracy and completeness of them. The Client shall furnish required information and render approvals as expeditiously as necessary for the orderly progress of the Project.

12. Limited Warranty

The Consultant warrants that the services shall be performed with reasonable care in a diligent and competent manner. The Consultant agrees to correct any non-conformance with this warranty (subject to the limitations on the Consultant's liability set forth in Article 14), provided that the Client gives the Consultant written notice of such non-conformity together with details of the Client's expectations no later than thirty (30) days following the discovery by the Client, of such non-conformity and in any event within the time limitation (18 months) set out in Article 14. Except as otherwise contained in this Agreement, the Consultant makes no other warranties, express or implied, and the Client waives application of all other warranties, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession or otherwise, including without limitation implied warranties or conditions of merchantable quality and fitness for a particular purpose.

13. Limitation on Liability

13.1 The Client and the Consultant agree to the following with respect to the Consultant's liability to the Client:

- (a) the Consultant's liability to the Client for the aggregate of all losses, claims, liabilities, penalties, damages, or expenses shall not exceed the amount of fees paid by the Client to the Consultant pursuant to this Agreement.
- (b) In no event shall the Consultant be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense or any loss of revenue or profit or any other commercial or economic loss or failure to realize expected savings.
- (c) the Consultant's liability will be several and not joint and several and the Client may only claim payment from the Consultant of the Consultant's proportionate share of the total liability based on the degree of fault of the Consultant as finally determined by a court of competent jurisdiction.

13.2 Any notice required under Article 13 or any action by way of filed court process against the Consultant by the Client must be

brought and served within eighteen (18) months after the cause of action arises and, if not so brought, such notice or action shall be null and void to the same extent as if the right to bring such were statute barred.

13.3 The Client acknowledges that it is ultimately Health Canada's decision to approve any applications prepared by the Consultant.

14. Indemnity

14.1 Either Party agrees to indemnify and hold harmless the other against any and all liability, loss and costs, expenses or damages, including but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever or howsoever caused by reason of any injury (whether to body, property, personal or business character or reputation) sustained by any person or to any person or property, arising out of any act, failure to act, neglect, any untrue or alleged untrue statement of a material fact or failure to state a material fact which thereby makes a statement false or misleading, or any breach of any material representation, warranty or covenant by either Party or any of its agents, employees, or other representatives. Nothing herein is intended to nor shall it relieve either party from liability for its own willful act, omission or negligence. All remedies provided by law, or in equity shall be cumulative and not in the alternative.

15. Insurance

15.1 During the Term, the Consultant shall have and maintain in force commercial general liability insurance, which policy will include contractual liability coverage insuring the activities of Consultant under this Agreement.

16. No Indirect Losses

16.1 The indemnities under this Agreement will not apply and there will be no right to claim damages for breach of this Agreement, in contract, in tort or on any other basis whatsoever, to the extent that any loss claimed by a Party is for indirect losses, howsoever caused, suffered or allegedly suffered by that Party.

17. Termination

17.1 If the Client terminates this Agreement without cause after the commencement of this Agreement, the Client shall pay 25% of the remainder of the Fees to the Consultant.

17.2 Either party may terminate this Agreement, effective immediately for cause, without advance notice or payment in lieu of such notice. Without restricting the generality of the foregoing, "cause" includes a material breach of the provisions of this Agreement, where such breach is incapable of cure, or with respect to a material breach capable of cure, where the breaching party does not cure such breach within a reasonable number of days after receipt of written notice of such breach.

17.3 Consultant, in its sole discretion, may terminate this Agreement, in whole or in part, in the event that the Client places the Project on hold for 3 consecutive months. In the event of termination, the Client shall reimburse the Consultant for the greater of the termination fees outlined in Paragraph 17.1 or the value of the services rendered, and reimbursement for authorized expenses incurred, prior to the termination date.

18. Changes and Adjustment

18.1 Changes and adjustment to the fees payable under this Agreement will be only considered if there is a material change in the level of Services to be provided or in the scope of the Project, or there is a material delay in the performance of the Services required under the Agreement. For further clarity, a material change in the level of Services to be provided shall include proposed or published regulatory changes affecting the scope of services to be performed by the Consultant.

18.2 The amounts due to the Consultant arising from a material change to the Agreement will be determined by a negotiated fixed amount, or failing such negotiation, the actual cost as determined by level of effort incurred, times the agreed hourly rate (\$250/Hour), plus receipted expenses.

18.3 Any increases in the fees payable caused by a material change or other changes shall be communicated by the Consultant in writing to the Client prior to incurring such costs to permit the Client to mitigate the amount of increased costs.

18.4 Change requests related to timing of services performed on-site (e.g. training, on-site assessments, etc.) must be communicated in writing at least three (3) weeks prior to the scheduled date of the execution of those services. Consultant cannot guarantee that changes requested less than three (3) weeks from the scheduled date can be accommodated. Changes requested less than three (3) weeks from the scheduled date are subject to a fee of \$2,000 per day for each affected day, plus non-refundable travel expenses arising from cancellation of travel and accommodation arrangements.

19. Taxes Payable

19.1 Where goods and services tax, provincial sales tax, harmonized sales tax or similar taxes and charges are payable on any amounts referred to in this Agreement to any party, then such goods and services tax, provincial sales tax, harmonized sales tax or such similar taxes and charges shall be payable in addition to the amounts referred to in this Agreement.

20. Notices

20.1 All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All notices hereunder shall be delivered to the address as set forth between the parties in writing.

21. Public Announcements

21.1 Neither Party nor any of their affiliates or representatives shall (orally or in writing) publicly disclose, issue any press release or make any other public statement, or communicate with the media, concerning the existence of this Agreement or the subject matter hereof, without the prior written approval of the other Party, except if and to the extent that such Party is required to make any public disclosure or filing ("Required Disclosure") with respect to the subject matter of this Agreement:

- (a) by applicable Law;
- (b) pursuant to any rules or regulations of any securities exchange on which the securities of such party or any of its affiliates are listed or traded; or

(c) in connection with enforcing its rights under this Agreement.

21.2 In each case pursuant to clause (a) of this Section, the Party making any Required Disclosure shall make good faith efforts to consult with the other Party regarding the substance and timing of the Required Disclosure and provide the other Party a reasonable opportunity (taking into account any legally mandated time constraints) to review and comment on the content of the Required Disclosure prior to its publication or filing.

21.3 Each Party shall be liable for any failure of its affiliates or representatives to comply with the restrictions set forth under this Section.

22. Counterparts

22.1 This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts with the same effect as if all Parties had signed and delivered the same document and all counterparts will be construed together to be an original and will constitute one and the same agreement.

23. Delivery by Fax or Electronic Mail

23.1 Any Party may deliver an executed copy of this Agreement by fax or electronic mail but that Party will immediately dispatch by delivery to the other Party an originally executed copy of this Agreement.

24. Miscellaneous

24.1 Each party shall, upon the reasonable request, and at the sole cost and expense of the other party, execute such documents and perform such acts as may be necessary to give full effect to the terms of this Agreement.

24.2 This Agreement will be binding on and shall ensure to the benefit of the parties hereto and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any legal or equitable right or benefit of any nature whatsoever.

24.3 The headings in this Agreement are inserted for convenience or reference only and are in no way intended to describe, interpret, define, affect the construction of or limit the scope, extent or intent of this Agreement or any provision of this Agreement.

24.4 Any amendment to this Agreement must be in writing and executed by both parties. No waiver by any party of any of the provisions hereof shall be effective unless it is set in writing and signed by the waiving party. No waiver of any provision in this Agreement shall be deemed or constitute a waiver of any other provision.

24.5 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each party irrevocably submits to the exclusive jurisdiction and venue of the courts located in the Province of British Columbia in any legal suit, action or proceeding arising out of or based upon this Agreement or the Services provided hereunder.

24.6 All terms and conditions under Section 3, 5, 6, 7, 8, 9 and 11, shall survive the termination of this Agreement whether the termination is initiated by the Consultant, by the Client, on a with

or without cause basis, or by mutual agreement, or whether the termination is lawful or unlawful.

24.7 If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall apply to the term or provision only to the extent that invalidity or unenforceability, and shall not affect any other term or provision of this Agreement.

24.8 This Agreement, together with any other documents incorporated herein by reference and related exhibits and schedules, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

24.9 Time shall be of the essence of this Agreement.