

## **FIRST AMENDMENT TO BUSINESS COMBINATION AGREEMENT**

**THIS FIRST AMENDMENT TO BUSINESS COMBINATION AGREEMENT** is made as of October 23, 2019 (the “**First Amendment Date**”)

### **AMONG:**

**SANTA MARTA LIFE SCIENCES CORP.**, a company incorporated under the laws in the Province of British Columbia, and having an office at 8661 – 201<sup>st</sup> Street, Langley, British Columbia, V2Y 0G9

(“**Santa**”)

-and-

**SYD FINANCIAL INC.**, a company incorporated under the laws of the Province of British Columbia, and having an office located at Suite 303, 570 Granville Street, Vancouver, British Columbia, V6C 3P1

(“**Syd**”)

-and-

**1221439 B.C. LTD.**, a company incorporated under the laws of the Province of British Columbia, and having an office located at Suite 303, 570 Granville Street, Vancouver, British Columbia, V6C 3P1

(“**Newco**”)

(each a “**Party**” and collectively, the “**Parties**”)

**WHEREAS** the Parties entered into a Business Combination Agreement dated September 6, 2019 (the “**Agreement**”) and in accordance with the terms and conditions of the Agreement the Parties agreed to complete a business combination by way of a statutory amalgamation under the provisions of the BCBCA (as defined herein) whereby Syd will acquire Santa and its business;

**AND WHEREAS** the Parties seek to amend the terms of the Agreement in certain respects, as set out herein;

**NOW THEREFORE** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

## 1. INTERPRETATION

### 1.1 Definitions

In this Amendment, all capitalized terms used but not otherwise defined or modified herein shall have the meanings given to them in the Agreement.

## 2. AMENDMENTS TO THE AGREEMENT

### 2.1 Section 1.1 Definitions

Section 1.1 Definitions of the Agreement shall be amended by deleting the definitions of "Completion Deadline", "Resulting Issuer", "Santa Financing", "Santa Warrants" and "Syd Financing" therein and replacing them with the following, as applicable:

**"Completion Deadline"** means January 31, 2020 or such later date as may be mutually agreed between the Parties in writing;

**"Resulting Issuer"** means Syd upon completion of the Business Combination to be renamed "Santa Marta Life Sciences Inc." or such other similar name as may be accepted by the relevant regulatory authorities and approved by its board of directors; as described in this Agreement, the Resulting Issuer will be in the business of operating and will wholly-own a cannabis producer in Colombia operating on the basis of the CBD Licence, the THC Extraction Licence, and the THC Cultivation Licence for which an application has been made in Colombia for its proposed future business activities.

**"Santa Financing"** means the private placement offering by Santa of up to 4,000,000 units at an offering price of \$0.75 per unit to raise aggregate gross proceeds of up to \$3.0 million, each unit consisting of one (1) Santa Share and one (1) Santa Warrant exercisable at \$2.25 per Santa Share, such offering to be conducted by Santa between the date hereof and January 30, 2020;

**"Santa Warrants"** means the share purchase warrants to purchase Santa Shares issued by Santa on or before January 30, 2020 at an exercise price of \$2.25 per Santa Share for until January 30, 2022, and with accelerated expiry date and forced exercise provisions if the Resulting Issuer Shares trade for twenty (20) consecutive trading days at or above \$0.85 per share;

**"Syd Financing"** means a private placement offering by Syd of units or subscription receipts at a price of \$0.125 per unit (each unit or subscription receipt being comprised of one pre-consolidated Syd Share and one pre-consolidated Syd Warrant exercisable at \$0.375 per pre-consolidated Syd Share) until January 30, 2022 for minimum aggregate gross proceeds of \$6.0 million, such offering to be conducted by Syd between the date hereof and January 30, 2020.

And the same revisions are hereby made to the definition of "Santa Financing" in the Schedule "A" Amalgamation Agreement.

## **2.2 Section 2.1 Business Combination Steps**

- (a) At paragraph 2.1(a), the reference to "October 31, 2019" shall be deleted and replaced with "January 30, 2020".
- (b) At paragraph 2.1(b), the reference to "November 29, 2019" shall be deleted and replaced with "January 30, 2020".
- (c) At paragraph 2.1(f), the reference to "November 29, 2019" shall be deleted and replaced with "January 30, 2020".

## **2.3 Section 3.1 Representations and Warranties of Santa**

- (a) At paragraph 3.1(c)(i), the reference to "November 29, 2019" shall be deleted and replaced with "January 30, 2020".
- (b) At paragraph 3.1(e)(i), after the reference to "March 31, 2019" shall be added "and the auditor reviewed interim financial statements for the period ended September 30, 2019".
- (c) At paragraph 3.1(f)(i)(B), after the reference to "March 31, 2019" shall be added "and since the period ended September 30, 2019 (or such other date as may be agreed)".
- (d) At paragraph 3.1(g)(i), after the reference to "March 31, 2019" shall be added "and for the period ended September 30, 2019".

## **2.4 Section 7.1 Mutual Conditions Precedent**

- (a) At paragraph 7.1(e), the reference to "October 31, 2019" shall be deleted and replaced with "January 30, 2020".
- (b) At paragraph 7.1(g), the reference to "November 29, 2019" shall be deleted and replaced with "January 30, 2020".
- (c) At paragraph 7.1(h), the reference to "November 29, 2019" shall be deleted and replaced with "January 30, 2020".

## **3. GENERAL**

### **3.1 Status of Agreement**

Except as set forth herein, all the terms and conditions contained in the Agreement are confirmed. The parties further confirm that the Agreement is in full force and effect, and that the Agreement and this First Amendment will be read and construed as one agreement, with the amendments in Section 2 of this First Amendment having effect as and from the First Amendment Date set out above.

### **3.2 Counterparts and Facsimile**

This First Amendment and all documents contemplated by or delivered under or in connection with this Amendment may be executed and delivered in any number of counterparts with the

same effect as if all parties had all signed and delivered the same document and all counterparts shall be construed together to be an original and shall constitute one and the same agreement. Any party may deliver an executed copy of this Amendment by fax or email but that party shall immediately dispatch by delivery in person to the other parties an originally executed copy of this First Amendment.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**SANTA MARTA LIFE SCIENCES CORP.**

Per: *"Nick Standish"*

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**Nick Standish**

Chief Executive Officer

**SYD FINANCIAL INC.**

Per: *"Keith Anderson"*

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**Keith Anderson**

Chief Executive Officer

**1221439 B.C. LTD.**

Per: *"Keith Anderson"*

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**Keith Anderson**

Chief Executive Officer