

ASSET PURCHASE AND DISTRIBUTION AGREEMENT

This Distribution Agreement (“**Agreement**”) is made effective as of the 30th day of December, 2017 (the “**Effective Date**”).

BETWEEN:

JUVE WELLNESS INC., a company with an office at 200 - 1238 Homer Street, Vancouver, BC V6B 2Y5 (“**Distributor**”)

AND:

CANNAKOPIA THERAPEUTICS INC., a company with an office at 803- 5455 Balsam Street, Vancouver, BC V6M 4B3 (“**Supplier**”)

(Each a “**Party**” or together the “**Parties**”).

WHEREAS

- A. Supplier has developed formulas and processes for combining certain plant and root based ingredients and other substances to create the Products and is the manufacturer of hemp root which serves as a base for many of the Products;
- B. Supplier wishes to sell to Distributor certain know-how relating to the creation, production and manufacturing of the Products and to allow Distributor to use the Products as a base to create Cannabis Products in compliance with Applicable Law; and
- C. Supplier wishes to appoint Distributer as the exclusive Canadian distributor of the Products and the Cannabis Products in the Territory.

NOW THEREFORE, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

- 1.1 Definitions. In this Agreement, terms with an initial capital letter will have the meanings set out below unless the context requires otherwise:
 - (a) “**Additional Products**” has the meaning ascribed to that term in section 5.2.
 - (b) “**Affiliate**” means, in relation to any person, any other person or group of persons acting in concert.
 - (c) “**Agreement**” means this Asset Purchase and Distribution Agreement, together with the Schedules attached hereto and as amended or modified from time to time.
 - (d) “**Applicable Law**” means all applicable provisions of laws, statutes, rules, regulations, published guidelines, standards, codes of practice and orders of all federal, provincial, state, municipal and local governmental bodies to which the Parties are bound or apply to the transaction or event in question.
 - (e) “**Cannabis Products**” means any new products creating by using any of the Products as a base and adding either THC, CBD or both as an active ingredient.

- (f) **“Delivery Date”** means the date by which the Products are scheduled to arrive at Distributor Location.
- (g) **“Gross Sales”** means the aggregate gross sales price for all Products or Cannabis Products shipped by Distributor.
- (h) **“Hemp Root Sale Price”** means the prevailing wholesale price of hemp root at the time, plus a 10% handling fee.
- (i) **“Know-how”** means all of the know-how related to the Products and additional active ingredients including the formulas and processes for combining the ingredients, recommended dosages for intended purposes, how to blend the herbs and essential oils, how to source ayurvedic plants and what the medical properties of the plants are according to ancient ayurvedic principles, storage and packing information.
- (j) **“Latent Defect”** means a defect in any Product which was caused by Supplier in the manufacturing process or in the design or packaging of the Product, which renders it not useable in the ordinary course of the business of Distributor or not fit for its intended purpose and that is not identifiable by a basic examination of such Product.
- (k) **“Net Revenues”** means Gross Sales less the greater of:
 - (i) 40% of Gross Sales; or
 - (ii) the sum of (a) actual credits for returns of Products or Cannabis Products, (b) actual normal trade dues, discounts and allowances, (c) all taxes collected by the Distributor from and payable by the purchaser of Products or Cannabis Products pursuant to applicable laws and as stated on the invoices and included in Gross Sales, (d) the cost of marketing incurred in connection with Gross Sales, (e) the cost to produce and ship the Products or Cannabis Products, as applicable, and (f) any license fees payable on the Products or Cannabis Products.
- (l) **“Products”** means the products listed in Schedule “A”, as amended from time to time and each such product will be referred to as a Product.
- (m) **“Product Cost”** means the price paid by the Supplier for the ingredients, packaging, and labeling (as the case may be), and delivery for the specific Product in question.
- (n) **“Purchase Order”** has the meaning ascribed to that term in section 4.1.
- (o) **“Term”** has the meaning ascribed to that term in section 6.1.
- (p) **“Territory”** has the meaning ascribed to that term in section 2.2.
- (q) **“Unit”**, for any elements of any Product, means a case or pack of Products or other applicable container or package of such Product as provided by Supplier.

1.2 Schedules. The following Schedules are attached to and form part of this Agreement:

Schedule “A” - Products

- 1.3 Currency References. Unless otherwise specified, all dollar references in this Agreement are deemed to refer to lawful currency of Canada.

ARTICLE 2 APPOINTMENT

- 2.1 Appointment. Supplier hereby appoints Distributor as its exclusive Canadian distributor of Products for the purpose of assisting Supplier in distributing the Products in the Territory upon the terms and conditions in this Agreement. Distributor hereby agrees to diligently carry out its obligations under this Agreement.
- 2.2 Territory. The “**Territory**” within which Supplier has granted Distributor exclusive rights under this Agreement consists of the country of Canada.
- 2.3 Exclusivity. Distributor will, during the Term of this Agreement, be the exclusive distributor of Supplier in the Territory. Supplier will not appoint or otherwise engage or authorize any other entity for the distribution or re-sale of the Products in the Territory. Supplier will not distribute or resell the Products in the Territory.

For greater certainty, nothing in this Agreement will limit or restrict Distributor from entering into any other arrangement or agreement with third parties to supply, distribute, market, sell or otherwise handle products that are the same or similar to the Products and, for clarity, this Agreement does not, in any way, create any obligations of exclusivity on the part of Distributor in favour of Supplier.

- 2.4 Brand Development. Distributor will develop labeling and branding for the Products for distribution and marketing in the Territory. Distributor shall own the right to all trade names, trademarks created by the Distributor.
- 2.5 Seed to Sale Partnerships. Distributor has the right to use the Products, the Cannabis Products and any of the Know-how for any purpose and may enter into partnerships with locally licensed growers and suppliers in the Territory for all processes relating to acquiring the seeds to selling including the following processes:
- (a) growing of cannabis;
 - (b) adding CBD or THC to the Products;
 - (c) mixing and producing the Products; and
 - (d) packaging of the Products; and
- (collectively, the “**Partnerships**”).

- 2.6 Partnerships. The entering into and terms of all Partnerships within the Territory are entirely at Distributor’s sole discretion provided that all Partnerships will be subject to the terms and conditions of this Agreement, unless otherwise agreed between the Parties.
- 2.7 Nature of the Relationship. The Parties acknowledge that Distributor is not an agent of Supplier. The relationship between Distributor and Supplier under this Agreement is that of independent contractors. Nothing contained in this Agreement will constitute or create, nor will it be construed to have created, any relationship of partner, principal or agent, employee, employer, joint venture, franchisee, legal representative or any other legal relationship. Other than as expressly and specifically provided for in this

Agreement or otherwise granted in writing by Supplier, Distributor will have no authority to make any representation or give any warranty on behalf of Supplier.

ARTICLE 3 FEES AND PRICES

- 3.1 Distribution Fees. In consideration for the grant of the exclusive distribution rights to the Products in the Territory, Distributor will pay to Supplier a distribution fee of \$50,000 on the Effective Date.
- 3.2 Royalty Fee. In return for the ongoing rights and privileges granted to Distributor in this Agreement, Distributor will pay to Supplier royalties that are calculated as follows:
- (a) Distributor will pay to Supplier a royalty fee ("**Royalty Fee**") calculated as 10% percent of the Net Revenues; and
 - (b) the Royalty Fee will be paid every quarter to Supplier beginning on January 1, 2018.

ARTICLE 4 SUPPLY OF PRODUCTS

- 4.1 Purchase Order. Distributor may make purchase order(s) for any of the ingredients in the Products or for the Products at Product Cost on terms mutually agreeable to the Parties (a "**Purchase Order**").
- 4.2 Supply of Hemp Root. Distributor may buy hemp root which is used as a base for some of the Products from the Supplier at the Hemp Root Sale Price.
- 4.3 Latent Defects. Supplier will not supply any Products to Distributor with Latent Defects. Supplier will reimburse Distributor for any Latent Products provided to Distributor. Supplier will indemnify and hold harmless the Distributor for any and all costs, damages, lawsuits, actions (all such terms to be construed broadly) arising from any such Latent Defects.
- 4.4 Additional Products. Supplier may offer additional products (the "**Additional Products**") at any time during the Term, by providing to Distributor an amended Schedule "A", and the quantity and timing of availability of such Additional Products. Distributor may then order any Additional Products in accordance with the quantity and timing availability.
- 4.5 Marketing and Advertising. The Parties agree to support each other's efforts to promote the Products in a manner agreed to in writing by the Parties.

ARTICLE 5 TERM AND TERMINATION

- 5.1 Term and Termination. The term of the Agreement ("**Term**") is for a period of twenty (20) years commencing on the date of this Agreement. This Agreement will be automatically renewed for twenty (20) additional years, unless terminated by the Parties during the Term.

This Agreement may be terminated prior to the expiry of the Term upon the mutual agreement of the Parties in writing, providing that the terms and conditions contained in

this Agreement will continue in full force and effect so long as a Purchase Order has been executed and is in effect.

- 5.2 Payment upon Termination. Notwithstanding any termination of this Agreement, each Party will remain liable to the other for any amounts owing at the date of termination, and will become payable immediately.
- 5.3 Rights. The exercise of the right of termination pursuant to this Article 5 will be in addition to and not in lieu of any and all other rights or remedies available to such Party under this Agreement or any other rights or remedies such Party may have at law or in equity.

ARTICLE 6 COMPLIANCE WITH LAWS

- 6.1 General. The Parties will comply with all Applicable Laws in the exercise of its rights and the performance of its obligations under this Agreement. The Parties agree to make any amendments necessary to this Agreement in order to comply with all Applicable Laws.
- 6.2 Licenses and Permits. The Parties each agree to obtain, maintain, renew, and comply with, in all material respects, with all permits, certificates, licenses, approvals, registrations and authorizations required by it in connection with the conduct of its business under all Applicable Laws.
- 6.3 Labeling.
- (a) Distributor is responsible for packing and labelling the Products for shipment and sale.
 - (b) Distributor is responsible for ensuring local labeling requirements are complied with in the countries in which the Products are sold.
 - (c) Any additional costs for local labeling requirements will be borne by Distributor.

ARTICLE 7 INTELLECTUAL PROPERTY

- 7.1 Ownership. The Distributor will own all property rights relating to the Products and the Cannabis Products that are produced in Canada including, without limitation, design, copyright, marketing or other intellectual property rights associated with such products including their marketing, their labels and other packaging.
- 7.2 Intellectual Property. Supplier acknowledges and agrees that all intellectual and industrial property rights including, without limitation, copyrights, patents, trade-mark rights and trade secret rights, logos, insignias, Product or Cannabis Product descriptions and any other information or identifiers of the Products and the Cannabis Products developed by Supplier for the sale, development and marketing of the Products and the Cannabis Products in Canada (the “**Intellectual Property**”) is, and will remain, the sole and exclusive property of Distributor and Supplier will not, without the written consent of Distributor, use, procure, market, advertise or otherwise utilize such Intellectual Property.

ARTICLE 8 REPRESENTATIONS

- 8.1 Supplier represents and warrants to Distributor and understands and agrees that its representations were material in inducing Distributor to enter this Agreement:
- (a) Supplier is a corporation, duly authorized and validly existing under the laws of British Columbia.
 - (b) Supplier will only sell the Products in accordance with Applicable Laws.
 - (c) Supplier will work with Distributor to take all necessary steps needed to ensure compliance with all Applicable Laws in the jurisdictions in which the Distributor wishes to sell the Products.
 - (d) The Products do not contain any illegal substances and do not contain any THC or CBD.
 - (e) Supplier has not granted and will not grant any right to any Affiliate or third party which would conflict with the rights granted to the Supplier under this Agreement.
 - (f) There are no patents or pending patents applications covering the Products.

ARTICLE 9 MISCELLANEOUS PROVISIONS

- 9.1 No Amendment Except In Writing. This Agreement may be amended only by written instrument executed by both Parties.
- 9.2 Assignment. Neither party may assign its interest in or under this Agreement without the prior written consent of the other Party.
- 9.3 Conflicts. To the extent there is an inconsistency between this Agreement and its Schedules or any other document delivered pursuant to this Agreement and a Purchase Order, the terms and conditions within such Purchase Order will prevail.
- 9.4 Independent Legal Advice. The Supplier acknowledges that this Agreement has been prepared on behalf of the Distributor by legal counsel to the Distributor; that the Distributor's legal counsel does not represent, and is not acting on behalf of the Supplier; and that the Supplier has been advised and provided with an opportunity to consult with the Supplier's own legal counsel with respect to this Agreement.
- 9.5 Further Assurances. From time to time, each Party will, at the reasonable request of the other Party, take all action, do all such acts and execute and deliver all agreements, instruments, documents or other writings desired or required by such other Party in connection with the performance of this Agreement and take all action and execute and deliver all such further agreements, instruments, documents or other writings reasonably desired or required by such other Party so as to fully perform or carry out the terms, intents or purposes of this Agreement.
- 9.6 Invalidity of Provisions. If any of the provisions of this Agreement are determined to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions will not in any way be affected or impaired thereby.

9.7 Successors and Assigns. This Agreement will be binding upon and will enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

Counterpart Execution. This Agreement may be executed in any number of counterparts (including counterparts by email) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed electronic copy of this Agreement, and such executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

JUVE WELLNESS INC.

"Penny Green"

Authorized Signatory

Name: Penny Green

Position: Director

CANNACOPIA THERAPEUTICS INC.

"Bhavna Solecki"

Authorized Signatory

Name: Bhavna Solecki

Position: Director of Product & Content

**SCHEDULE "A"
PRODUCTS**

Item	Product	Key Ingredients	Intended Uses
1.	Balm	Organic coconut, hemp root and essential oils	Remove skin spots, rashes, treat eczema, psoriasis, hives and burns
2.	Topical Analgesic	Aloe Vera, arnica, menthol, and other essential oils	To relieve pain on or below the skin
3.	2 Tea Blends	Various herbs	Relaxation
4.	Suppositories	Organic German cacao butter and essential oils	Cramps, yeast, and fungus
5.	Sexual Lubricant	Ayurvedic oil	Enhanced sexual experience
6.	Organic Hand cleaner and scrub	Essential oils, free of chemicals and parabens	Personal Cleaning
7.	Organic Glass cleaner	Salt, fat, and hemp binder	All natural, eco-friendly food safe cleaner

Products to be created by Supplier under this Agreement within one year of the Effective Date:

1. Anti-aging solution for skin;
2. Chemical free sunscreen; and
3. 6 tea blends, one each for depression, anxiety, insomnia, premenstrual syndrome, cramps, menopause.