

Asia Cannabis Corp.

***1404 Memorial Drive
Calgary, Alberta
T2N 3E5***

March 17, 2020

Swysh Inc.
16 Sandstone Rd. S
Lethbridge, AB
T1K 7X8

Attention: Mr. Igor Kovalchuk, Executive Director

Dear Sir:

Re: Memorandum of Understanding: Technology Licensing

We understand that Swysh Inc. ("Swysh") is a corporation incorporated in the Province of Alberta which owns proprietary technology and related intellectual property (the "Technology") which it believes provide the basis for development of various treatments of external and internal conditions and ailments affecting general elements of human health and, in particular, possesses rights to the intellectual property associated with that technology. Asia Cannabis Corp. ("ACC") is developing, through direct activity and joint venture agreements with various business entities located in Thailand, Cambodia and elsewhere in Asia, access to both physical assets and skilled personnel for the purpose of building and establishing commercial capacity to produce specialized hemp crops and derivatives and derivative products thereof for distribution to a variety of international markets. The parties ("Parties" meaning ACC and Swysh collectively, and their successors and permitted assigns, and "Party" meaning any one of them) believe that the business plan being developed by ACC may benefit from the application of the Swysh technology by providing avenues for further research, development and implementation of treatments derived therefrom.

Based upon the foregoing and subject to the terms and conditions as hereinafter set forth, Swysh hereby grants to ACC a license to use the Technology on the basis set forth below:

1. License

The license transaction (the "Transaction") contemplates the following:

- a. ACC agrees to deploy the Technology for the purpose of completing further research, development, testing and further validating and establishing the practical applications with a view to commercialization of the Technology. Swysh grants to ACC the exclusive right to undertake, administer, operate, and complete those activities in the countries geographically referred to as Asia, including India, Thailand, Cambodia, Vietnam, Korea, Malaysia, Indonesia, Japan, Singapore, China, Miramar, Laos, Philippine's, (the "Territory"), for a period of 20 (twenty) years in order to evaluate the Technology. ACC

shall at its own expense carry out the necessary research, development, testing and further validation trials to determine whether the Technology is suitable for use in the Territory. ACC shall keep full and accurate records and provide Swysh with the results of the trials, etc. in a suitable form. Swysh shall at ACC's expense provide ACC with initial data and materials to allow ACC to initiate and carry out the trials, and supply such technical and other relevant information in its possession as will assist ACC to effectively act. Swysh shall supply ACC with as much material as ACC may reasonably require, if available.

- b. ACC is granted the exclusive right to grow and produce the selected Trial Varieties and to produce extracts and extract-based products from all of the varieties for which the license is granted in the Territory. The license includes the exclusive right granted to ACC to export either the seeds, extracts or the by-products of the seeds and the derivatives derived from the growth thereof in the Territory on a worldwide, unrestricted basis.
- c. The Parties accept and recognize that there Swysh has in its possession certain hemp strains which have been bred with specific genetic traits for maximum utilization in traditional industries as may be found in certain of the countries in the Territory. These traditional strains will be further evaluated, tested and improved such that a "core" group of 2 strains is identified. These strains and their subsequent improvement shall be contributed under the proposed royalty formula for the general benefit of the local community. Specifically, the contributed core strains will be free of all royalties on all products stemming from flower extractions and containing active compounds in the form of cannabinoids beyond that derived under clause 1(c). Any additional genetic strains which may be captured under the definition of the "Technology" and created or introduced by Swysh will be treated as the exclusive property of Swysh and as such shall, under the license granted to ACC, receive royalty on extracts associated with any such strains as produced and sold by ACC. This royalty shall be equal to 3% of the value of concentrate at the plant gate.
- d. All material, medicines, by-products, balms, treatments or otherwise, without limitation, produced and sold by ACC as a direct consequence of it application and development of the Technology supplied by Swysh, within the Territory or exported from the Territory under the licence granted (the "Products") shall be subject to the payment of a royalty. The royalty shall be on a sliding scale basis where royalties are due on the sale price on net volume of Products sold in any manner, for each calendar year, as follows: first \$100,000 (USD) in net value: calculated at 10 % royalties; 101,000 to \$1,000,000 in net value: calculated at 5.5 % royalties; \$1,000,001-5,000,000 in net value.: calculated at 4.5 % royalties; \$5,000,001+ metric tons of seed sold: calculated at 4.0 % royalties (the "Royalties"). ACC shall keep accurate accounts and records of all Gross and Net sales of the Products upon which royalties are payable. Swysh or an independent accountant authorised by Swysh shall be permitted to inspect such accounts and records at least once in each year solely for the purpose of verifying the volume and type of sales upon which Royalties are payable.
- e. Not later than 60 days after the end of each financial quarter (based on a year end date of December 31) ACC shall provide a report to Swysh giving details of Product sales for which royalty is payable and for which payment is received in respect of the subject financial period. ACC shall pay any amount due to Swysh by bank transfer on or around first day of subsequent quarterly financial period.
- f. ACC will establish a budget for the expenditure of up to \$100,000 to complete a test program in the Territory which will, among other things, be used to demonstrate the

application of the Technology, and otherwise conduct production testing where appropriate (sufficient time for adequate testing/ production to be determined) in the Territory. In addition, ACC agrees to provide to Swysh a retainer payment of \$5,000 per month for completion of mandated lab work and analysis in order to evaluate and provide a technical support for ACC in its use and application of the hybridization and related Technology in the Territory;

g. Based on initial results, ACC shall in its sole discretion have the right, but not the obligation, to construct and operate a satellite laboratory and research facility within the confines of a facility as may be developed and owned by ACC in the Territory. A separate budget for lab work for this phase shall also be set and agreed to by the parties when such a determination is made. The parties will work jointly to further develop the technology and products that may be tested with the context regulatory and other environmental factors associated with the Territory.

h. Upon completion of the aforementioned tests and the delivery to Swysh of all test data, results and reports (the "Test Data"), ACC shall have earned the perpetual, exclusive license to utilize and employ the Technology

i. In the event ACC exercises its rights under this Transaction for a period longer than twenty years from the date hereof, the Parties agree to affect a recalculation of the royalty. This recalculation will be achieved by the appointment of a mutually acceptable arbitrator who will set a reasonable commercial value for the royalty. For that purpose, the arbitrator will be granted access to current and historical cases where Swysh has successfully delivered similar services utilizing the Technology to establish fair value for application of the Technology.

j. all operational data shall be fully shared among the Parties on an ongoing basis, but the use of such data shall be limited to the Parties hereto unless consent for distribution or disclosure to third parties is expressly provided. ACC will maintain all Test Data on a confidential basis and except as provided below shall not disclose this information to any other person for any purpose without the consent of Swysh. Swysh may, at its election and with the consent of ACC (which consent may not be unreasonably withheld), submit academic research and confidential material or information at its discretion to academia or peers within the industry. Research to be published will be reviewed by ACC but approval for publication will not be unduly withheld and, unless provided otherwise in this agreement, the data therein shall remain the property of Swysh.

k. Swysh shall have the right to participate equally with ACC in the design of all research, development, testing and other scientific programs, and the Parties shall work cooperatively with each other and with any third-party contractors. Upon mutual agreement between the Parties regarding the programs, ACC, as the operator, shall be entitled to make all operational decisions in its sole discretion but shall do so in compliance with standard laboratory and practises.

l. Swysh shall provide all requested equipment and shall agree to a maximum overhead mark-up of 20% for procurement costs in all equipment to be used in the application of the Technology.

j. Subject to regulatory approval, ACC shall take steps to issue to Swysh 400,000 common shares of ACC.

2. Additional Technology

a. The Parties acknowledge that Swysh is in the continuous process of examining, evaluating, developing and creating new variants of related technology and products that it intends to include in its inventory (the "Additional Technology"). Swysh agrees that any Additional Technology developed after the date of this letter will form part of the "Technology" as defined herein. In addition, Swysh will from time to time introduce a new plant strains developed for a targeted or specific use as it pertains to medicinal qualities with functional attributes (eg. Dementia, Alzheimer's, etc.) which will be capable of growing in the region subject to the agreement. ACC shall have a first right of refusal to custom grow and concentrate the strain to specification and will retain the right to process the product into secondary products for sale in the Territory as defined under a licensing agreement. The details of this arrangement shall be set out in an agreement to be determined.

b. ACC may from time to time identify a genetic trait necessary or needed in order to develop markets for its products and first right of refusal to develop such a strain will be given to Swysh which may jointly participate with ACC in the ownership of the intellectual property of the strain developed and the rights to its use in all areas outside the Territory but shall not be entitled to royalties within the Territory unless such plant includes any genetics directly attributed to Swysh.

c. Swysh may from time to time identify a genetic strain in which it identifies various applications in a commercial or scientific development program. ACC shall make available at cost the necessary production of requested material, in return ACC will be given preferential rights to grow and produce acceptable quality the specified extracts through its cooperative of farmers. Additionally, should ACC arrange clinical trials or any activity beyond the scope of concentrating extracts Swysh shall be awarded the territorial rights to the product with an attendant royalty not to exceed 10% of the value of the extract at the plant gate. The value shall be determined by competitive pricing sourcing or geographical product replacement value and sunk capital costs.

d. The intention is to protect both parties' intellectual property and provide a secure and transparent frame work for the protection of investors and a reasonable and merchantable mechanism to govern the relationship while continuing to move the concept forward.

e. ACC will be able to source other genetic products without restriction.

3. Regulatory Compliance

The Parties agree to comply with all applicable laws and regulations, including those of the Governments of Canada, Thailand and Cambodia, the Exchange, and such other laws, rules, regulations or policies as may be applicable (collectively, the "Regulatory Requirements").

4. Conditions Precedent

The obligations of ACC to complete the Transaction will be subject to the following conditions in favour of ACC for its sole benefit:

- (a) approval of the transactions contemplated by this letter agreement shall be obtained from the board of directors of ACC on or before June 30, 2020; and

- (b) obtaining all necessary securities and regulatory approvals, including the approval of the Exchange if applicable.

5. Formal Agreements

If necessary, the Parties shall work in good faith to complete by no later than June 30, 2020 a definitive agreement to provide greater certainty regarding the matters agreed to in this letter agreement and which may contain provisions customary to transactions of this nature, provided however, that in the event that a definitive agreement is not completed by the Parties the terms and conditions of this letter agreement shall continue in full effect and be binding upon both Parties. The parties agree that any disputes arising from the interpretation of this agreement of an economic or genetic nature shall be adjudicated and resolved through independent arbitration from a respected peer group.

6. Public Disclosure

Except as may be required by law or the Exchange, no public disclosure of the transaction contemplated hereby will be made by any Party without express written consent and approval from the others, such consent not to be unreasonably withheld. The Parties agree to cooperate in connection with all publicity and press releases that may be contemplated by either Party.

7. Schedule for Completion

Each of the Parties hereto will agree to carry out negotiations in good faith and use their commercially reasonable efforts to achieve the completion of the transactions contemplated hereby as soon as practicable.

8. Costs

Each of the Parties hereto shall be responsible for their respective legal, accounting and other fees in connection with the transactions described in this letter agreement.

9. Assignment

This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, successors and permitted assigns. The Parties agree that ACC shall be entitled to assign this agreement and its rights hereunder without further consideration where such assignment occurs directly or indirectly through a transaction completed with an exchange-listed company.

10. Intellectual Property and Technology

- (a) Any and all rights to the Technology granted by Swysh to ACC pursuant to paragraph 1 (c) are limited to use within and for the Territory and such other countries and jurisdictions as the Parties may jointly determine.
- (b) Except as required by law or by the policies of a relevant stock exchange, ACC shall not disclose or make available the Technology or the Test Data to any person, entity or facility, without the express written consent of Swysh, with the exception that ACC may disclose the Technology and Test Data (a) in connection with a ACC financing; or (b) to its employees or to a contractor, so long as (i) the employee or contractor is expressly engaged to support the test or actual production as described in Paragraph 1 and (ii) has a

reasonable need to access the Technology or Test Data in order to implement the testing or production and (iii) has under written obligations to protect the confidentiality, non-disclosure and use of the Technology and Test Data.

- (c) The Parties agree that all right, title and interest in and to any improvement to the Technology that may arise from the Transaction or be developed using the Test Data shall be solely owned by Swysh, but Swysh shall ensure that any such improvements are made available to ACC for application to projects during the term of this agreement.

The foregoing sets forth the basic terms and conditions of our proposal and supersedes all previous offers. This proposal may be signed in counterpart and by facsimile.

If you are in agreement with the terms of this proposal, please so confirm by signing and returning one copy of this letter to ACC by scanned copy prior to the time and date of expire set forth above.

Yours very truly,

Asia Cannabis Corp.

Per: 

D. Pinkman
President

AGREED to and ACCEPTED this 17 day of March, 2020.

SWYSH INC.

Per: 

Igor Kovalchuk
CEO/Director