

## TECHNOLOGY SALE AGREEMENT

THIS AGREEMENT dated for reference the 1 day of December 2016.

BETWEEN:

FOUNTAIN DRIVE LIMITED, Unit 1010, 10/F Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong & CAMPANULA ADVISORY LIMITED, No. 5, 17/F Bonham Trade Centre, 50 Bonham Strand, Sheung Wan, Hong Kong & MORPHEUS FINANCIAL CORPORATION LIMITED, Unit 503, 5/F Silvercord Tower 2, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong

(Hereinafter individually referred to as "the Inventor" or collectively referred to as "the Inventors"))

OF THE FIRST PART

AND:

CANNAONE TECHNOLOGIES INC., Unit 413 – 375 Water Street, Vancouver, BC Canada, V6B 5C6

(Hereinafter referred to as "CannaOne" or "the Company")

OF THE SECOND PART

WHEREAS:

A. Inventors have spent nearly 2 years financing the research and development of a sophisticated customized technology platform for the cannabis industry (the "Invention"). By undertaking a comprehensive industry wide evaluation of the Canadian and U.S. markets for cannabis and to wit what overall benefits could be seen should the possibility of providing for the application and utilization of a broad-spectrum Security enhanced data solution be offered to potential business clientele in the sector, the Inventors were able to successfully create, facilitate, test, and ultimately own such proprietary technology. In general terms, the technology is described as a HIPPA data solution that targets relational and medical aspects of cannabis users to the ultimate informational benefit of its business users. The technology uses responsive design and it is capable of real-time management and maintenance of multiple vendor participants. The technology easily handles high-level user flows, with completed wireframe infrastructure covering the information design, navigation design, and overall user interface design. Furthermore the technology inherently operates through an integrated cutting-edge security software and hardware system set that oversees and acts as the communication endpoint, encryption, network security, email security and mobile security as well as unified threat management for the entire Invention.

B. It is the desire of CannaOne to enter a Technology Sale Agreement with the Inventors for the purchase of the Technology (the "Technology" as hereinafter defined); and

C. In turn, Inventors have agreed to sell the outright ownership to the Technology to CannaOne on the terms and conditions contained herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants, terms and conditions contained herein, the parties covenant and agree with each other as follows:

### ARTICLE I – Definitions

1. In this Agreement, the following words, phrases and expressions shall have the following meanings:

"Technology" means a HIPPA data solution that targets relational and medical aspects of cannabis users through a responsive design platform and it is capable of real-time management and maintenance of multiple

vendor participants; it easily handles high-level user flows, and possesses a completed wireframe infrastructure covering the information design, navigation design, and overall user interface design; it inherently operates through an integrated cutting-edge security software and hardware system set that oversees and acts as the communication endpoint, encryption, network security, email security and mobile security as well as unified threat management, which includes but is not limited to the description of said Technology in “SCHEDULE 1” attached hereto.

b) “Trade-Mark” means the trademark or trademarks of all products manufactured by the Inventor and/or its affiliates.

c) “Parties,” means CannaOne Technologies Inc., its subsidiaries and/or affiliates (“CannaOne”), Fountain Drive Limited, its subsidiaries, and/or affiliates, and Campanula Advisory Limited its subsidiaries and/or affiliates, and Morpheus Financial Corporation Limited, its subsidiaries and/or affiliates (each individually being the “Inventor”, and collectively together being “the Inventors”).

d) “Know-how” means the technical information, knowledge and expertise concerning the design, construction, operation and use of the Technology, and all feasibility studies, design engineering, construction drawings and operational knowledge and conditions, plus all knowledge and information regarding the marketing of products derived from the Technology.

e) “Technology Value” means the deemed value of “\$325,000 CAD” being assigned to the Technology and that figure to be used as the baseline for calculating the issuance of securities to the Inventors as full and final payment.

## ARTICLE 2 - TECHNOLOGY PURCHASE ISSUANCE OF SECURITIES

- a) Inventors hereby agree to sell the Technology and related Know-how to CannaOne.
- b) The parties shall co-operate in the further development of the Technology and in such regard, shall inform each other of all Know-how developed.
- c) Payment of Stock: In further relation, specifically to the Technology sale, CannaOne will make payment in the amount of the overall Technology Value to the Inventors (as defined) by the issuance of shares of CannaOne as follows:
  - (i) 5,416,667 fully paid and non-assessable common shares of CannaOne Technologies Inc. (based on an agreed upon transaction conversion price of \$0.06/share)), for final settlement of the \$325,000 overall deemed Technology Value. It is further agreed and understood that as the Inventors participated equally in the Technology development process, each individual Inventor will receive 1/3 of the total share amount payable (being 1,805,556 shares per Inventor).

## ARTICLE 3 - OWNERSHIP AND TRADEMARK

Inventors warrant, represent and covenant with CannaOne that the Inventors are the owner of the Technology and any trademark and any/all technical information, theory, knowledge, process and expertise concerning the design, construction and use of the Technology and that furthermore they have the explicit and singular right to sell, transfer, assign and convey the Technology ownership to CannaOne.

## ARTICLE 4 - NON-COMPETITION

Subsequent to Closing of the transaction herein each Inventor agrees it has fully transferred any/all title, or right to any ownership in the Technology and it shall thereby no longer market, sell or distribute or utilize the Technology, whether as an individual, with a firm, association, syndicate, corporation, partnership or other enterprise, whether as principal, agent, shareholder, officer, director, employee, or in any manner whatsoever or permit its name to be used as more clearly described above under ARTICLE I – Definitions, “Technology”.

## ARTICLE 5 - WARRANTIES AND REPRESENTATIONS OF INVENTORS

Inventors warrant and represent to CannaOne as follows:

- a) They have developed the Technology and own, possess and have title to such and all documentation, designs, flowsheets and related materials free and clear of all liens, charges and encumbrances;
- b) They have not granted or agreed to grant any license or right or entered any other agreement whereby they are/were obliged to give any other person, firm or corporation any rights to utilize or sell the Technology; and
- c) Once duly and properly executed this Agreement for Sale of the Technology is binding upon them.

## ARTICLE 6 - WARRANTIES AND REPRESENTATIONS OF CANNAONE

CannaOne warrants and represents to Inventors as follows:

- a) CannaOne is a company duly incorporated under the laws of British Columbia in good standing in accordance with the laws of such jurisdiction and shall remain so during the term of this Agreement;
- b) It shall use its best and reasonable efforts to utilize and exploit the Technology in accordance with the terms and conditions of this Agreement; and
- c) It shall comply with all applicable laws, orders and regulations relating to the utilization of the Technology and, where required by applicable laws, become registered in such jurisdictions where it may exploit the Technology, and all projects utilizing the Technology shall be done in a professional manner that maintains the reputation and integrity of Inventors and the Technology.

## ARTICLE 7 - INDEMNIFICATION

- (a) **Indemnification by Inventors**  
Inventors shall indemnify and hold CannaOne free and harmless from any and all claims, damages, charges, expenses, suits or actions arising out of the negligence or misrepresentation of Inventors.
- (b) **Indemnification by CannaOne**  
CannaOne shall indemnify and hold Inventors, free and harmless from any and all claims, damages, charges, expenses, suits or actions arising out of the negligence or misrepresentation of CannaOne.

## ARTICLE 8 - CONFIDENTIALITY

For purposes of this Agreement, the term Confidential Information includes any information in any form or medium, including without limitation written records, documents, computer-readable disks, tapes, printouts, sound recordings, photographs, reproductions, sketches, notes, or copies or excerpts of them, or other documents or materials, that the parties consider confidential, whether or not marked as confidential. Confidential Information includes inventions (as defined below), software, source code, object code, algorithms, procedures, databases, compilations, technical data, formulas, theories, methods, equipment, samples, designs, data, specifications, drawings, blueprints, prototypes, models, business plans, customer lists, contacts and information, sales and marketing reports, proposals, prices, costs, personnel and payroll records, mailing lists, accounting records, and other trade secrets and information concerning the businesses and other ventures which the parties now operate or may operate in the future. For purposes of this Agreement, "Inventions" shall include but not be limited to ideas, improvements, or other Confidential Information, whether or not patentable and whether or not reduced to practice, made or conceived by the parties which relate in any manner to the actual or demonstrably anticipated business, work or research and development of the parties or their subsidiaries.

## ARTICLE 9 - ARBITRATION

If there is any disagreement between the parties hereto with respect to the terms of this Agreement or the interpretation thereof, the same will be referred to a single arbitrator pursuant to the Commercial Arbitration Act in the Country of Canada and in the Province of British Columbia and any amendments thereto, and the determination of such arbitrator will be final and binding upon the parties hereto.

## ARTICLE 10 - GENERAL CONTRACT PROVISIONS

### A. Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to all matters herein contained, and its execution has not been induced by, nor do any of the Parties hereto rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made a part hereof. This Agreement shall not be amended, altered or qualified except by an instrument in writing, signed by the Parties hereto and any amendments, alterations or qualifications hereof shall not be binding upon or affect the rights of any Party who has not given its consent in writing.

### B. Heading

The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

### C. Severability

If any of the covenants herein contained shall be held unenforceable or declared invalid for any reason whatsoever, such unenforceability or invalidity shall not affect the enforceability or validity of the remaining provisions of this Agreement and such unenforceable or invalid portion shall be severable from the remainder of this Agreement.

### D. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of British Columbia and shall have jurisdiction to adjudicate any matter arising out of this Agreement.

### E. Interpretation

- (i) Each provision of this Agreement is declared to constitute a separate and distinct covenant and will be severable from all other such separate and distinct covenants.
- (ii) If any covenant or provision is determined to be void or unenforceable, in whole or in part, it will not be deemed to affect or impair the enforceability or validity of any other covenant or provision of this Agreement or any part thereof.
- (iii) The headings in this Agreement form no part of the agreement between the parties and will be deemed to have been inserted for convenience only and will not affect the construction hereof.

### F. Notices

All notices, requests, demands or communications made pursuant to the terms hereof or required or permitted to be given by one party to another shall be given by personal delivery or by registered mail, in both cases with return receipt requested, addressed to such other party or delivered to such party as follows:

To CannaOne at:

**CANNAONE TECHNOLOGIES INC.**  
Unit 413 – 375 Water Street  
Vancouver, B.C., Canada V6B 5C6

To the Inventors at:

**FOUNTAIN DRIVE LIMITED**

UNIT 1010, 10/F MIRAMAR TOWER, 132 NATHAN ROAD, TSIMSHATSUI, KOWLOON, HONG KONG, AND/OR

**CAMPANULA ADVISORY LIMITED**

NO. 5, 17/F BONHAM TRADE CENTER, 50 BONHAM STRAND, SHEUNG WAN, HONG KONG, AND/OR

**MORPHEUS FINANCIAL CORPORATION LIMITED**

UNIT 503, 5/F SILVERCORD TOWER 2, 30 CANTON ROAD, TSIMSHATSUI, KOWLOON, HONG KONG

or at such other address as may be given by any of them to the other from time to time and such notices, requests, demands or other communications shall be deemed to have been received when delivered, or, if mailed two (2) weeks following the date of mailing thereof provided that if any such notices, requests, demands or other communications shall have been mailed regular mail service. Shall such mail service be interrupted by strikes or other irregularities, such notices, requests, demands or other communications shall be deemed to have been received two (2) weeks after the day following the resumption of normal mail service. In any case of irregularities, the party mailing such requests, demands or communications should inform the other party of such irregularities via telephone.

G. Time

Time shall be of the essence.

H. Further Assurance

The Parties agree to sign such other instruments, cause such meeting to be held, resolutions passed and by-laws enacted, exercise their votes and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effects to this Agreement.

I. Successor and Assigns

This Agreement shall endure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

J. Non-Waiver

There shall be no waiver by either Party of any breach by the other Party of any of its covenants, obligations or agreement, nor shall any forbearance to seek a remedy for any breach, be considered a waiver of any rights and remedies with respect to such or any subsequent breach.

K. Changes

(i) This Agreement shall remain binding and valid in the event that either Party decides to relocate its head office or residence to any other country.

(ii) This Agreement supersedes all verbal and written agreements prior to this date.

L. Counterparts

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first written above.

**SIGNED, SEALED AND DELIVERED**

**THE "INVENTORS"**



**FOUNTAIN DRIVE LIMITED**  
(the "Inventor")




**CAMPANULA ADVISORY LIMITED**  
(the "Inventor")



**MORPHEUS FINANCIAL CORPORATION LIMITED**  
(the "Inventor")

**THE "COMPANY"**



**CANNAONE TECHNOLOGIES INC.**  
("CannaOne")

## SCHEDULE 1 - THE TECHNOLOGY

The technology consists of a software/hardware combination that together forms a web-based platform to deliver specific solutions to the cannabis industry. The technology exists as multiple components utilizing various modules, each of which satisfies a specific function within a seamlessly integrated operational framework. Principal modules can be defined as follows; Delivery and Logistics Module, Doctor Patient Module, Payment Module, Notification Module and Security Module. Below details are provided as to the technical elements and associated costs incurred during the development stages of the Technology. Heretofore, the Inventors evidence their expenditures and thereby validate the Technology and its perceived value underlying the acquisition transaction as detailed herein.

Cost Components	Developed Elements	Element Cost (\$)
<b>Hardware Costs</b>		
	Web servers (e.g. development, test, production, disaster recovery)	\$21,500.00
	Application servers (development, test, production, disaster recovery)	\$18,000.00
	Database servers (development, test, production, disaster recovery)	\$7,000.00
	Network hardware (e.g. routers, switches, cabling, firewall)	\$2,500.00
	Line rentals	\$800.00
	Other hardware costs	<u>\$400.00</u>
		<b>\$50,200.00</b>
<b>Software Costs</b>		
	Wireframing	\$6,500.00
	Prototyping and Beta Cost	\$17,000.00
	User Interface	\$19,990.00
	Operating systems (development, test, production, disaster recovery)	\$26,300.00
	Database (development, test, production, disaster recovery)	\$21,700.00
	Web reporting software (e.g. web analytics, link checker)	<u>\$8,300.00</u>
		<b>\$99,790.00</b>
<b>Security Consulting</b>		
	Industry Overview North America	\$8,100.00
	Industry Overview Globally	\$7,300.00
	Security Requirements by Regions	\$5,700.00
	HIPPA Compliancy	\$15,000.00
	Security Consulting	\$9,000.00
	Data backup and recovery	\$8,400.00
	Security audits and risk management	\$17,700.00
	Database Security	\$8,100.00
	Email Encryption	<u>\$5,300.00</u>
		<b>\$84,600.00</b>
<b>Research Costs</b>		
	Industry Assessment	\$8,500.00
	Shipping	\$7,900.00
	Logistics	\$7,300.00
	Payment Gateways	\$8,800.00
	Risk Assessment of third party services	\$8,200.00
	Risk Assessment of commerce platforms	\$5,800.00
	Legal	\$8,400.00
	Regional Regulation Assessments	\$6,900.00
	Competitive Analysis	\$5,300.00
	Marketing Research	\$8,800.00
	Cannabis Patient Research	\$9,000.00
	Recreational Patient Research	<u>\$7,100.00</u>
		<b>\$92,000.00</b>
<b>Total Cost</b>		<b>\$326,590.00</b>

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