

SUPPLY AGREEMENT

This Agreement made effective the 15th day of February, 2019.

BETWEEN:

BEVCANNA ENTERPRISES INC., a company incorporated under the laws of British Columbia and having its head office located at Suite 200 - 1672 West 2nd Avenue, Vancouver, British Columbia, V6J 1H4

AND:

NEXTLEAF SOLUTIONS LTD., a company incorporated under the laws of British Columbia and having its head office located at Suite 304 - 68 Water Street, Vancouver, British Columbia, V6B 1A4

WHEREAS:

- A. BevCanna and Nextleaf are both prospective licensed standard processors of cannabis under the Regulations (as defined below); and
- B. Nextleaf has agreed to sell Water Soluble Cannabinoids (as defined below) to BevCanna, and BevCanna has agreed to purchase such Water Soluble Cannabinoids, in accordance with the terms and conditions set out in this Agreement.

NOW THEREFORE, in consideration of mutual representations, warranties and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions

For the purposes of this Agreement, the following terms when capitalized shall have the following specific meanings:

- (a) **"Agreement"** means this agreement, including its recitals and schedules, as amended from time to time;
- (b) **"Applicable Law"** means:
 - (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, and
 - (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority;
- (c) **"Arbitrator"** means a neutral and independent arbitrator selected by the Parties in accordance with Section 24;

- (d) **"Batch"** means the shipment of Water Soluble Cannabinoids from which any Water Soluble Cannabinoids sold to and purchased by BevCanna pursuant to this Agreement was taken, derived, or obtained;
- (e) **"BevCanna"** means BevCanna Enterprises Inc. and its wholly-owned subsidiaries;
- (f) **"BevCanna Products"** means products produced by BevCanna for commercial sale which are derived from the use of Developed IP, including:
 - (i) products developed and sold under brands owned by BevCanna,
 - (ii) products co-developed with third parties under brands owned by such third parties, and
 - (iii) white label products developed by BevCanna for third parties;
- (g) **"BevCanna Testing"** has the meaning set forth in Section 12;
- (h) **"Business Day"** means a day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia;
- (i) **"Buyer Recall Liabilities"** has the meaning set forth in Section 17;
- (j) **"Cannabis Act"** means Cannabis Act (S.C. 2018, c. 16);
- (k) **"CBD"** means cannabidiol;
- (l) **"cGMP"** means current good manufacturing practices regulations applicable to the manufacture of the Water Soluble Cannabinoids;
- (m) **"Completion Date"** means the date this Agreement terminates in accordance with Section 18;
- (n) **"Concurrent Buyer Recall"** has the meaning set forth in Section 17;
- (o) **"Concurrent Vendor Recall"** has the meaning set forth in Section 17;
- (p) **"Confidential Information"** means any proprietary information delivered by one Party to the other pursuant to this Agreement, including, but not limited to:
 - (i) the commercial terms of this Agreement, such as pricing of the Water Soluble Cannabinoids,
 - (ii) any Intellectual Property owned by either Party, including the Developed IP,
 - (iii) any and all information of a technical, financial, accounting, tax, legal, commercial, operational or logistics nature related to the respective businesses of the Parties, and
 - (iv) the production, trimming, curing, processing, extraction, manufacturing, testing, quality assurance, and record- keeping practices of Nextleaf or BevCanna,

but Confidential Information shall not include any information:

- (v) which at the time of disclosure is readily available to the public,
 - (vi) which after disclosure becomes readily available to the public, other than through a breach of this Agreement,
 - (vii) which is subsequently lawfully and in good faith obtained by the Party that does not own the information in question from an independent third party without breach of this Agreement,
 - (viii) which the Party that does not own the information can establish was in such Party's possession without obligation of confidentiality prior to the date of disclosure of such information by the disclosing Party to such recipient Party, or
 - (ix) which is required to be disclosed by the Party that does not own the information in question by operation of law or regulation, provided such Party (if permitted by law) gives the disclosing Party prompt notice to allow the disclosing Party a reasonable opportunity to obtain a protective order therefor, with the exception of any request from Health Canada regarding the Water Soluble Cannabinoids;
- (q) "**Consultation Period**" has the meaning set forth in Section 24;
- (r) "**Delivery Date**" means the date of each Batch of Water Soluble Cannabinoids delivered by Nextleaf to BevCanna in accordance with the delivery terms set out in Section 11;
- (s) "**Developed IP**" has the meaning set forth in Section 9;
- (t) "**Dispute**" has the meaning set forth in Section 24;
- (u) "**Effective Date**" means the date first written above;
- (v) "**Fault Percentage**" has the meaning set forth in Section 17;
- (w) "**Fees**" means the Purchase Price and the Licensing Fee;
- (x) "**Final Determination**" has the meaning set forth in Section 24;
- (y) "**GAAP**" means Canadian generally accepted accounting principles, applied on a consistent basis with prior periods;
- (z) "**Governmental Authority**" means any domestic or foreign legislative, executive, judicial or administrative body, including Health Canada, or person having jurisdiction in the relevant circumstances;
- (aa) "**Initial Term**" means the period beginning on the date of expiry of the Preliminary Term and ending on the date that is three (3) years from the date of expiry of the Preliminary Term, unless this Agreement is terminated earlier in accordance with Section 18;
- (bb) "**Intellectual Property**" means any statutory or non-statutory intellectual property rights in any jurisdiction, including any issued, pending, registered, filed or unfiled application for any

patent (including any utility, design or plant patent, and including any continuation, continuation-in-part, divisional, re-issue, re-examination, national phase entry or regional phase entry application), copyright, trademark, industrial design, plant breeder's right, *Plant Varieties Protection Act* registration or other statutory intellectual property right, and any trade secret, knowhow, goodwill, or other intellectual property or other proprietary right, and any written or unwritten title, interest, licence, right to bring or participate in any proceeding for past infringement or any other actionable right under or relating to any intellectual property right, or any other rights to any of the foregoing, relating to any aspect of the business of a Party, including standard operating procedures, production processes, packaging processes, labelling processes, ingredients, technology, inventions, plant varieties, clonally propagated plant material, stable cultivars, business management processes, compilations of information, contracts, records, specifications, business procedures, label designs, branding, compliance documentation, files, records, documents, drawings, specifications, equipment and data (data includes all information whether written or in an electronic format), and including any information regarding suppliers or manufacturers, equipment, methodologies, customer lists or other relevant information, relating to any of the foregoing;

- (cc) "**Licence**" means, as applicable, a licence granted by Health Canada to a Party permitting the Party to cultivate, process, sell, transport, or conduct research with cannabis under the Regulations;
- (dd) "**Licensing Fee**" means 6.5% of BevCanna's gross revenue from BevCanna Products in each calendar month;
- (ee) "**Nextleaf**" means Nextleaf Solutions Ltd. and its wholly-owned subsidiaries;
- (ff) "**Nextleaf Testing**" has the meaning set forth in Section 14(c);
- (gg) "**Other Party**" has the meaning set forth in Section 17;
- (hh) "**Party**" means BevCanna or Nextleaf and "**Parties**" means both of them;
- (ii) "**Performance Milestones**" has the meaning set forth in Section 10;
- (jj) "**Preliminary Term**" means the period of time beginning on the Effective Date and ending on the date that the commercial sale of beverages that contain CBD and/or THC is permitted both in Canada and British Columbia under the Regulations and other Applicable Laws, unless this Agreement is terminated earlier in accordance with Section 18;
- (kk) "**Purchase Price**" means the price per gram of Water Soluble Cannabinoids to be negotiated by the Parties in accordance with Section 4;
- (ll) "**Recall**" has the meaning set forth in Section 17;
- (mm) "**Recall Dispute**" has the meaning set forth in Section 17;
- (nn) "**Recall Meeting**" has the meaning set forth in Section 17;
- (oo) "**Recall Notice**" has the meaning set forth in Section 17;

- (pp) **“Recall Report”** has the meaning set forth in Section 17;
- (qq) **“Recall Returned Quantity”** has the meaning set forth in Section 17;
- (rr) **“Recall Team”** has the meaning set forth in Section 17;
- (ss) **“Recalled Batch”** has the meaning set forth in Section 17;
- (tt) **“Recalling Party”** has the meaning set forth in Section 17;
- (uu) **“Regulations”** means the *Cannabis Regulations* promulgated under the *Cannabis Act* as may be amended from time to time and includes any successor regulations or legislation;
- (vv) **“Renewal Term”** means the period beginning on the date of expiry of the Initial Term and ending on the date that is five (5) years from the date of expiry of the Initial Term, unless this Agreement is terminated earlier in accordance with Section 18;
- (ww) **“Sales Licence Date”** means the later of the date on which Nextleaf has been granted a Licence permitting it to process and sell cannabis, and the date on which BevCanna has been granted a Licence permitting it to cultivate, process and sell cannabis;
- (xx) **“Sales Report”** has the meaning set forth in Section 7;
- (yy) **“SOPs”** has the meaning set forth in Section 17;
- (zz) **“THC”** means delta-9-tetrahydrocannabinol; and
- (aaa) **“Water Soluble Cannabinoids”** means CBD and/or THC, cannabinoids in water soluble form.

2. **Currency**

All references to currency contained herein are to lawful money of Canada.

3. **Water Soluble Cannabinoids to be Sold and Purchased**

During the Initial Term and the Renewal Term, Nextleaf shall sell to BevCanna, and BevCanna will purchase from Nextleaf, on an exclusive basis, Water Soluble Cannabinoids on the terms and conditions contained herein.

4. **Purchase Price**

The Parties agree that, promptly following the Sales Licence Date, the Parties will negotiate in good faith, an amendment to this Agreement which will determine the Purchase Price for Water Soluble Cannabinoids, to be commensurate with the prevailing market rate for Water Soluble Cannabinoids at that time.

5. **Order Quantity**

The Parties agree that, on or before the date that Nextleaf receives a Licence, the Parties will negotiate in good faith, an amendment to this Agreement which will determine the quantity of Water Soluble Cannabinoids which Nextleaf shall supply to BevCanna. Additionally, BevCanna and Nextleaf shall work together to create non-binding projections for production on an annual basis and update

these projections quarterly. These projections shall include information setting out BevCanna's expected orders for Water Soluble Cannabinoids.

6. **Payment**

Payments shall be made by BevCanna to Nextleaf as follows:

- (a) the Purchase Price, for each Batch, to be delivered on or before the Delivery Date; and
- (b) the Licensing Fee not later than thirty (30) days from the end of that calendar month.

All amounts payable to Nextleaf shall be paid by electronic transfer in available funds to an account designated, in writing, by Nextleaf.

7. **Record Retention**

BevCanna shall keep and maintain proper, complete and accurate books and records in such form and detail as is necessary to ascertain BevCanna's compliance with the financial terms of this Agreement, including without limitation such records as are necessary to verify Licensing Fees owed under Section 6. Such records shall be kept in accordance with GAAP, consistently applied. BevCanna shall furnish Nextleaf with a monthly report (a "**Sales Report**") on gross sales of BevCanna Products within thirty (30) days after the end of each calendar month.

8. **Branding**

All Water Soluble Cannabinoids sold to BevCanna will be packaged and sold to third parties by BevCanna, under brands solely selected by BevCanna, all in accordance with Applicable Law.

9. **License to Developed IP and Intellectual Property**

- (a) Upon Nextleaf's receipt of a Licence permitting it to conduct research and development of cannabis, Nextleaf shall conduct research and development on the stability and solubility of the Water Soluble Cannabinoids ("**Research Services**") at no cost to BevCanna and shall create Intellectual Property in the following items:

- (i) technology validation and standard operating procedures for use of nanoemulsion, sonication and nanoencapsulation equipment to produce water soluble extracts that meet a consistent quality standard set by BevCanna, to be outlined as part of the Quality Agreement; and
- (ii) stability trials for formulations developed under the direction and guidance of BevCanna, extracts, and/or cannabis derivatives to be used in the Water Soluble Cannabinoids or as directed by BevCanna.

(collectively, the "**Developed IP**").

- (b) In consideration for the Licensing Fee and other consideration provided by BevCanna in this Agreement, Nextleaf hereby grants (and agrees to grant) to BevCanna an exclusive licence to use the Developed IP in the production, manufacturing and sale of BevCanna Products in North America (the "**Developed IP License**").

- (c) Notwithstanding the exclusivity of the Developed IP License, Nextleaf hereby reserves all exclusive and non-exclusive rights to the Developed IP as are necessary for the performance of Nextleaf's obligations hereunder.
- (d) All Developed IP shall be owned by Nextleaf. All Intellectual Property of either Party, in existence prior to the Effective Date, shall remain wholly owned by such Party.
- (e) Nextleaf may terminate the Developed IP License if BevCanna is in material breach of this Agreement as it relates to unauthorized disclosure of the Developed IP to a third party, provided that Nextleaf has given written notice to BevCanna setting out the relevant circumstances of the alleged breach and stating an intention to terminate the Developed IP License. BevCanna shall have 30 days from the time such notice is given to respond to, and cure, such alleged breach.

10. Performance Milestones

The "Performance Milestones" shall be as follows:

- (a) within 12 months from the end of the Preliminary Term, BevCanna has:
 - (i) commercialized and launched no less than one (1) BevCanna Product; or
 - (ii) made a payment of \$100,000 to Nextleaf in lieu of the requirement in Section 10(a)(i);
- (b) during the Initial Term, the total Licensing Fees paid by BevCanna to Nextleaf is not less than \$780,000; and
- (c) during the Initial Term and the Renewal Term together, the total Licensing Fees paid by BevCanna to Nextleaf is not less than \$4,680,000.

11. Delivery Terms

Subject to Section 12:

- (a) in respect of a shipment of a Batch of Water Soluble Cannabinoids, the Delivery Date shall be on such date as reasonably agreed to by the Parties after the required approvals from any relevant Governmental Authority are obtained;
- (b) delivery shall occur on the Delivery Date at Nextleaf's premises, with Nextleaf responsible (at its own cost) for loading the Batch onto freight service providers arranged by BevCanna. For clarity, the Delivery Date is the date that such freight service providers receive such Batch at Nextleaf's premises;
- (c) Nextleaf will use best efforts to ensure each Batch is in good condition when it is delivered onto the freight service ;
- (d) Nextleaf will provide, at its own cost, packaging materials and services in preparation for shipping Water Soluble Cannabinoids in a manner compliant with Applicable Law;

- (e) BevCanna will nominate, engage and coordinate freight services that are appropriate for the value of the Batch. BevCanna will be responsible for all transportation and insurance costs; and
- (f) title to the Batch, as well as risk of loss, shall pass to BevCanna once the Batch is loaded onto the freight service.

12. Inspection and Testing of Water Soluble Cannabinoids Once Delivered to BevCanna

- (a) Upon receipt of each Batch, BevCanna may send a composite sample (comprising of combined individual samples from each shipped container of Water Soluble Cannabinoids) directly to a laboratory as agreed to by the Parties, so that such Water Soluble Cannabinoids can be tested to determine that:
 - (i) the Water Soluble Cannabinoids conform with the Applicable Law, cGMP ;
 - (ii) the Water Soluble Cannabinoids have complete homogenization within liquid emulsions; and
 - (iii) any other reasonable requirements that BevCanna typically tests its own cannabis products for, as demonstrated by BevCanna's testing of its own cannabis products, and as identified in writing to Nextleaf from time to time prior to a Delivery Date, and achievable by Nextleaf upon Nextleaf making commercially reasonable efforts

(the "**BevCanna Testing**").

The BevCanna Testing shall be completed at the expense of BevCanna and BevCanna shall immediately share the results of such testing with Nextleaf.

- (b) If any Water Soluble Cannabinoids from a Batch do not successfully pass the BevCanna Testing, as determined by BevCanna, acting reasonably, then, with respect to such Batch:
 - (i) BevCanna shall immediately notify Nextleaf as to the results of the BevCanna Testing, including reasons as to why BevCanna believes the Water Soluble Cannabinoids have not passed the BevCanna Testing despite having passed the Nextleaf Testing (as defined below);
 - (ii) BevCanna may reject such Batch and shall re-deliver such Batch to Nextleaf as soon as such delivery is approved by Health Canada. The shipping costs associated with such re-delivery shall be borne by Nextleaf. Title to the Batch, as well as risk of loss, shall pass to Nextleaf once the Batch is loaded onto the freight service arranged by BevCanna;
 - (iii) Nextleaf shall be responsible to cure the rejected Water Soluble Cannabinoids within thirty (30) days; and
 - (iv) If Nextleaf cannot cure the rejected Water Soluble Cannabinoids, Nextleaf shall be responsible to compensate BevCanna immediately by reimbursing the Purchase Price that was paid by BevCanna to Nextleaf for the Water Soluble Cannabinoids from that Batch or crediting the Purchase Price against future purchases of Water Soluble Cannabinoids by BevCanna, as determined by BevCanna.

13. BevCanna's Representations and Warranties

BevCanna represents and warrants to Nextleaf (and confirms that such representations and warranties will be true as of each Delivery Date) that:

- (a) subject to the issuance of Licences to process, sell and transport cannabis, each of which must be issued on or before the first Delivery Date, BevCanna owns all required licences under all Applicable Law necessary to engage in the transactions contemplated by this Agreement, including without limitation the ability to engage in the purchase, sale and transportation of Water Soluble Cannabinoids; and
- (b) BevCanna accepts ownership and all risk of loss associated with the Water Soluble Cannabinoids once the Water Soluble Cannabinoids is loaded onto the freight service, as per the terms set out in Section 11(f).

14. Nextleaf's Representations, Warranties and Covenants

Nextleaf represents, warrants and covenants to BevCanna (and confirms that such representations, warranties and covenants will be true as of each Delivery Date with respect to items (a) through (f) below and throughout the term of the Agreement with respect to (g) through (j) that:

- (a) subject to the issuance of Licences to process, sell and transport cannabis, each of which must be issued on or before the first respective Delivery Date, Nextleaf holds the required licences under all Applicable Law necessary to engage in the transactions contemplated by this Agreement, including without limitation the ability to engage in the purchase, sale and production of Water Soluble Cannabinoids pursuant to Applicable Law;
- (b) Nextleaf has produced and handled the Water Soluble Cannabinoids in compliance with Applicable Law and in accordance with generally accepted industry standards, including cGMP;
- (c) the Water Soluble Cannabinoids have undergone all required quality assurance product testing as outlined in Applicable Law, cGMP (the "Nextleaf Testing");
- (d) the Water Soluble Cannabinoids have not undergone gamma irradiation;
- (e) immediately prior to the time Nextleaf transfers title to a Batch, Nextleaf shall be the owner of the Batch with good title to the Batch;
- (f) the specifications, test results and data regarding the Water Soluble Cannabinoids provided by Nextleaf to BevCanna prior to shipment of each Batch, shall include but not be limited to the following information regarding the Water Soluble Cannabinoids:
 - (i) Nextleaf Testing results/Certificate of Analysis from the lab(s) for each Batch (i.e. all Health Canada required testing parameters (THC/CBD/microbial burden/heavy metal/residual solvents/pesticides) represented in these documents);
 - (ii) certificate of manufacture or release documentation or equivalent;
 - (iii) sampling protocol used to obtain sub-lots sent to lab(s) for analysis;

- (iv) SOP for quality assurance release (for sale) process;
- (v) list of deviations associated with each Batch of the Distillate accurately reflecting the characteristics and conditions of the Batch;
- (g) it owns (or will own) all right, title and interest in the Developed IP and has (or will have) the right to grant BevCanna the Developed IP License;
- (h) the use of Developed IP, under the Developed IP License, will not infringe, misappropriate or violate the intellectual property rights of any third party within North America;
- (i) all employees, consultants and agents that participate in the creation of the Developed IP have entered into nondisclosure agreements pursuant to which they have agreed to maintain the confidentiality of the Developed IP and have assigned all rights they may have in the Developed IP to NextLeaf, and have waived any moral rights they may have for the benefit of NextLeaf and anyone claiming through NextLeaf; and
- (j) the Research Services shall be conducted in compliance with all Applicable Laws and in accordance with generally accepted industry standards.

15. Production Practices and Examination of Water Soluble Cannabinoids and Records

During the Initial Term and the Renewal Term, Nextleaf and BevCanna shall:

- (a) within five (5) Business Days from a request by a Party, make available to the other Party and its authorized representatives all documentation or data that has been requested from the requesting Party such as title documents, reports, studies, permits, licences and all other records in the other Party's possession or under its control relating to the Water Soluble Cannabinoids, including documents relating to tracking, inventory, processing, manufacturing and Batch records. This obligation will continue for a period of five (5) years after the Completion Date; and
- (b) retain all records described in Section 15(a) for the longer of:
 - (i) a period of two (2) years after the Completion Date; or
 - (ii) the period required by Applicable Law, and will also comply with all its obligations under Applicable Law with respect to such records.

During the Initial Term and the Renewal Term, Nextleaf shall:

- (a) give BevCanna and its authorized representatives reasonable access to inspect the Water Soluble Cannabinoids and Nextleaf's production facilities during business hours on a Business Day;
- (b) provide BevCanna with reasonable notice prior to delivery to the freight service designated by BevCanna of each Batch;
- (c) provide to BevCanna all preliminary and final test results from the Nextleaf Testing with respect to the Water Soluble Cannabinoids, including relevant lot release material and documents, specifically:

- (i) copy of Certificate of Analysis including results for THC/CBD, yeast/mould, total microbial count, heavy metals, residual solvents, pesticides (if applicable), and all other required analytics under the Regulations necessary for release of Water Soluble Cannabinoids, when applicable;
 - (ii) analytical methods and parameters;
 - (iii) sampling method used to obtain lots sent to lab;
 - (iv) Certificate of Manufacture, which will include: lot number, strain name, a signed attestation from the quality assurance person responsible for releasing Batches stating, *"I have reviewed all relevant production procedures and records and attest that these products meet the quality standards for Release of Water Soluble Cannabinoids under the Regulations/ Applicable Law;"* and
- (d) provide monthly reports to BevCanna regarding the status of the Water Soluble Cannabinoids that Nextleaf is processing and will have available to sell to BevCanna pursuant to the terms of this Agreement and shall notify BevCanna as soon as reasonably possible if Nextleaf's processing of the Water Soluble Cannabinoids is negatively impacted by any means which could result in the Water Soluble Cannabinoids not being available for BevCanna to purchase or in the quality of the Water Soluble Cannabinoids being negatively impacted or materially altered.

16. Conditions of Closing for Shipment of each Batch

- (a) The sale and purchase of each Batch shall be subject to the following conditions, all which are to be performed or complied with at or prior to each shipment of a Batch:
- (i) both Nextleaf and BevCanna will have received any Licences, and any required approvals from Health Canada or other Governmental Authority pursuant to Applicable Law authorizing the transaction;
 - (ii) the representations and warranties of each of Party set forth in Sections 13 and 14 will be true and correct in all material respects at each Delivery Date;
 - (iii) Nextleaf will have performed or complied with all of its obligations under this Agreement in all material respects at or prior to each Delivery Date; and
 - (iv) BevCanna will have confirmed that the Water Soluble Cannabinoids are satisfactory with regard to the BevCanna Testing, acting reasonably, and that all testing and lot release documents are in order and meet its reasonable expectations in accordance with this Agreement.
- (b) The conditions set out in Section 16(a)(ii) (with respect to Nextleaf's representations and warranties), 16(a)(iv), and 16(a)(iii) above are for the benefit of BevCanna and may be waived by BevCanna at any time. By notice in writing prior to or on the scheduled Delivery Date, BevCanna may decide not to proceed with the purchase of a Batch if any condition in Section 16(a)(ii), (with respect to Nextleaf's representations and warranties), 16(a)(ii), and 16(a)(iii) has not been satisfied as at such Delivery Date and BevCanna has not waived such condition on or before such respective shipment date.

- (c) The conditions set out in Section 16(a)(ii), (with respect to BevCanna's representations and warranties) are for the benefit of Nextleaf and may be waived by Nextleaf at any time. By notice in writing prior to or on a scheduled Delivery Date for any shipment of a Batch, Nextleaf may decide not to proceed with the sale of Water Soluble Cannabinoids if any condition in Section 16(a)(ii), (with respect to BevCanna's representations and warranties) has not been satisfied as at such Delivery Date for the Batch for that month and Nextleaf has not waived such condition on or before such respective shipment date.
- (d) The condition set out in Section 16(a)(i) may not be waived. Additionally, neither Party shall be required to proceed with the shipment of Water Soluble Cannabinoids if the condition set out in Section 16(a)(i) has not been met on or before the scheduled Delivery Date.

17. Recall Procedures

In the event that a Party (the "**Recalling Party**"), determines in good faith that it is required to initiate a recall as required by Applicable Law (each a "**Recall**") with respect to a Batch or any products derived from a Batch (the "**Recalled Batch**"), the Recalling Party shall immediately notify the other Party (the "**Other Party**") of the Recall and:

- (a) such notice shall be accompanied by a detailed explanation of why the Recalling Party has determined that it is required to initiate a Recall of the Recalled Batch, which shall include all of the information that must be provided to Health Canada pursuant to section 247 of the Regulations (the "**Recall Notice**") or a similar recall notice pursuant to other Applicable Law;
- (b) the Parties shall create a recall team (the "**Recall Team**") consisting of, at a minimum, the quality assurance person and responsible person in charge of each Party. The Recall Team shall implement and manage the Recall pursuant to the requirements of the Regulations and each Party's standard operating procedures with respect to recalls (the "**SOPs**");
- (c) the Recalling Party shall be responsible for providing the information required under section 247 of the Regulations to Health Canada prior to commencing any recall activities. The Recalling Party shall promptly inform the Recall Team of any directions or recommendations of Health Canada with respect to the Recall;
- (d) if Nextleaf is the Recalling Party, in accordance with and subject to BevCanna's SOPs:
 - (i) BevCanna shall promptly quarantine and cease to manufacture or sell any products derived from the Recalled Batch and shall use commercially reasonable good faith efforts to cooperate and assist Nextleaf with such Recall including providing Nextleaf with commercially reasonable assistance in the preparation of the Recall report (the "**Recall Report**") required by Health Canada for such Recall,
 - (ii) BevCanna shall promptly determine whether, as a result of Nextleaf initiating a recall of the Recalled Batch or otherwise, BevCanna will also recall any products derived from the Recalled Batch (a "**Concurrent Buyer Recall**") and notify Nextleaf in writing of such determination. If BevCanna does not notify Nextleaf of its determination to initiate or not initiate a Concurrent Recall within five (5) Business Days of Nextleaf notifying BevCanna of the Recall, BevCanna shall be deemed to have determined not to initiate a Concurrent Buyer Recall,

- (iii) if BevCanna determines to initiate a Concurrent Buyer Recall, the provisions of this Section 17(d)(iii) shall apply:
 - A. BevCanna shall promptly return any unsold quantity of Water Soluble Cannabinoids from the Recalled Batch to Nextleaf (the "**Recall Returned Quantity**"). BevCanna shall ship the Recall Returned Quantity to Nextleaf in accordance with the Regulations and other Applicable Law and instructions of Health Canada, all shipping costs and applicable taxes shall be borne exclusively by Nextleaf, and BevCanna shall provide a statement confirming that the Recall Returned Quantity represents 100% of the unsold quantity of the Recalled Batch, and
 - B. Nextleaf shall promptly, and in no event later than fifteen (15) Business Days after its receipt of the Recall Returned Quantity, reimburse BevCanna for all amounts previously paid by BevCanna to Nextleaf in connection with such Recalled Batch, including the Purchase Price that was paid to Nextleaf for such Recalled Batch, the shipping costs and all applicable taxes on the foregoing, and any other out of pocket expenses, all as detailed in the invoice(s) relating to the Recalled Batch collectively, the "**Buyer Recall Liabilities**"). Notwithstanding the foregoing, the Parties may agree to set-off the amount to be reimbursed by Nextleaf to BevCanna pursuant to this Section against future payments owed by BevCanna to Nextleaf;
- (e) if BevCanna is the Recalling Party, in accordance with and subject to Nextleaf's SOPs:
 - (i) Nextleaf shall use its commercially reasonable good faith efforts to cooperate and assist BevCanna with such Recall including providing BevCanna with commercially reasonable assistance in the preparation of the Recall Report for such Recall,
 - (ii) Nextleaf shall promptly determine whether, as a result of BevCanna initiating a recall of the Recalled Batch or otherwise, Nextleaf will also recall the Recalled Batch (a "**Concurrent Vendor Recall**") and notify BevCanna in writing of such determination. If Nextleaf does not notify BevCanna of its determination to initiate or not initiate a Concurrent Vendor Recall within fifteen (15) Business Days of BevCanna notifying Nextleaf of the Recall, Nextleaf shall be deemed to have determined not to initiate a Concurrent Vendor Recall and the provisions of Section 17(f) shall apply, and
 - (iii) if Nextleaf determines to initiate a Concurrent Vendor Recall, the provisions of Section 17(d)(iii) shall apply; and
- (f) if BevCanna is the Recalling Party and Nextleaf determined not to initiate a Concurrent Vendor Recall:
 - (i) the Recall Team shall promptly, and in no event later than ten (10) calendar days from the date of Nextleaf's notification to BevCanna that it has determined not to initiate a Concurrent Vendor Recall, meet (in person or by telephone) to discuss the reasons for BevCanna's initiation of a Recall (a "**Recall Meeting**"),
 - (ii) if the Parties mutually agree that the reason(s) underlying BevCanna's need for a Recall were solely the result of an act or omission of BevCanna, Nextleaf shall have

no further obligation or liability with respect to the Recalled Batch or the Recall thereof,

- (iii) if the Parties mutually agree that the reason(s) underlying BevCanna's need for a Recall were solely the result of an act or omission of Nextleaf, the provisions of Section 17(d)(iii) shall apply,
- (iv) if the Parties mutually agree that the reasons(s) underlying BevCanna's need for a Recall were the result of acts and omissions of both Parties, the Parties, acting reasonably, shall allocate a percentage of such fault to Nextleaf (the "**Fault Percentage**") and the provisions of Section 17(d)(iii) shall apply, but only to the extent of the Fault Percentage. For greater certainty by way of example, Nextleaf's reimbursement obligation set out in Section 17(d)(iii) would be limited to the portion of the Recall Returned Quantity equal to product obtained when the Recall Returned Quantity is multiplied by the Fault Percentage,
- (v) if the Parties are unable to mutually agree as to the reason(s) underlying BevCanna's need for a Recall and/or the Fault Percentage, within ten (10) Business Days of the Recall Meeting (each a "**Recall Dispute**"), the Parties shall promptly refer the Recall Dispute for binding arbitration in accordance with the provisions of this Agreement and shall instruct the arbitrator to render an arbitral award which is consistent with the provisions of this Section 17(f), and
- (vi) in the event that BevCanna returns the Recall Returned Quantity of Water Soluble Cannabinoids to Nextleaf pursuant to Section 17(d)(iii) and Nextleaf determines that such Water Soluble Cannabinoids are of a quality that may be sold to a third party and is able to resell such Recall Returned Quantity of Water Soluble Cannabinoids pursuant to Applicable Law, Nextleaf may sell such Recall Returned Quantity of Water Soluble Cannabinoids to any third party on whatever terms it desires.

18. Termination

- (a) This Agreement shall terminate on the expiry of the Renewal Term, subject to the mutual written agreement of the Parties to extend the term past the expiry of the Renewal Term.
- (b) Notwithstanding the foregoing, this Agreement may be terminated at any time:
 - (i) by mutual written agreement of the Parties;
 - (ii) by either Party if the other Party is in material breach of this Agreement, taken in the context of the Agreement as a whole, provided that:
 - A. such Party has given written notice to the other Party setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist for 30 days from the time such notice is given, and
 - B. such Party has given a further notice in writing to the other Party stating that the Agreement is terminated.

- (c) Notwithstanding the foregoing, this Agreement may be terminated by Nextleaf with 90 days' written notice if:
 - (i) BevCanna does not receive all required Licences necessary to engage in the transactions contemplated by this Agreement, including without limitation the ability to engage in the purchase, sale, transportation and processing of cannabis, by the end of the Preliminary Term; or
 - (ii) BevCanna does not meet or exceed any one of the Performance Milestones set out in Section 10.

- (d) Notwithstanding the foregoing, this Agreement may be terminated by BevCanna with 90 days' written notice if:
 - (i) Nextleaf does not receive all required Licences necessary to engage in the transactions contemplated by this Agreement, including without limitation the ability to engage in the purchase, sale, and processing of, and to conduct research on, cannabis, by the end of the Preliminary Term; or
 - (ii) Nextleaf is not able to supply to BevCanna sufficient commercial quantity of Water Soluble Cannabinoids which pass the BevCanna Testing, as determined by BevCanna acting reasonably, during the Initial Term or the Renewal Term.

- (e) All payments due to Nextleaf prior to termination of this Agreement shall become immediately due and payable upon any termination of this Agreement, and upon payment of all outstanding obligations by BevCanna, each Party shall relinquish any and all further rights and obligations under this Agreement.

19. Confidentiality

Subject to the terms of this Agreement, Nextleaf and BevCanna agree to hold and maintain the Confidential Information of the other in the strictest confidence. Nextleaf and BevCanna shall divulge such Confidential Information only to its employees, agents, professional advisors or subcontractors who reasonably require access to such information for the purpose of performing this Agreement and who have been notified of the covenants of confidentiality set out in this Agreement. Each Party shall be liable to the other for any and all damages, including reasonable legal fees, in the event that this confidentiality provision is violated and shall be liable for any such violation by its employees, agents, professional advisors or subcontractors. At the request of the disclosing Party, any tangible Confidential Information of the disclosing Party in the possession of the receiving Party, along with any copies thereof, shall be returned to the disclosing Party, or destroyed, at the sole option of the disclosing Party.

20. Indemnity by Nextleaf

- (a) Nextleaf shall at all times and without limitation, indemnify and save harmless BevCanna, its, directors, officers, employees, contractors, agents and representatives from and against all liabilities, losses, costs, damages, legal fees (on a solicitor and his own client full indemnity basis), disbursements, fines, penalties, expenses, all manner of actions, causes of action, claims, demands and proceedings, all of whatever nature and kind which any of BevCanna, its directors, officers, employees, contractors, agents, insurers and representatives may sustain, pay or incur or which may be brought or made against all or any of them, and whether

or not incurred in connection with any action or other proceedings or claims or demands made by third parties, with respect to any occurrence, event, incident or matter caused by, and/or arising as a direct or indirect result of:

- (i) The misconduct or negligence of Nextleaf and any persons for whom Nextleaf is responsible at law (including, without limitation, any of its employees or contractors);
 - (ii) any breach, violation or non-performance of any representation, warranty, obligation, covenant, condition or agreement in this Agreement set forth and contained on the part of Nextleaf to be fulfilled, kept, observed or performed, as the case may be;
 - (iii) any damages to third parties caused by, resulting at any time from, arising out of or in consequence of the misconduct, negligence of Nextleaf and/or any of those persons for whom Nextleaf is responsible at law (including, without limitation, any of its employees or contractors);
 - (iv) any claim threatened or brought against BevCanna alleging that use of the Developed IP infringes upon any intellectual property right of a third party; or
 - (v) any product warranty or product liability claims threatened or brought against BevCanna with respect to the Water Soluble Cannabinoids.
- (b) The provisions of this Section are in addition to and shall not prejudice any other rights of BevCanna at law or in equity. This Section shall survive the termination or expiry of this Agreement.

21. Indemnity by BevCanna

- (a) BevCanna shall at all times and without limitation, indemnify and save harmless Nextleaf, its, directors, officers, employees, contractors, agents and representatives from and against all liabilities, losses, costs, damages, legal fees (on a solicitor and his own client full indemnity basis), disbursements, fines, penalties, expenses, all manner of actions, causes of action, claims, demands and proceedings, all of whatever nature and kind which any of Nextleaf, its directors, officers, employees, contractors, agents, insurers and representatives may sustain, pay or incur or which may be brought or made against all or any of them, and whether or not incurred in connection with any action or other proceedings or claims or demands made by third parties, with respect to any occurrence, event, incident or matter caused by, and/or arising as a direct or indirect result of:
- (i) the misconduct or negligence of BevCanna and/or any of those persons for whom BevCanna is responsible at law (including, without limitation, any of its employees or contractors);
 - (ii) any breach, violation or non-performance of any representation, warranty, obligation, covenant, condition or agreement in this Agreement set forth and contained on the part of BevCanna to be fulfilled, kept, observed or performed, as the case may be; or

- (iii) any damages to third parties caused by, resulting at any time from, arising out of or in consequence of the misconduct, negligent action or negligent failure to act of BevCanna and/or any of those persons for whom BevCanna is responsible at law (including, without limitation, any of its employees or contractors).
- (b) The provisions of this Section are in addition to and shall not prejudice any other rights of Nextleaf at law or in equity. This Section shall survive the termination or expiry of this Agreement .

22. Limitation of Liability and Insurance

- (a) Limitation of Liability.
 - (i) Except with respect to a breach of Article 19 or a matter subject to indemnification under this Agreement, neither Party will be liable under any legal theory (whether tort, contract, breach of statutory duty or otherwise) for indirect, special, incidental, consequential or punitive damages arising out of or related to this Agreement or the exercise of its rights under this Agreement, including lost profits, loss of revenue, loss of opportunity, loss of business or market share, loss of goodwill or reputation, loss of data or otherwise arising from or relating to any breach of this Agreement, regardless of any notice of such damages or whether or not the possibility of such loss or damage could have been reasonably foreseen and whether or not actually contemplated by the Parties. Should loss of profits, loss of revenue or economic loss be considered a direct damage, neither Party will be liable for such damages.
 - (ii) In addition to and without affecting the limitations of liability set forth in Section 22(a)(i), a Party's liability to the other Party for any claims, losses, costs, expenses or damages ("Claim") arising from or related to this Agreement will not exceed in the aggregate, the Fees paid by BevCanna to Nextleaf within the twelve (12) month period (or portion thereof if the Claim arises within the first twelve (12) month period of the Agreement) prior to the date of the incident leading to such Claim, except to the extent that such Claim arises from: (i) the gross negligence or willful misconduct of such party; (ii) a breach of Article 19; or (iii) a matter subject to indemnification under this Agreement.
- (b) Insurance. Each of BevCanna and Nextleaf shall maintain insurance in such amounts and with such scope of coverage as is customary in their respective industries and with regard to their obligations hereunder. Each Party shall notify the other Party promptly of any change regarding such insurance, including material modification or termination thereof. Upon request of a Party, the other Party shall provide such requesting Party with certificates of insurance evidencing the foregoing insurance coverage.

23. Audit Rights

- (a) Beginning on the Sales Licence Date, Nextleaf and its authorized representatives shall have the right, exercisable on reasonable notice to BevCanna of at least 5 Business Days, to audit, examine, and make copies of, or take extracts from, all financial and related records (in whatever form they may be kept, whether written, electronic, or other):

- (i) kept by or under the control of BevCanna, including but not limited to those kept by BevCanna, its affiliates, employees, agents, assigns, successors, and subcontractors; and
 - (ii) relating to or pertaining to this Agreement and any calculations required to be made hereunder, including the proceeds from the sale of Water Soluble Cannabinoids.
- (b) For clarity, Nextleaf shall only have access to such records to the extent that they relate to the sale of the Water Soluble Cannabinoids acquired from Nextleaf pursuant to this Agreement, and this information shall be limited to: relevant lot numbers of BevCanna Products, gross sales prices associated with the lot numbers, quantity of BevCanna Products sold, and date that the BevCanna Products are sold. Additionally, Nextleaf shall only be entitled to perform such audits a maximum of 2 times per year of the Initial Term or the Renewal Term, as the case may be, unless Nextleaf's audits during that year of the Term show material discrepancies between BevCanna's Sales Report and BevCanna's records as further described in subsection 23(c) below, upon which Nextleaf may perform audits once per quarter of the Term.
- (c) The purpose of any examination conducted under this Section 23 shall be for Nextleaf to confirm that all information provided by BevCanna to Nextleaf regarding sales of Water Soluble Cannabinoids or other matters relating the calculations of amounts owing by BevCanna to Nextleaf hereunder are true and correct in all respects.
- (d) In the event any audit examination reveals that the amounts paid by BevCanna to Nextleaf hereunder were incorrect, Nextleaf shall present its findings to BevCanna and BevCanna shall have 15 Business Days to either agree that the adjustments identified by Nextleaf are required to be made or to deliver a written notice of objection to Nextleaf setting forth BevCanna's reasons for disagreeing with Nextleaf's calculations. In the event no notice of objection is delivered within such 15 Business Day period, BevCanna will be deemed to have accepted Nextleaf's findings and payments shall be made to effect such adjustments immediately by the Party obligated to make such payments.
- (e) In the event BevCanna objects to Nextleaf's proposed adjustments and the Parties are unable to settle such dispute, the matter shall be referred for determination to a national accounting firm (acceptable to each Party, acting reasonably) which is not then engaged as auditor or advisor by either Nextleaf or BevCanna, or any affiliates of either Party. The determination of any required adjustments by such accounting firm shall be final and binding on both Parties and the costs associated with such determination shall be shared by the Parties equally. The Party obligated to make any payments to rectify the errors identified hereunder shall make such payments immediately upon receipt of such determination or otherwise as agreed by the Parties.

24. Arbitration Procedure

- (a) Except for a dispute described in Section 23(e) and as set out herein, all disputes, controversies or claims arising out of, relating to, or in respect of this Agreement, including any issue regarding its existence, validity, enforceability, interpretation, breach or termination (each a "**Dispute**") shall be resolved in accordance with the terms of this Agreement. Notwithstanding the below arbitration provision, nothing herein shall preclude either party

from applying to a Court of competent jurisdiction for an order enjoining any activity by the other party pending the hearing of the arbitration.

- (b) Any Dispute that Parties are unable to amicably resolve or settle between themselves through negotiations between senior executives of Parties within fifteen (15) Business Days (or such longer period as the Parties may mutually agree to in writing) of a Party being provided notice of such Dispute or difference in accordance with the notice provisions of this Agreement (the "**Consultation Period**") may, at the request of one of the Parties be referred to and finally determined by final and binding arbitration. For clarity, if one Party requests to proceed with arbitration, the other Party shall be required to participate and the terms of this Section 24 shall apply. The arbitration shall be confidential and shall be conducted by one independent and impartial arbitrator selected in accordance with the terms of this Agreement (the "**Arbitrator**").
- (c) The arbitration shall be governed by the *Arbitration Act* (British Columbia) to the extent that such rules do not conflict with the terms of this Section 24.
- (d) The arbitration shall be seated in the City of Vancouver and the arbitration agreement set forth in this Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- (e) Within fifteen (15) calendar days of the expiry of the Consultation Period, the Parties agree to jointly select the Arbitrator. The Arbitrator shall be impartial and independent of the Parties and shall be experienced and knowledgeable about the subject matter of the Dispute (generally and not as to the express facts concerning the Dispute). If the Parties are unable to agree upon the Arbitrator, either Party may apply to the court to select the Arbitrator.
- (f) The Arbitrator shall have jurisdiction:
 - (i) to apply all Applicable Laws, common law and equity (including without limitation the scope of the agreement to arbitrate, any statute of limitations, conflict of laws rules, tort claims and interest claims); and
 - (ii) to make an award or awards in respect of interest and the payment of the costs of the arbitration (including arbitrators' fees and the legal costs of the Parties).

The Arbitrator also may, where requested by a Party, determine the nature and extent of production of documents and oral depositions.

- (g) The award of the Arbitrator shall be in writing and be final and binding on the Parties and not subject to any appeal (a "**Final Determination**"). Any monetary award shall be made and payable, free of any Taxes or other deduction, and shall bear interest from the date of any breach or other violation of this Agreement to the date on which the award is paid, at a rate determined by the Arbitrator.
- (h) Judgment upon the award(s) rendered by the Arbitrator may be entered and execution had in any court of competent jurisdiction, or application may be made to such court for a judicial acceptance of the award and order of enforcement.

- (i) Subject to Section 24(f), each Party shall bear its own expenses of preparing for and participating in connection with the arbitration, including legal fees but the Party against whom judgment is rendered shall bear all legal fees of the Arbitrator.
- (j) By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment or other order in aid of the arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies in aid of arbitration as may be available under the jurisdiction of a legal court, the Arbitrator shall have full authority to grant provisional remedies, statutory remedies and to award damages for the failure of the Parties to respect the Arbitrator's orders to that effect.
- (k) Nothing in this Agreement shall restrict or prohibit a Party from commencing arbitration at any time, including prior the expiry of a Consultation Period, in order to protect its rights under this Agreement or in relation to a dispute or disagreement.
- (l) Except as expressly provided for in this Agreement or where otherwise reasonably prevented by the nature of the Dispute, the Parties shall continue to perform their respective duties, obligations and responsibilities under this Agreement while the Dispute is being resolved in accordance with this Section 24 unless and until such obligations are lawfully terminated or expire in accordance with the provisions thereof.
- (m) All dispute resolution and arbitration proceedings (including all related information, communications, documents, materials, and evidence) shall be strictly confidential, and each Party shall have a fiduciary obligation to the other Party to protect, preserve and maintain the integrity of such confidentiality.

25. Quality Agreement

The Parties will use commercially reasonable efforts to execute a quality agreement (the "Quality Agreement") with respect to the quality requirements for the Water Soluble Cannabinoids, compliance with cGMP standards and the Cannabis Act, prior to the commencement of the Preliminary Term (or such later date as may be mutually agreed to in writing by Nextleaf and BevCanna. Notwithstanding the foregoing, in the event that a Quality Agreement is not executed by the Parties, the terms of this Agreement will govern with respect to the quality requirements for the Water Soluble Cannabinoids and compliance with cGMP standards.

26. General

- (a) Each of BevCanna and Nextleaf will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other Party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.
- (b) This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties other than as expressly set forth in this Agreement.
- (c) No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the Parties. No waiver of any breach of any provision of this Agreement

will be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

- (d) This Agreement may not be assigned by BevCanna or Nextleaf without the written consent of the other Party. Notwithstanding the foregoing, BevCanna and Nextleaf may assign this Agreement to their respective affiliates, as defined in the *Business Corporations Act* (British Columbia), provided that the representations and warranties of such Party hereunder are true in all respects with regard to such affiliate.
- (e) Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

- (i) To BevCanna:

BevCanna Enterprises Inc.
200 - 1672 West 2nd Avenue
Vancouver, BC V6J 1H4

Attn: Marcello Leone
Email: marcello@bevcanna.com

with a copy (which shall not constitute notice) to:

Clark Wilson LLP
900 – 885 West Georgia Street
Vancouver, British Columbia V6C 3H1

Attn: Cam McTavish
Telephone: (604) 891-7731
Email: CMcTavish@CWilson.com
Facsimile: (604) 687-6314

- (ii) To Nextleaf:

NextLeaf Solutions Ltd.
Suite 304 - 68 Water Street,
Vancouver, British Columbia, V6B 1A4

Attn: Paul Pedersen
Email: paul@nextleafsolutions.com

with a copy (which shall not constitute notice) to:

Attn: Charles Ackerman
Email: charles@nextleafsolutions.com

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either Party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the

day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

- (f) The right and remedies of the Parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled.
- (g) This Agreement shall be construed and governed by the laws of the Province of British Columbia and the laws of Canada applicable therein and, subject to the arbitration provision set out in Section 24, the Parties hereto irrevocably attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.
- (h) This Agreement may be executed electronically by facsimile or PDF, in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.
- (i) Time shall be of the essence in this Agreement.
- (j) The Parties acknowledge and agree that the provisions of this Agreement which, by their context, are meant to survive the completion of the sale of the Water Soluble Cannabinoids (or the termination of this Agreement) shall survive the completion of the sale of the Water Soluble Cannabinoids (or the termination of this Agreement) and shall not be merged therein or therewith.
- (k) This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of each of the Parties.
- (l) This Agreement shall be interpreted according to its fair construction and shall not be construed as against any Party hereto.

[The remainder of this page left intentionally blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have executed this Agreement.

BEVCANNA ENTERPRISES INC.

Per: "John Campbell"
John Campbell, CFO and Director

NEXTLEAF SOLUTIONS LTD.

Per: "Charles Ackerman"
Charles Ackerman, CFO and Director