

AGENCY AGREEMENT
(Capital Pool Company)

MEMORANDUM OF AGREEMENT dated the 22nd day of February, 2017.

AMONG:

CANADABIS CAPITAL INC., a corporation incorporated under the laws of Alberta, with its head office in the City of Calgary, in the Province of Alberta (the "**Corporation**")

- and -

RICHARDSON GMP LIMITED, a corporation with an office in the City of Calgary, in the Province of Alberta (the "**Agent**")

WHEREAS:

- A.** The Corporation wishes to raise funds for the purposes described in the Prospectus by offering for sale the Offered Shares in the Offering Jurisdictions;
- B.** The Corporation has agreed to file the Prospectus in the Offering Jurisdictions in accordance with the Securities Legislation in order to qualify the distribution of the Offered Shares and the Agent's Option;
- C.** The Corporation wishes to retain the Agent, and the Agent is willing to act as agent of the Corporation to solicit subscriptions for the Offered Shares on a commercially reasonable agency basis, subject to the terms and conditions hereof;

NOW THEREFORE THIS AGREEMENT WITNESSETH that for and in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. DEFINITIONS

1.1 For the purposes of this agreement and any amendments hereto the following words and phrases shall have the following meanings:

- (a) "**Agent's Counsel**" means Dentons Canada LLP or such other counsel as the Agent, with the consent of the Corporation, may appoint;
- (b) "**Agent's Option**" means the irrevocable and non-transferrable option to purchase up to that number of Common Shares as is equal to 10% of the Common Shares sold under this Offering at a price of \$0.10 per Common Share, to be granted by the Corporation to the Agent, or designated sub-agents in accordance with section 2.7;
- (c) "**Agent's Option Shares**" means the Common Shares to be issued on exercise of the Agent's Option;
- (d) "**Agreement**" means this agreement, the recitals, the schedules attached hereto and any amendments;
- (e) "**Closing**" means the completion of the transactions contemplated by this Agreement on the Closing Date as herein provided;

- (f) "**Closing Date**" means the date upon which the Closing occurs, which date shall be agreed to between the Corporation and the Agent and shall not be more than ninety (90) days from the date of the issuance of a receipt for the Prospectus by the Commissions (the "**Termination Date**"), or such other date as the parties hereto may agree and Securities Legislation may allow;
- (g) "**Commissions**" means the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission;
- (h) "**Common Share**" or "**Common Shares**" means a common share or the common shares in the capital of the Corporation;
- (i) "**Corporation's Counsel**" means TingleMerrett LLP;
- (j) "**CPC Policy**" means Policy 2.4 of the Exchange's Corporate Finance Manual and shall include all orders, policies, rules, instruments, regulations, by-laws and procedures of the Commissions and the Exchange which govern offerings by capital pool companies, as amended from time to time;
- (k) "**Directors' and Officers' Options**" means the options to be granted to directors and officers of the Corporation entitling the holders to purchase, in the aggregate between 550,000 Common Shares assuming completion of a Minimum Offering and 800,000 Common Shares assuming the completion of a Maximum Offering at a price of \$0.10 per Common Share, exercisable for a period of five (5) years from the date of grant;
- (l) "**Escrow Agreement**" means the Seed Share Escrow Agreement dated February 1, 2017 between the Corporation, the Transfer Agent and certain shareholders of the Corporation.
- (m) "**Exchange**" means the TSX Venture Exchange Inc.;
- (n) "**Finance Fee**" has the meaning ascribed to it in section 2.3;
- (o) "**Maximum Offering**" means the offering of a maximum of 5,000,000 Offered Shares for gross proceeds of \$500,000;
- (p) "**Minimum Subscription**" means the subscriptions for 2,500,000 Offered Shares on or before the Closing Date;
- (q) "**Minimum Offering**" means the offering of a minimum of 2,500,000 Offered Shares for gross proceeds of \$250,000;
- (r) "**Misrepresentation**" has the meaning ascribed thereto by the Securities Legislation;
- (s) "**Offered Shares**" means a minimum of 2,500,000 Common Shares and a maximum of 5,000,000 Common Shares at the Share Price;
- (t) "**Offering Jurisdictions**" means the provinces of Alberta, British Columbia, Ontario and such other jurisdictions as the Corporation and the Agent may agree;

- (u) **"Preliminary Prospectus"** means the preliminary prospectus of the Corporation dated January 13, 2017 and any amendments thereto, approved, signed and certified in accordance with the Securities Legislation, relating to the distribution of the Offered Shares, the Agent's Option, the Directors' and Officers' Options and filed with the Commissions;
 - (v) **"Prospectus"** means the (final) prospectus of the Corporation and any amendments thereto, approved, signed and certified in accordance with the Securities Legislation, relating to the distribution of the Offered Shares, the Agent's Option, the Directors' and Officers' Options and filed with the Commissions;
 - (w) **"Retainer"** has the meaning ascribed to it in section 2.3;
 - (x) **"Securities Legislation"** means the *Securities Act* (Alberta), the *Securities Act* (British Columbia) and the *Securities Act* (Ontario), and the respective rules and regulations thereto, and the policy statements, rules, notices and blanket orders of the Commissions, the national instruments, the multilateral instruments, the national policy statements and uniform act policies applied by the Commissions, and the policies and by-laws of the Exchange, as amended from time to time;
 - (y) **"Share Price"** means \$0.10 per Offered Share;
 - (z) **"Subscriber"** or **"Subscribers"** means a person or those persons who subscribe for the Offered Shares through the Agent or such other registrants retained by the Agent as sub-agents to sell subscriptions in conjunction with the Agent;
 - (aa) **"Subscription Funds"** means all funds received with respect to all Successful Subscriptions in accordance with the terms and provisions of this Agreement;
 - (bb) **"Successful Subscription"** means a subscription for Offered Shares by a Subscriber which subscription has been accepted by the Corporation and the Agent;
 - (cc) **"Time of Closing"** means 10:00 a.m. (Calgary time) on the Closing Date, or such other time on the Closing Date as the Corporation and the Agent may agree; and
 - (dd) **"Transfer Agent"** means Computershare Trust Company of Canada.
- 1.2 For the purposes of this Agreement, all references to "Dollars" or "\$" shall mean Canadian funds, unless otherwise specified.
- 1.3 The headings of the sections and articles of this Agreement are inserted for convenience of reference only and shall not in any manner affect the construction or meaning of anything herein contained or governs the rights or liabilities of the parties hereto.
- 1.4 Words importing the singular number only shall include the plural and vice versa and words of gender shall entail all genders and words importing persons shall include companies, corporations, partnerships, syndicates, trusts and any number or aggregate of persons.

2. APPOINTMENT AND REMUNERATION OF AGENT

- 2.1 Subject to the terms hereof, the Corporation hereby appoints the Agent as the sole and exclusive agent and the Agent hereby agrees to act as the sole and exclusive agent of the Corporation to assist in soliciting subscriptions to purchase the Offered Shares in the Offering Jurisdictions, pursuant to the Securities Legislation.
- 2.2 The Agent agrees to use its commercially reasonable efforts to sell the Offered Shares, but the Corporation understands and agrees that the Agent is acting as agent only and is under no obligation to purchase any of the Offered Shares. The Agent may retain other registrants to act as sub-agents to solicit subscriptions for the Offered Shares at no additional cost to the Corporation provided any compensation paid or payable to such sub-agents shall be solely for the account of the Agent. The Agent shall be under no liability for any failure to sell any or all of the Offered Shares or to engage sub-agents.
- 2.3 The Corporation has paid to the Agent in consideration for services that have been performed and to be performed by the Agent pursuant to this Agreement a corporate finance fee of \$15,000 plus applicable taxes (the "**Finance Fee**"). The Agent hereby acknowledges receipt from the Corporation of \$7,875, being a non-refundable 50% portion of the Finance Fee plus applicable taxes and \$10,000 as a retainer for reasonable legal and other expenses (the "**Retainer**").
- 2.4 If the Minimum Subscription is not achieved, or the Agent elects not to be agent for the Offering as a result of a breach of any of the conditions set out in section 11.1, the Agent shall retain the portion of the Finance Fee as payment for services rendered and shall apply the Retainer against the Agent's reasonable expenses and the fees, charges and reasonable expenses of the Agent's Counsel (plus applicable goods and services tax). If the Agent's expenses and the fees, charges and expenses of the Agent's Counsel are less than the Retainer, any amount of the Retainer remaining shall be returned to the Corporation by the Agent's Counsel, without interest or further deduction. If the Agent's reasonable expenses and the fees, charges and expenses of the Agent's Counsel (plus applicable goods and services tax) exceed the Retainer, the Corporation shall within 5 business days pay such excess upon invoice by the Agent or Agent's Counsel, as the case may be.
- 2.5 If the Minimum Subscription is achieved:
- (a) the Corporation shall pay to the Agent the remaining 50% of the Finance Fee plus applicable taxes in the amount of \$7,875 by the Agent deducting such amount from the Subscription Funds;
 - (b) the Agent or Agent's Counsel shall apply the Retainer against the reasonable expenses of the Agent and the fees, charges and expenses of the Agent's Counsel (plus applicable goods and services tax), and the Corporation will pay the reasonable expenses of the Agent and the fees, charges and reasonable expenses of Agent's Counsel (plus applicable goods and services tax) in excess of the Retainer at the Time of Closing by the Agent deducting such amount from the Subscription Funds; and
 - (c) the Corporation shall further pay to the Agent, in consideration for the services to be performed by it hereunder, a cash commission in the amount of ten percent (10%) of the

Subscription Funds. The commission shall be paid at the Time of Closing by the Agent deducting such amount from the Subscription Funds.

- 2.6 If the Agent retains sub-agents or received subscriptions from sub-agents, the Agent, in its sole discretion may pay them a commission as may be agreed among them, but in no event (unless otherwise agreed to in writing by the Corporation) shall the Corporation be required pursuant to the Offering to pay any commissions in excess of the commissions as described in subsection 2.5(c).
- 2.7 Provided that Closing occurs, the Corporation will grant the Agent's Option to the Agent and to any sub-agents as the Agent may direct on a pro-rata basis or in any other split as provided by the Agent in writing at the Time of Closing and execute and deliver an agreement setting forth the terms and conditions of the Agent's Option, which shall be substantially in the form of option agreement appended as Schedule "A" hereto. The Agent's Option shall be qualified under and be distributed pursuant to the Prospectus.

3. SUBSCRIPTIONS

3.1 The Corporation will:

- (a) at such time as Successful Subscriptions for all of the Offered Shares have been received; or
- (b) at 5:00 p.m. (Calgary Time) on the day that is ninety (90) days from the date of the issuance of the receipt for the Prospectus by the Commissions, or such other date as the parties hereto may agree and Securities Legislation may allow;

whichever shall first occur, close the subscription books and thereafter shall not receive any further subscriptions for the Offered Shares.

3.2 Subscribers may subscribe for Offered Shares by delivering to the Agent, or any subagent retained pursuant to section 2.2 hereof on or prior to the Closing Date:

- (a) payment for the aggregate subscription price in a manner acceptable to the Agent; and
- (b) such documents, certificates and forms as, in the opinion of the Agent, may be required.

4. RELEASE OF SUBSCRIPTION FUNDS

4.1 The Agent shall not at any time deliver any Subscription Funds received by it to the Corporation until it is satisfied that all conditions to closing set out in section 7 have been satisfied or waived.

4.2 Upon satisfaction of the conditions to closing set out in section 7 including the Agent's receipt of the documentation referred in sections 7.9, 7.10 and 7.11, subject to section 4.4 hereof, the Agent shall forthwith deliver to the Corporation or as directed, all Subscription Funds resulting from Successful Subscriptions held by it pursuant to this Agreement, less the amounts to be deducted pursuant to section 2.6 hereof.

4.3 If the Minimum Subscription is not received or if the conditions to closing set out in section 7 including the Agent's receipt of the documentation referred in sections 7.9, 7.10 and 7.11 are not

satisfied prior to the Time of Closing, the Agent shall promptly thereafter return to each Subscriber by ordinary mail without interest or deduction the Subscription Funds held for the Subscriber by the Agent, unless such Subscriber has otherwise instructed the Agent.

- 4.4 If the funds of any Subscriber delivered to the Agent are for any reason rejected (in whole or in part) by the Corporation and Agent, such rejected funds shall be returned to such Subscriber without interest or deduction in the manner provided in section 4.3 hereof.

5. OBLIGATIONS OF THE AGENT

5.1 The Agent shall:

- (a) use its commercially reasonable efforts to obtain subscriptions for all of the Offered Shares, and without limiting the generality of the foregoing, unless otherwise required by the Exchange, to obtain subscriptions from at least 200 Subscribers, each of such Subscribers:
- (i) beneficially owning at least 1,000 Offered Shares free of Resale Restrictions (as "**Resale Restrictions**" is defined in the Exchange's Corporate Finance Manual Policy 1.1);
 - (ii) individually purchasing, directly or indirectly, no more than 2% of the Offered Shares, and, in conjunction with such Subscriber's Associates and Affiliates (as "**Associates**" and "**Affiliates**" are defined in the Exchange's Corporate Finance Manual Policy 1.1), purchasing no more than 4% of the Offered Shares;
 - (iii) not being a Non Arm's Length Party to the Corporation (as "**Non Arm's Length Party**" is defined in the Exchange's Corporate Finance Manual Policy 1.1);
- (b) ensure that no more than 20% of the outstanding Common Shares (or such greater amount as is acceptable to the Exchange) on the Closing Date, including the Offered Shares, will be owned directly or indirectly by members of the Aggregate Pro Group (as "**Aggregate Pro Group**" is defined in the Exchange's Corporate Finance Manual Policy 1.1), excluding the Agent's Option and any other Common Shares reserved for issuance at a future date; and
- (c) only solicit subscriptions for the Offered Shares from subscribers resident in the Offering Jurisdictions, in compliance with Securities Legislation and the terms and conditions set out herein;
- (d) close the subscription books and thereafter not receive any further subscriptions for the Offered Shares at the earlier of such time:
- (i) as orders for all of the Offered Shares have been received; or
 - (ii) as prescribed by Securities Legislation; and
- (e) provide all such notices and documents as may be required by Securities Legislation in connection with the sale of the Offered Shares pursuant to the Prospectus, including without limiting the generality of the foregoing, to deliver to the Exchange (or, at the

option of the Agent, to the Corporation for delivery to the Exchange) within the time allowed by the Exchange a Distribution Summary Statement (Exchange Form 2E) or such other document as may be required by the Exchange, if any.

- 5.2 Notwithstanding the foregoing, it is understood and agreed to by the Corporation that the Agent is under no obligation pursuant to this Agreement to act as Sponsor or to provide a Sponsor Report for a Qualifying Transaction of the Corporation (as "**Sponsor**" and "**Qualifying Transaction**" are defined in the Exchange's Corporate Finance Manual Policy 1.1 and the CPC Policy respectively).
- 5.3 The obligation of the Agent to execute any certificate or deliver any documents pertaining to the Preliminary Prospectus and the Prospectus shall be conditional upon compliance by the Corporation to the date of such execution and delivery with each of its covenants contained in this Agreement to be complied with prior to the filing of either the Preliminary Prospectus or the Prospectus, as the case may be.

6. REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation hereby represents and warrants to the Agent and acknowledges that the Agent is relying thereon, that:

- 6.1 The Corporation has been duly incorporated and is valid and subsisting and in good standing under the laws of its jurisdiction of incorporation and has all the requisite corporate power and capacity to carry on its business as now conducted.
- 6.2 The Corporation does not own or have any interest in any asset or property of any kind whatsoever, other than cash or deposits with financial institutions, and, without limiting the generality of the foregoing, the Corporation does not have an Agreement in Principle (as "**Agreement in Principle**" is defined in the CPC Policy).
- 6.3 The Corporation has undertaken no business since the date of its incorporation, except as permitted by the CPC Policy.
- 6.4 The authorized capital of the Corporation consists of the share capital as disclosed in the Prospectus, and such number of Common Shares is issued and outstanding as is disclosed in the Prospectus and all of the issued and outstanding Common Shares have been duly issued and are fully paid and non-assessable. No person, firm or corporation has any agreement, option, or right or privilege, whether pre-emptive or contractual, capable of becoming an agreement, including convertible securities, for the purchase, subscription or issuance of any unissued Common Shares or other securities of the Corporation except as disclosed in the Prospectus.
- 6.5 The audited financial statements of the Corporation contained in the Prospectus, including the notes thereto, fairly present the financial position and condition of the Corporation, as at the date thereof, reflect all liabilities (absolute, accrued, contingent or otherwise) of the Corporation as at the date thereof, and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis, and there has not been any material change in such position from the date of the Prospectus.
- 6.6 The information and statements contained in the Preliminary Prospectus and the Prospectus (except any such information and statements relating solely to the Agent) constitute full, true and

plain disclosure of all material facts relating to the Corporation and each of the Preliminary Prospectus and the Prospectus fully complies with Securities Legislation, including without limitation the CPC Policy.

- 6.7 The Preliminary Prospectus and the Prospectus do not contain a Misrepresentation (except a Misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Preliminary Prospectus and Prospectus).
- 6.8 To the knowledge of management of the Corporation, there are no voting trust or pooling agreements.
- 6.9 The Corporation has full corporate power and authority to enter into this Agreement the Agent's Option Agreement and the Escrow Agreement and to perform its obligations set out herein and therein and this Agreement the Agent's Option Agreement and the Escrow Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable in accordance with its terms, subject to the general qualification that:
- (a) enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally;
 - (b) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
 - (c) the equitable or statutory powers of the courts in Canada having jurisdiction to stay proceedings before them and the execution of judgments; and
 - (d) rights to indemnity, contribution and waiver hereunder and the ability to sever unenforceable terms may be limited under applicable law.
- 6.10 There is no action, proceeding or investigation (whether or not purportedly on behalf of the Corporation) currently in existence or, to the best of the knowledge of the Corporation and its directors or officers, threatened against or affecting the Corporation, at law or in equity or before or by any court or federal, provincial, municipal or other government department, board or agency, domestic or foreign, including without limitation the Commissions, the Exchange, or any other securities commission, stock exchange or similar regulatory authority, which in any way materially adversely affects the Corporation, or the condition (financial or other) of the Corporation or which questions the validity of the issuance, as fully paid and non-assessable, of the Offered Shares or any action taken or to be taken by the Corporation pursuant to or in connection with this Agreement.
- 6.11 The Corporation is not in default or breach of, and the execution and delivery of this Agreement, and all other material contracts (as disclosed in the Prospectus), the performance and compliance with the terms of this Agreement the Agent's Option Agreement and the Escrow Agreement and the sale of the Offered Shares by the Corporation does not and will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, or resolutions of the directors or shareholders of the Corporation, or any

mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party, any judgment, decree, order, statute, rule or regulation applicable to the Corporation and any term or provision or condition (financial or otherwise) applicable to the Corporation.

- 6.12 There is no person, firm or corporation acting or purporting to act for the Corporation entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder, except as provided herein and as referred to in the Prospectus.
- 6.13 To the best of the knowledge of management of the Corporation, none of the directors or senior officers of the Corporation, any holder of more than ten (10%) percent of its outstanding Common Shares, any Promoters of the Corporation, or any Associates or Affiliates of any of the foregoing persons or companies (as "**Promoters**", "**Associates**" or "**Affiliates**" are defined in the Securities Legislation) has had any material interest, direct or indirect, in any material transaction within the three (3) years prior to the date of the Preliminary Prospectus, has any material interest, direct or indirect, in any material transaction which, as the case may be, materially affects, is material to or will materially affect the Corporation, except as stated in the Prospectus, in which are fully set forth all relevant particulars required by the Securities Legislation.
- 6.14 Upon payment of the proceeds for the Offered Shares, the Offered Shares will be validly authorized and issued, the Agent's Option will be validly created, granted, authorized and delivered and the Agent's Option Shares will be validly authorized, allotted and reserved for issuance upon the exercise of the Agent's Option in accordance with its terms, and the Offered Shares and Agent's Option Shares will, when issued, be issued as fully paid and non-assessable securities and will be issued free and clear of all liens, charges and encumbrances of any kind whatsoever.
- 6.15 The Transfer Agent, at its principal office in the City of Calgary, has been appointed transfer agent and registrar for the Common Shares of the Corporation.
- 6.16 The Corporation has not, directly or indirectly, declared or paid any dividends or declared or made any other distribution on any of its Common Shares or any other shares of any class since incorporation.
- 6.17 Application has been made to list the outstanding Common Shares of the Corporation, including without limitation the Offered Shares, the Agent's Option Shares and the Common Shares issuable upon exercise of the Directors' and Officers' Options on the Exchange and conditional approval of such application has been obtained from the Exchange.
- 6.18 The net proceeds received by the Corporation from the sale of the Offered Shares and any Common Shares sold prior to the date of the Prospectus will be applied for the specific purposes more particularly set forth under "Use of Proceeds" in the Prospectus and the Corporation has advised the Corporation's directors and officers of the requirements and restriction on the use of the net proceeds set out in section 8 of the CPC Policy.
- 6.19 The Corporation has not made and will not make any payments which are prohibited by the CPC Policy (except as may be permitted by the Exchange).

- 6.20 All statements, facts, data, information and materials provided from time to time by the Corporation in writing to the Agent relating to the Corporation, the directors and officers of the Corporation or, if applicable, the Corporation's potential Qualifying Transaction (as that term is defined in the CPC Policy) are true and correct and all material facts relating to the subject matter have been fully disclosed to the Agent and such statements, facts, data, information and materials did not and do not contain a Misrepresentation.
- 6.21 The Corporation has advised the directors and officers of the Corporation about:
- (a) the nature and scope of their responsibilities and duties as directors and officers, respectively, of a public corporation listed on the Exchange, including, without limitation, the matters set out in Policy 3.1 of the Exchange's Corporate Finance Manual; and
 - (b) the obligations of the Corporation to prepare, file, publish and disseminate, as applicable, such information and documentation as may be required by the Securities Legislation, including, without limitation, Policies 3.2 and 3.3 of the Exchange's Corporate Finance Manual.

7. COVENANTS OF THE CORPORATION AND CONDITIONS OF CLOSING

The Corporation covenants and agrees with the Agent and undertakes as a condition precedent to closing that:

- 7.1 Prior to the Closing Date, the Corporation shall allow the Agent to conduct all due diligence which the Agent may reasonably require to confirm that the Preliminary Prospectus and Prospectus comply with the requirements of the Securities Legislation and do not contain a Misrepresentation, and to fulfil the Agent's obligations as agent.
- 7.2 Now and at all times subsequent hereto during the distribution of the Offered Shares to the public or such longer period of time, if any, while the Prospectus continues to be current, the Prospectus and any amendments thereto does and will fully comply with the requirements of the Securities Legislation. The Prospectus together with any amendments thereto does and will during such period provide full, true and plain disclosure of all material facts relating to the Corporation, to the Offered Shares and to the distribution of the Offered Shares to the public, and does not and will not during such period contain a Misrepresentation; provided that the foregoing covenants of the Corporation do not and shall not apply with respect to statements contained in the Prospectus relating solely to the Agent.
- 7.3 The Corporation shall promptly inform the Agent in writing during the period of the distribution of the Offered Shares to the public or such longer period of time, if any, during which the Prospectus continues to be current, of full particulars of any material change (actual, anticipated or threatened):
- (a) in any material fact contained or referred to in the Prospectus, or any amendment thereto, which is, or may be, of such a nature as to make any such fact untrue, false or misleading at the time and in light of the circumstances under which it was made;
 - (b) in any statements, facts, data, personal information form or materials provided to the Agent with respect to the directors and officers of the Corporation or, if applicable, the

Corporation's potential Qualifying Transaction (as that term is defined in the CPC Policy);
or

(c) in any of the representations and warranties contained in section 6 hereof.

- 7.4 The Corporation shall in good faith discuss with the Agent any change which is of a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to section 7.3 hereof.
- 7.5 The Corporation shall file under the Securities Legislation, as soon as reasonably possible, and in any event within any statutory limitation therefor, such new or correcting information, amendments and other documents as the Securities Legislation may require. The Corporation shall further provide the Agent with such copies of such information, amendments or other documents as the Agent may reasonably require. The terms "material change" and "material fact" shall have the meanings ascribed thereto by the Securities Legislation.
- 7.6 During the period of distribution to the public of the Offered Shares or such longer period of time, if any, while the Prospectus continues to be current, the Corporation will advise the Agent promptly of any request of the Commissions or Exchange for amendment of the Prospectus or for any additional information, of the issuance by the Commissions, Exchange or any other securities commission, stock exchange or similar regulatory authority, of any cease trading order, halt order or similar order relating to the Common Shares or Offered Shares or the use of the Prospectus, or of the institution or threat of institution of any proceedings for that purpose or of the receipt by the Corporation of any communication from the Commissions, Exchange or any other securities commission, stock exchange or similar regulatory authority relating to the Prospectus or the offering of the Offered Shares. The Corporation will use its best efforts to prevent the issuance of any such cease trading order or halt order and, if issued, to obtain the withdrawal thereof as soon as possible.
- 7.7 The Corporation will deliver, from time to time without charge, to the Agent as many commercial copies of the Prospectus (and in the event of an amendment thereto, of such amended Prospectus) as the Agent may reasonably request for the purposes contemplated hereunder and by the Securities Legislation and such delivery shall constitute the consent of the Corporation to the use thereof in connection with offering the Offered Shares to the public, subject to the provisions of the Securities Legislation relating thereto.
- 7.8 On or before the Closing Date, the Corporation shall take or cause to be taken all steps and proceedings (including but not limited to the filing of the Prospectus and the obtaining of a receipt for the Prospectus from the Commissions under the Securities Legislation), necessary in order to qualify for distribution the Offered Shares for sale to Subscribers resident in the Offering Jurisdictions through the Agent and any sub-agents retained pursuant to section 2.2 hereof, and to qualify for distribution the Agent's Option.
- 7.9 The Corporation shall deliver to the Agent at the Closing, an opinion to the Agent from counsel of the Corporation, substantially in the form attached hereto as Schedule "B" provided that in connection with such opinion, counsel will be entitled to rely on the opinions of local counsel as to matters related to the laws of the Provinces of British Columbia and Ontario, an officer's certificate of the Corporation as to certain matters of fact, and a certificate of the Transfer Agent

of the Corporation as to the issued and outstanding shares of the Corporation, and on such other certificates of any competent regulatory authorities as is customary in transactions of this nature.

- 7.10 The Corporation shall deliver to the Agent at the Closing a certificate signed by the President, Chief Executive Officer and Chief Financial Officer of the Corporation, or such other director or officer of the Corporation as the Agent may accept, dated as of such date addressed to the Agent to the effect that:
- (a) the representations and warranties of the Corporation contained in this Agreement are true and correct as at the Closing Date with the same force and effect as if made at and as at the Closing Date after giving effect to the transactions contemplated hereby;
 - (b) the Corporation has duly complied with all covenants and satisfied all the conditions herein on its part to be performed or satisfied;
 - (c) no order suspending the sale or ceasing the trading of the Common Shares or any other securities of the Corporation has been issued and no proceedings for that purpose have been instituted or are pending or are, to the knowledge of such officer, contemplated or threatened by the Commissions, Exchange, or any other securities commission, stock exchange and similar regulatory authority;
 - (d) such officer has carefully examined the Prospectus, and since the respective dates as of which information is given in the Prospectus, except as set forth in and contemplated thereby, the Corporation has not incurred any material liabilities or obligations (absolute, accrued, contingent or otherwise), or entered into any transaction not in compliance with the CPC Policy; there has been no material change in the assets, financial position, business or results of operations of the Corporation; and, to the best of the knowledge and information of such officer, there has occurred no event and no state or fact exists that, under Securities Legislation, is required to be set forth in an amended Prospectus that has not been so set forth;
 - (e) the Corporation does not have an Agreement in Principle as defined in the CPC Policy and has not negotiated or entered into a transaction of a nature material to the Corporation other than as disclosed in the Prospectus; and
 - (f) no event of material default under any agreement or instrument to which the Corporation is a party has occurred and no event which with the giving of notice or the passage of time or both would constitute an event of material default under any such agreement or instrument has occurred and is continuing.
- 7.11 The Corporation shall deliver to the Agent at the Closing such other documents and certificates that the Agent may reasonably require.
- 7.12 It is understood that the Agent may waive, in whole or in part, non-compliance with any of the conditions or other matters contained herein or extend the time for compliance therewith without prejudice to its rights in respect of any other condition or conditions or any other subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Agent only if it is in writing.

- 7.13 The Closing shall occur at the Time of Closing on the Closing Date at the offices of the Agent, or such other location as may be agreed to between the Corporation and the Agent.
- 7.14 At the Time of Closing, the Offered Shares have been made "eligible" by CDS Clearing and Depository Services Inc. and counsel to the Corporation shall have provided confirmation of such eligibility to Agent's Counsel.
- 7.15 During the period commencing with the date hereof and ending on the Closing Date (unless otherwise specified), it will promptly provide to the Agent and the Agent's Counsel, for review, prior to filing or issuance of the same, any proposed public disclosure document, including without limitation, any press release (including any press release issued after the Closing Date related to this Agreement and the Offering) or material change report and Corporation will use its commercially reasonable efforts to agree with the Agent as to the form and substance of such document and an appropriate legend regarding US distribution shall be included on each page of any press release as follows: "Not for distribution to United States newswire services or for dissemination in the United States. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state in the United States which such offer, solicitation or sale would be unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements".

8. POST CLOSING COVENANTS OF THE CORPORATION

- 8.1 The Corporation covenants and agrees with the Agent that:
- (a) As soon as possible after the Closing and in any event within 15 days of the Closing Date, unless otherwise agreed to by the Agent, the Corporation shall take all necessary steps to complete and file with the Exchange its application for listing with all other documentation required by the Exchange to allow for the listing and posting for trading of the Common Shares on the Exchange.
- (b) Until the Corporation completes a Qualifying Transaction, the Corporation will comply with all applicable provisions of the CPC Policy. The Corporation will use its commercially reasonable efforts to maintain its status as a reporting issuer not in default of any Securities Legislation in the Offering Jurisdictions for a period of 24 months following the date that its Common Shares are listed and posted for trading on the Exchange and will use its best efforts to maintain its listing on the Exchange during such 24 months and to complete a Qualifying Transaction within 24 months.

9. EXPENSES

- 9.1 All reasonable costs and expenses of or incidental to the transaction herein contemplated and the issue and sale of the Offered Shares hereunder, whether or not the offering of the Offered Shares is completed, are to be assumed and paid by the Corporation, including without limiting the generality of the foregoing, the engraving or lithographing of the definitive certificates representing the Offered Shares, the fees and expenses payable to the Exchange and the Commissions, the fees and disbursements of qualifying the offering of the Offered Shares for sale to the public under the Securities Legislation, the preparation and printing of the Preliminary

Prospectus and the Prospectus, and the fees, charges and reasonable expenses of the counsel and auditors of the Corporation.

10. INDEMNIFICATION OF AGENT

10.1 The Corporation hereby covenants and agrees to protect and indemnify the Agent, its directors, officers, partners and employees and any other registrants retained by the Agent as sub-agents pursuant to section 2.2 hereof and their respective directors, officers, partners and employees (collectively the "**Indemnified Persons**"), from and against all actual or threatened claims, actions, suits, investigations and proceedings (collectively the "**Proceedings**") and all losses, claims, damages, liabilities, costs or expenses (except loss of profits) (collectively "**Liabilities**") caused or incurred by reason of or resulting directly or indirectly from:

- (a) any Misrepresentation or alleged Misrepresentation contained in the Preliminary Prospectus or in the Prospectus, or in any supplemental, additional or ancillary material, information, evidence, return, report, application, statement, table or document that may be filed by or on behalf of the Corporation under the Securities Legislation, or in any written or oral representation made by the Corporation to a Subscriber, except any Misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Preliminary Prospectus and the Prospectus;
- (b) any order, inquiry or investigation related to the offering of the Offered Shares arising out of any statement contained in the Prospectus, or in any written or oral representation made by the Corporation to a Subscriber, and brought by the Commissions, the Exchange or any other securities commission, stock exchange or similar regulatory authority, except such orders, inquiries and investigations relating solely to the Indemnified Persons or any one of them;
- (c) any breach of the representations, warranties and covenants of the Corporation contained herein;
- (d) any prohibition or restriction of trading in the Offered Shares the Agent's Option or the Agent's Option Shares, or any prohibition affecting the distribution of the Offered Shares the Agent's Options or the Agent's Option Shares which may be ordered by any one or more competent authorities if such prohibition or restriction of trading is based on any Misrepresentation in the Preliminary Prospectus or Prospectus, or in any written or oral representations made by the Corporation to a Subscriber, except any Misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Preliminary Prospectus and the Prospectus;
- (e) any Subscriber effectively rescinding its subscription for the Offered Shares pursuant to a right of rescission under which a Subscriber may rescind a contract on the grounds that the Prospectus contains a Misrepresentation, or in the event a determination is made by any competent authority setting aside the sale of the Offered Shares, except any Misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Prospectus or any determination that arises out of any act or omission of the Agent; and

- (f) the Prospectus failing to comply with the requirements of the Securities Legislation so as to permit the lawful sale of Offered Shares or by reason of the Corporation having failed to take or cause to be taken such steps or proceedings as were necessary to permit the lawful sale of Offered Shares as contemplated by the Prospectus and this Agreement;

provided that if and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made shall determine that such Proceedings or Liabilities resulted solely from the gross negligence, wilful misconduct or fraud of the Indemnified Person, this indemnity shall cease to apply to such Indemnified Person with respect to such Proceedings or Liabilities.

10.2 If any matter or thing contemplated by this section 10 shall be asserted against any Indemnified Persons, the Agent shall notify the Corporation as soon as possible of the nature of such claim and the Corporation shall be entitled (but not required) to assume the defence of any suit or proceeding brought to enforce such claim; provided however, that the defence shall be through legal counsel acceptable to the Indemnified Person and that no settlement may be made by the Corporation or the Indemnified Person without the prior written consent of the other. If the Corporation assumes the defence of any such suit, each of the Indemnified Persons shall continue to have the right to employ their own counsel, who shall be acceptable to the Corporation, in any proceeding relating to the claim contemplated by this section 10 and the fees and expenses of a reasonable number of such counsel shall be recoverable by the Indemnified Persons from the Corporation to the extent that the same shall be covered by the indemnity in this section 10 if:

- (a) the Indemnified Persons have been advised by such counsel that there may be legal defences available to them which are different from or additional to defences available to the Corporation (in which case the Corporation shall not have the right to assume the defence of such proceedings on their behalf);
- (b) the Corporation shall not have undertaken the defence of such proceedings and employed counsel within fifteen (15) days after receiving written notice of commencement of such proceedings; or
- (c) the employment of such counsel has been authorized by the Corporation in connection with the defence of such proceeding.

10.3 In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is (in whole or in part), for any reason, held by a court to be unavailable from the Corporation on policy grounds or otherwise, each of the Corporation and the Indemnified Persons shall contribute to the aggregate Liabilities (or Proceedings in respect thereof) to which they may be subject or which they may suffer or incur:

- (a) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand and by the Indemnified Persons on the other hand from the offering contemplated herein; or
- (b) if the allocation provided by subsection (a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in subsection (a) above, but also to reflect the relative fault of the Indemnified Persons, on the one hand, and the parties from whom indemnity is sought, on the other hand, in

connection with the statement, omission, Misrepresentation or alleged Misrepresentation, order, inquiry, investigation or other matter or thing which resulted in such Liabilities, as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Indemnified Persons, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the offering contemplated herein received by the Corporation (net of fees but before deducting expenses) bear to the fees received by the Agent. In the case of liability arising out of the Prospectus, the relative fault of the Corporation, on the one hand, and of the Indemnified Persons, on the other hand, shall be determined by reference, among other things, to whether the statement, omission, Misrepresentation or alleged Misrepresentation, order, inquiry, investigation or other matter or thing referred to in section 10.1 which resulted in such Liabilities relates to information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of, the Corporation or the Indemnified Persons, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission, Misrepresentation or alleged Misrepresentation, order, inquiry, investigation or other matter or thing referred to in section 10.1.

The amount paid or payable to an Indemnified Person as a result of any Proceedings or Liabilities shall, without limitation, include any legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such Proceedings or Liabilities, whether or not resulting in any formal action, suit, proceeding or claim.

The Corporation agrees that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraphs. Any liability of the Indemnified Persons under this section 10.3 shall be limited to the amount of the fees payable to the Agent pursuant to section 2.5 hereof.

- 10.4 The rights to indemnify and right of contribution provided in the foregoing sections shall be in addition to and not in derogation of any other right to contribution which the Indemnified Persons may have by any statute or otherwise at law or in equity. The Corporation waives all rights of contribution that it may have against any Indemnified Persons relating to any Liability or Proceeding in respect of which the Corporation has agreed to indemnify the Indemnified Persons hereunder.
- 10.5 It is the intention of the Corporation to constitute the Agent as trustee for the Indemnified Persons for the purposes of section 10.1 to 10.4, inclusive, and the Agent shall be entitled, as trustee to enforce such covenants on behalf of any other Indemnified Persons.
- 10.6 If any Proceeding is brought in connection with the transactions contemplated by this Agreement and the Agent is required to testify in connection therewith or is required to respond to procedures designed to discover information relating thereto, it will have the right to employ its own counsel in connection therewith, and the fees and disbursements of such counsel in connection therewith and any other reasonable costs and out-of-pocket expenses incurred by them in connection therewith as well as its reasonable fees at the normal per diem rate for the Agent's directors, officers, employees and agents involved in preparation for and attendance at such Proceedings or in so responding will be paid by the Corporation as they are incurred,

provided that the Corporation shall not be liable to pay any such fees, costs or expenses if the Proceedings is brought solely in relation to activities or alleged activities of the Agent or its sub-agents retained pursuant to section 2.2 hereof.

- 10.7 The obligations under the indemnity and right of contribution provided for herein shall apply whether or not the transactions contemplated by this Agreement are completed and shall survive the completion of the transactions contemplated under this Agreement and the termination of this Agreement.

11. ADDITIONAL CONDITIONS

- 11.1 If at any time prior to the Time of Closing:

- (a) there shall occur any changes (actual, anticipated, contemplated or threatened) in the assets, liabilities, business or operations of the Corporation which, in the sole opinion of the Agent, could reasonably be expected to have a material adverse effect on the market price or value of the Common Shares or materially adversely affects or may materially adversely affect the marketability of the Offered Shares;
- (b) there should develop, occur or come into effect or existence any event, action, state, condition or financial occurrence of consequence or any governmental action, law, regulation, inquiry or other occurrence of any nature whatsoever, including without limitation, accidents, acts of terrorism or public protest which, in the sole opinion of the Agent materially adversely affects or involves, the financial markets generally or the business, operations, affairs or financial condition of the Corporation, or the marketability of the Offered Shares;
- (c) if any new or amended Prospectus discloses information which, in the Agent's opinion, acting reasonably, results at any time prior to the Time of Closing in the Subscribers of a material amount of the Offered Shares exercising their rights under the Securities Legislation to withdraw from or rescind their purchase thereof;
- (d) an order to cease or halt trading in the Offered Shares or any other securities of the Corporation has been made by the Commissions, the Exchange or any other securities commission, stock exchange or other regulatory authority having jurisdiction over the Corporation and has not been rescinded, revoked or withdrawn;
- (e) there is any material breach or non-performance of any of the covenants, representations and warranties of the Corporation contained in this Agreement that has not been rectified or remedied or any representation or warranty given by the Corporation herein is or becomes false;
- (f) any inquiry, investigation or other proceeding (whether formal or informal) in relation to the Corporation or any of its directors, officers, promoters or insiders is commenced, announced or threatened, or any order is issued by any federal, provincial or other government authority or by any stock exchange, or there is any change of law which, in the sole opinion of the Agent operates or will operate to prevent or to restrict the trading of the Common Shares or the distribution of any Common Shares or materially adversely affects or may materially adversely affect the marketability of the Offered Shares;

- (g) there is any material breach or non-performance by the Corporation of any provisions of any order of the Commissions or the Exchange;
- (h) there is any amendment to Securities Legislation which will, in the Agent's opinion, acting reasonably, increase the costs and expenses incurred or to be incurred by the Agent in connection with the offering of Offered Shares, or impose any limitations or restrictions on the exercise of the Agent's Option or on the subsequent trading of the Common Shares acquired, or which may be acquired, by the Agent pursuant to the exercise of the Agent's Option; or
- (i) the Agent is not satisfied, in its sole discretion, with the results of its due diligence review contemplated in section 7.1 hereof,

The Agent shall be entitled, at its option, acting reasonably, to terminate and cancel its obligations under this Agreement with no liability on the Agent's part, by written notice to that effect given to the Corporation not later than the Time of Closing. In the event of any such termination pursuant to the provisions of this section 11, the Corporation's obligations under this Agreement shall be at an end save and except that the Corporation shall be liable to make payment of such of the costs and expenses provided for in sections 0 and 9 to be payable by the Corporation, as shall previously have been incurred by the Agent and the indemnities contained in section 10 shall remain in full force and effect.

12. RIGHT OF FIRST REFUSAL

- 12.1 The Corporation will notify the Agent of the terms of any further equity financing, corporate finance, or professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer that it requires or proposes to obtain during the 12 months following the completion of the Qualifying Transaction (the "**Expiration Date**") and the Agent will have the right of first refusal to act as lead selling agent in connection with any such financing. In addition, the Agent will have the right of first refusal to act as the Corporation's sponsor, if required, in connection with the Qualifying Transaction.
- 12.2 The rights of first refusal described above in subsection 12.1 must be exercised by the Agent within 15 days following the receipt of the notice referred to in subsection 12.1 by notifying the Corporation that it: (i) will act as lead selling agent on the terms set out in the notice or subject to agreeing to the terms and conditions, as the case may be; and/or (ii) will act as the Corporation's sponsor in connection with the Corporation's Qualifying Transaction, as applicable.
- 12.3 If the Agent fails to give notice within the 15 days that it will act as lead selling agent for such financing upon the terms set out in the notice and/or sponsor for the Corporation's Qualifying Transaction, the Corporation will then be free to make other arrangements to obtain financing from another source on the same terms or on terms no less favourable to the Corporation, and/or engage another sponsor for its Qualifying Transaction, provided the arrangements with such agent or underwriter are entered into within 30 days thereafter.
- 12.4 The rights of first refusal will not terminate with respect to any future offerings and/or sponsorship of the Qualifying Transaction if, on receipt of any notice from the Corporation under this section, the Agent fails to exercise any of the rights.

- 12.5 The rights of first refusal granted under this section will terminate if offering of the Offered Shares is not completed within the period provided in this Agreement.
- 12.6 The rights of first refusal granted under this section shall not apply to an issuance of securities of the Corporation in which the Corporation does not retain or propose to retain a registered dealer as an agent.

13. NOTICE

- 13.1 Any notice under this Agreement shall be given in writing and either sent by facsimile, email, delivered or mailed by prepaid post to the party to receive such notice at the address indicated below, or at such other address as any party may hereafter designate by notice in writing to each of the others:

(a) to the Corporation at: CanadaBis Capital Inc.
4303 – 9th Street S.E.
Calgary, Alberta T2G 3C8

Attention: Gregory H. Smith, President, Chief Executive Officer, Chief Financial Officer and Director

with a copy to: TingleMerrett LLP
Suite 1250, 639 – 5th Avenue S.W.
Calgary, AB T2P 0M9

Attention: Scott Reeves, Partner
Facsimile: (403) 571-8008

(b) to the Agent at: Richardson GMP Limited
Suite 2200, 440 – 2nd Avenue S.W.
Calgary, Alberta T2P 5E9

Attention: Cameron Rees, Vice-President, Public Venture Capital Corporate Finance
Facsimile: (403) 260-8498

with a copy to: Dentons Canada LLP
1500, 850 – 2nd Street S.W.
Calgary, Alberta T2P 0R8

Attention: Nicole Bacsalmasi
Email: nicole.bacsalmasi@dentons.com

If such notice is sent by facsimile, email or is delivered, it shall be deemed to have been given at the time of receipt of the facsimile, email or delivery; if such notice is sent by mail, it shall be deemed to have been received five (5) business days following the date of mailing thereof. In the event of a strike or other disruption in postal service at or prior to the time a notice is deemed to have been received, such notice shall be delivered or sent by facsimile or email.

14. MISCELLANEOUS

- 14.1 Time shall be of the essence of this Agreement.
- 14.2 All warranties, representations, covenants and agreements of the Corporation herein contained or contained in certificates or documents submitted pursuant to or in connection with the transaction provided for herein shall continue in full force and effect for the benefit of the Agent regardless of any investigation by or on behalf of the Agent with respect thereto.
- 14.3 This Agreement shall be construed and enforced in accordance with and the rights of the parties hereto shall be governed by the laws of the Province of Alberta. Each of the parties hereto irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Alberta.
- 14.4 This Agreement supersedes all other agreements, documents, letters, writings and oral understandings among the parties relating to the subject matter hereof, including without limitation the engagement letter dated November 30, 2016 and represents the entire agreement between the parties with respect to the subject matter hereof.
- 14.5 If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.
- 14.6 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and all such counterparts together shall constitute one and the same agreement. The parties hereto shall be entitled to rely on delivery of a facsimile or other electronic copy of the executed counterpart.
- 14.7 All the terms and provisions of this Agreement shall be binding upon and enure to the benefit of and be enforceable by the parties hereto, their respective successors and assigns, but shall not be assignable without the prior written consent of the other parties hereto.
- 14.8 The parties hereto have required that this Agreement, as well as any notice, document or proceeding relating hereto be written in English. Les parties aux présentes ont exigé que le présent contrat ainsi que tout autre avis, document ou procédure s'y rapportant soit rédigé en anglais.

[Signature Page Follows]

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

CANADABIS CAPITAL INC.

By: _____
Name: Gregory H. Smith
Title: President, Chief Executive Officer,
Chief Financial Officer and Director

RICHARDSON GMP LIMITED

By: _____
Name: Cameron Rees
Title: Vice-President, Public Venture Capital
Corporate Finance

SCHEDULE "A"

To an Agreement dated the ____ day of _____,
2017 between CanadaBis Capital Inc. (the
"Corporation") and Richardson GMP Limited (the
"Agent")

STOCK OPTION AGREEMENT

MEMORANDUM OF AGREEMENT dated the [●] day of February, 2017.

AMONG:

CANADABIS CAPITAL INC., a corporation incorporated under the laws of Alberta, with its head office in the City of Calgary, in the Province of Alberta (the "Corporation")

- and -

RICHARDSON GMP LIMITED, a corporation with an office in the City of Calgary, in the Province of Alberta (the "Agent")

WHEREAS the Corporation has agreed pursuant to an agreement dated as of the [●] day of February, 2017 (the "Agency Agreement") to grant the Agent an option to purchase [●] Common Shares in the capital of the Corporation in consideration of the Agent's services performed under the Agency Agreement;

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises, mutual covenants and agreements herein contained, it is hereby agreed by and between the parties hereto as follows:

1. Option

The Corporation hereby grants to the Agent, subject to the terms and conditions hereinafter set out, an irrevocable option to purchase [●] Common Shares in the capital of the Corporation.

2. Exercise Date

The option granted hereunder shall be exercised on or before the expiration of 24 months from the date of the listing and posting of the Common Shares on the Exchange (the "Expiry Date"), after which all rights granted hereunder shall terminate. The Agent agrees that only up to a total of [●] Common Shares obtained by the Agent pursuant to the exercise of this option may be sold prior to the completion of a Qualifying Transaction (as that term is defined in the CPC Policy) by the Corporation. The remaining [●] Common Shares may only be sold after completion of a Qualifying Transaction. The Exchange may vary these requirements in exceptional circumstances upon the application by the Agent.

3. Exercise Price

The exercise price shall be the sum of \$0.10 per Common Share.

4. Exercise of Option

The option granted hereunder may be exercised in whole or in part, at any time and from time to time, on or prior to 4:30 p.m. (Calgary time) on the Expiry Date, by the Agent giving a notice to the Corporation in writing at the address specified in the Agency Agreement, specifying therein the number of optioned shares in respect of which the option is being exercised, accompanied by payment in cash, certified cheque or bankers' draft payable to the Corporation in full payment of the purchase price for such number of optioned shares so specified therein.

5. Share Certificates

Upon exercise of the option, the Corporation shall forthwith cause the Transfer Agent to deliver to the Agent or as the Agent may otherwise in writing direct in the notice of exercise of option, within three (3) business days following the receipt by the Corporation of payment for the number of optioned shares so exercised, a certificate or certificates representing in the aggregate such number of optioned shares as the Agent may have paid for or, if the Agent so elects, direct deposit such number of optioned shares as directed by the Agent.

6. No Rights of Shareholder Until Exercise

The Agent shall have no rights whatsoever as a shareholder (including any right to receive dividends or other distributions to shareholders or to vote at a general meeting of the shareholders of the Corporation) other than in respect to shares in respect of which the Agent shall have exercised its right to purchase hereunder and which the Agent shall have actually taken up and paid for.

7. Non-Transferable

The rights conferred hereunder shall be non-transferable and non-tradeable.

8. No Fractional Common Shares

No fractional Common Shares will be issued on exercise of this option, or any compensation made for such fractional Common Shares, if any.

9. Dilution

In the event of any reclassification, subdivision or redivision of the issued Common Shares of the Corporation at any time prior to the Expiry Date into a greater number of Common Shares (including the declaration or payment of any stock dividend), the Corporation shall deliver at the time of any exercise thereafter of the option hereby granted, at no additional cost to the Agent, but only as to the Common Shares in respect of which the option is then exercised, the number of Common Shares which the Agent would have been entitled to if it had exercised the option and held the Common Shares immediately prior to the date of reclassification, subdivision or redivision. The Agent shall pay for the number of Common Shares delivered upon exercise as aforesaid an amount calculated by multiplying the exercise price by the number of Common Shares over which the right would have been exercised if such exercise had been made prior to the date of such reclassification, subdivision or redivision.

In the event of any consolidation or change in the Common Shares of the Corporation at any time prior to the Expiry Date into a lesser number of Common Shares, the Corporation shall deliver at the time of

any exercise thereafter of the option hereby granted, but only as to the Common Shares in respect of which the option is then exercised, the number of Common Shares which the Agent would have been entitled to if it had exercised the option and held the Common Shares immediately prior to the date of such consolidation or change. The Agent shall pay for the number of Common Shares delivered upon exercise as aforesaid, an amount calculated by multiplying the exercise price by the number of Common Shares over which the right would have been exercised if such exercise had been made prior to the date of such consolidation or change.

In the event that the Corporation shall at any time prior to the Expiry Date, amalgamate, consolidate with or merge into another corporation, the Agent shall thereafter receive, upon the exercise of its option, but only as to the Common Shares in respect of which the option is then exercised, the securities or property which the Agent would have been entitled to if it had exercised the option and held the Common Shares immediately prior to the amalgamation, consolidation or merger, and the Corporation will take steps in connection with such amalgamation, consolidation or merger as may be necessary to ensure that the provisions hereof shall thereafter be applicable, as near as reasonably may be possible in relation to any securities or properties thereafter delivered upon the exercise of the option hereby granted. A sale of all or substantially all of the assets of the Corporation for a consideration (apart from the assumption of obligations) consisting primarily of securities, shall be deemed a consolidation, amalgamation or merger for the foregoing purposes.

Adjustments shall be made successively whenever any event referred to in this paragraph shall occur. Upon any adjustment of the number of Common Shares which may be purchased hereunder, the Corporation shall give written notice to the Agent, giving particulars of such adjustment. In the event the Corporation agrees to sell all or substantially all of the assets of the Corporation for cash, it shall give the Agent at least thirty (30) days' notice prior to the date of finalization of such proposed sale, determined as of the date of notice. In the event of the liquidation, dissolution or winding-up of the affairs of the Corporation, the right to exercise this option shall terminate ten (10) days before the earliest day fixed for the payment of any distribution amount on the Common Shares of the Corporation, provided at least thirty (30) days' notice of such payment date shall be given to the Agent, determined as of the date of notice.

10. Reservation of Treasury Shares

The Corporation shall at all times, during the term of this Agreement, reserve and keep available a sufficient number of unissued Common Shares to satisfy the requirements hereof.

11. Further Assurances

The parties hereto covenant that they shall and will from time to time and at all times hereafter do and perform all such acts and things and execute all such additional documents as may be required to give effect to the terms and intention of this Agreement.

12. Entire Agreement

This Agreement supersedes all other agreements, documents, writings and verbal understandings among the parties relating to the subject matter hereof and represents the entire agreement between the parties relating to the subject matter hereof.

13. Definitions

Capitalized terms used herein that are not otherwise defined shall have the same meaning as provided in the Agency Agreement.

14. Enurement

Subject to the other provisions hereof, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

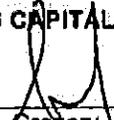
15. Counterpart

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and all such counterparts together shall constitute one and the same agreement.

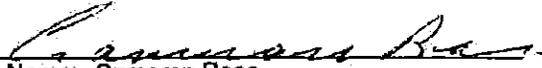
[Signature Page Follows]

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

CANADABIS CAPITAL INC.

By: 
Name: Gregory H. Smith
Title: President, Chief Executive Officer,
Chief Financial Officer and Director

RICHARDSON GMP LIMITED

By: 
Name: Cameron Rees
Title: Vice-President, Public Venture Capital
Corporate Finance

SCHEDULE "B"

To an Agreement dated the ____ day of _____,
2017 between CanadaBis Capital Inc. (the
"Corporation") and Richardson GMP Limited (the
"Agent")

[•], 2017

Richardson GMP Limited
Suite 2200, 440 – 2nd Avenue S.W.
Calgary, Alberta T2P 5E9

Attention: Cameron Rees

Re: Offering of up to 5,000,000 Common Shares of CanadaBis Capital Inc.

We have acted as counsel to CanadaBis Capital Inc. (the "Corporation") in connection with the issuance and qualification for offering and sale to the public by Corporation through its agent, Richardson GMP Limited (the "Agent"), of a minimum of 2,500,000 Common Shares and a maximum of 5,000,000 Common Shares (the "Offered Shares") at a price of \$0.10 per Offered Share. We also understand that the Offered Shares are being issued and sold pursuant to the terms and subject to the conditions of an agreement (the "Agency Agreement") dated as of February [•], 2017 between the Agent and the Corporation to subscribers (the "Subscribers") resident in each of the Provinces of Alberta, British Columbia and Ontario (collectively, the "Offering Jurisdictions"). This opinion is being delivered pursuant to the Agency Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agency Agreement.

We have participated in the preparation of and have reviewed: (i) the Agency Agreement; (ii) a stock option agreement dated as of February [•], 2017 between the Corporation and the Agent (the "Agent's Option Agreement"); (iii) the seed share escrow agreement, dated as of February [•], 2017 among the Corporation, Computershare Trust Company of Canada and certain securityholders of the Corporation (the "Escrow Agreement"); (iv) the preliminary capital pool company prospectus of the Corporation dated January 13, 2017 (the "Preliminary Prospectus"); and (v) the (final) capital pool company prospectus of the Corporation dated February [•], 2017 (the "Prospectus") (the Preliminary Prospectus and the Prospectus are collectively referred to herein as the "Prospectuses"). We have also reviewed and relied upon the receipts under Multilateral Instrument 11-102 – *Passport System* and National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* issued by the Alberta Securities Commission, as principal regulator, and for and on behalf of itself and the securities regulatory authorities in each of the other Offering Jurisdictions and evidencing the receipt of the Alberta Securities Commission for the Preliminary Prospectus and Prospectus dated January 16, 2017 and [•], 2017 in respect of the Preliminary Prospectus and the Prospectus, respectively, copies of which have been delivered to you today (the "Receipts").

We have examined such documents and have considered such questions of law as we have considered relevant and necessary as a basis for the opinions hereinafter set forth. As to various questions of fact material to such opinions and which were not independently established, we have relied upon certificates of public officials and an officer of the Corporation, copies of which have been delivered to you today, and on the minute books of the Corporation. In such examination we have assumed the genuineness of all

signatures and the authenticity of all documents submitted to us as originals and the conformity to authentic originals of all documents submitted to us as certified, notarial or true copies or facsimiles.

For the purposes of the opinions expressed in paragraph 1, we have relied upon a Certificate of Status dated [●], 2017 electronically retrieved from the official records of the Corporate Registry as maintained by the Registrar of Corporations under the *Business Corporations Act* (Alberta).

For the purpose of the opinion expressed in paragraphs 1, 3, 4, 5, 6, 8, 12 and 14 in connection with certain factual matters, we have relied, in part, upon a certificate of an officer of the Corporation (the "**Officer's Certificate**"), a copy of which has been provided to you today.

The opinions set forth in paragraph 11 are based upon the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder, all specific proposed amendments thereto detailed in public statements issued by the Minister of Finance prior to the date hereof and our understanding of the published administrative and assessing practices of the Canada Revenue Agency publicly available as of the date hereof. Our opinions do not otherwise anticipate or take into account any changes in law or in such administrative policies and assessing practices whether by legislative, governmental or other action.

For the purpose of the opinions expressed in paragraph 13, we have relied exclusively upon a letter from the TSX Venture Exchange ("**TSXV**") dated [●], 2017.

In expressing the opinion set forth in paragraph 14 with respect to the number of issued and outstanding Common Shares, we have relied solely upon a certificate dated [●], 2017 addressed to us by Computershare Trust Company of Canada (in its capacity as registrar and transfer agent of the Common Shares), a copy of which has been delivered to you today and which we have assumed continues to be accurate on the date hereof.

For the purposes of the opinion contained in paragraph 7, we have relied on the Receipts. Also, for the purposes of the opinion contained in paragraph 7, we have assumed that each of the Preliminary Prospectus and the Prospectus contained full, true and plain disclosure of all material facts relating to the Corporation and the Offered Shares being offered thereunder as at the respective dates thereof and no "material change" (as that term is defined under the laws of the Offering Jurisdictions) has occurred since [●], 2017 requiring an amendment to the Prospectus to be prepared and filed under the laws of the Offering Jurisdictions.

We have also assumed, for the purposes of the opinions expressed herein, that all agreements and other documents have been duly authorized, executed and delivered by all of the parties thereto other than the Corporation and that such agreements and other documents constitute legal, valid and binding obligations of the parties thereto other than the Corporation, enforceable against each of them in accordance with their respective terms.

In expressing the opinion in paragraph 10 below, we assumed that no market intermediary or other person or company engaged in, or holding himself, herself or itself out as engaging in, the business of dealing securities or exchange contracts, will be involved in the issuance of the Common Shares upon the due exercise of the Agent's Option in accordance with the terms of the Agent's Option Agreement.

Whenever our opinion refers to securities of the Corporation whether issued or to be issued, as being "fully paid and non-assessable", such opinion indicates that the holder of such securities cannot be required to contribute any further amounts to the Corporation by virtue of its status as holder of such

securities, either in order to complete payment for the securities, to satisfy claims of creditors or otherwise. No opinion is expressed as to actual receipt by the Corporation of the consideration for the issuance of such securities or as to the adequacy of any consideration received.

We have also assumed that:

- (a) the Agent, in discharging its duties pursuant to the Agency Agreement and in carrying out all activities by it in connection therewith, is and will be at all relevant times duly registered under the appropriate and relevant category of registration under the securities laws which are applicable to it as of the date hereof and as at such relevant times and have conducted and completed, and at all relevant times will conduct and complete, the elements of the offering for which they are responsible or which they have conducted in compliance with the relevant provisions of the securities laws in each of the Offering Jurisdictions;
- (b) the representations and warranties of the Agent set forth in the Agency Agreement are true, correct and accurate in all material respects now and will be at all other relevant times;
- (c) there is not, at the time of such trades or distributions, a cease trade or other restraining order affecting the Corporation or its securities in effect in any of the Offering Jurisdictions or affecting any person or company who engages in such trade or distributions issued by any court, tribunal, securities commission or other regulatory authority of that jurisdiction; and
- (d) other than as described in the Prospectuses, the Corporation is not a "related issuer" (as that term is defined under National Instrument 33-105 – *Underwriting Conflicts* ("**NI 33-105**") of any registrant involved in a trade of the Common Shares and the Corporation is not a "connected issuer" (as that term is defined under NI 33-105 and Applicable Securities Laws) of any registrant involved in any trade of the Common Shares.

We are qualified to practice law in the Province of Alberta and our opinion herein is restricted to the laws of the Province of Alberta and the federal laws of Canada applicable therein as at the date hereof. We have provided this opinion concurrently with the opinions of local counsel in the province of British Columbia and in the province of Ontario (collectively, the "**Local Counsel Opinions**") as to matters governed by the laws of such Provinces, which Local Counsel Opinions we are of the view are satisfactory in form and we and you are justified in relying thereon.

In giving the opinions expressed in paragraphs 7, 9 and 10 we have relied on the Local Counsel Opinion with respect to the laws of the Offering Jurisdictions other than the Province of Alberta.

To the extent that the Local Counsel Opinions are based upon any assumptions, limitations, reliances, exceptions and qualifications which are not otherwise addressed in this opinion, or are expressed in a form which differs from the form of our opinion expressed herein, our opinion, insofar as it relates to the laws regarding which local counsel have expressed their opinions, is based upon the same assumptions and reliances, is made subject to the same limitations, qualifications or exceptions and is to be considered to be expressed in the form set forth in the Local Counsel Opinions.

For the purposes of this opinion as it relates to the Province of Alberta, the term "Applicable Securities Laws" means the laws set out in the *Securities Act* (Alberta) and the rules and regulations thereunder, and the instruments, orders, published policy statements, forms and notices of the Alberta Securities Commission. For the purposes of this opinion as it relates to Offering Jurisdictions, other than the Province of Alberta, the term "Applicable Securities Laws" has the meaning ascribed to such term or to the terms "Securities Laws" and "Applicable Laws" in the opinions of local counsel on which we have relied.

Whenever our opinion with respect to the existence or absence of facts or circumstances is qualified by the phrase "of which we are aware", it is intended to indicate that during the course of our representation of the Corporation no information has come to our attention, which would give us actual knowledge of the existence of such facts or circumstances. However, other than the review of the Officer's Certificate, the Agency Agreement, the Preliminary Prospectus, the Prospectus and the minute books of the Corporation and inquiries of the lawyers of our firm who are responsible for the files relating to the Corporation we have not undertaken any special or independent investigation to determine the existence or absence of any facts or circumstances relating to the Corporation. No inference as to our knowledge of such facts and circumstances should be drawn merely from our representation of the Corporation.

Notwithstanding the foregoing and our opinions below, we express no opinion with respect to the compliance or non-compliance with applicable privacy laws in connection with the transactions contemplated by the Prospectus. The opinions hereinafter expressed are based on legislation and regulations in effect on the date hereof.

Based upon the foregoing and subject to the qualifications herein expressed, we are of the opinion that:

1. The Corporation has been duly incorporated and is valid and subsisting under the laws of the Province of Alberta and has all requisite power and capacity to carry on its business as now conducted and as presently proposed to be conducted by it and to own its properties and assets and is duly registered and qualified to carry on business under the laws of each jurisdiction in which it carries on a material portion of its business.
2. The Corporation has all necessary corporate power and authority to enter into the Agency Agreement, Escrow Agreement and Agent's Option Agreement and to perform its obligations set out therein, and the Agency Agreement, Escrow Agreement and Agent's Option Agreement have been duly authorized, executed and delivered by the Corporation and constitute legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, subject to:
 - (a) applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally;
 - (b) equitable remedies, including the remedies of specific performance and injunctive relief, being available only in the discretion of the applicable court;
 - (c) the statutory and inherent powers of a court to grant relief from forfeiture, to stay execution of proceedings before it and to stay executions on judgments;
 - (d) the applicable laws regarding limitations of actions;

- (e) the enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of such document would be determined only in the discretion of the court;
 - (f) the enforceability of the provisions exculpating a party from liability or duty otherwise owed by it may be limited under applicable law; and
 - (g) that rights to indemnity and contribution under the Agency Agreement may be limited or unavailable under applicable law.
3. The execution and delivery of the Agency Agreement, Escrow Agreement and Agent's Option Agreement and fulfillment of the terms thereof by the Corporation, and the performance of and compliance with the terms of the Agency Agreement, Escrow Agreement and Agent's Option Agreement by the Corporation does not and will not result in a breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under:
- (a) any applicable laws of the Province of Alberta or the federal laws of Canada applicable therein; or
 - (b) any term or provision of the constating documents, by-laws, or resolutions of the directors (or any committee thereof), or shareholders of the Corporation.
4. The form and terms of the definitive certificate representing the Offered Shares have been duly approved and adopted by the directors of the Corporation and complies with all legal requirements relating thereto, including the requirements of the TSXV.
5. The Offered Shares have been duly and validly created, allotted and issued as fully paid and non-assessable Common Shares of the Corporation.
6. The attributes of the Offered Shares conform in all material respects with the description thereof contained in the Prospectuses.
7. All necessary documents have been filed, all necessary proceedings have been taken and all legal requirements have been fulfilled as required under Applicable Securities Laws of each of the Offering Jurisdictions in order to qualify the Offered Shares for distribution and sale to the public and to qualify the Agent's Option for distribution to the Agents in each of the Offering Jurisdictions through any person or company that is duly registered in a category of dealer registration that permits the trade of securities under Applicable Securities Laws and that has complied with the terms and conditions of such registrations and the relevant provisions of Applicable Securities Laws.
8. The Agent's Options have been validly created, allotted authorized and issued and upon receipt of consideration for their issuance in accordance with the Agent's Option Agreement, the Agent's Option Shares will, upon issuance in accordance with the terms of the Agent's Option Agreement, be issued as fully paid and non-assessable Common Shares of the Corporation.
9. No filing, proceeding, approval, consent or authorization is required to be made, taken or obtained by the Corporation under Applicable Securities Laws in the Offering Jurisdictions to permit the issuance by the Corporation of the Agent's Option Shares in accordance with the

terms and conditions of the Agent's Option Agreement, provided that no commission or other remuneration is paid or given in respect of the distribution except for administrative or professional services or for services performed by a registered dealer.

10. The first trade by a holder of Common Shares issuable pursuant to the Agent's Option, will not be subject to the prospectus requirements of Applicable Securities Laws and no filing, proceeding, approval, consent or authorization of regulatory authorities are required to be obtained under the Applicable Securities Laws to permit the first trade of such Common Shares by the holder of such Common Shares, provided that:
 - (a) the trade is not a "control distribution" as such term is defined in National Instrument 45-102 – *Resale of Securities*; and
 - (b) the Corporation is a reporting issuer in a jurisdiction of Canada at the time of the trade.
11. The statements set forth in the Final Prospectus under the heading "Eligibility For Investment", insofar as they purport to describe the provisions of the laws referred to therein, are fair summaries of the matters discussed therein in all material respects.
12. The Corporation has the necessary corporate power and authority to execute and deliver the Prospectuses and all necessary corporate action has been taken by the Corporation to authorize the execution and delivery by it of the Prospectuses and the filing thereof, as the case may be, in each of the Offering Jurisdictions in accordance with Applicable Securities Laws.
13. The Offered Shares and the Common Shares issuable pursuant to the Agent's Options have been conditionally approved for listing on the TSXV and, upon notification to the TSXV of the issuance and sale thereof and subject to filing the documentation set forth in their letter of [●], 2017, the Offered Shares and the Common Shares issuable pursuant to the Agent's Options will be listed and posted for trading on the TSXV.
14. The authorized capital of the Corporation consists of an unlimited number of Common Shares, of which, the Corporation has [●] Common Shares outstanding, and such Common Shares have been validly issued as fully paid and non-assessable.
15. Computershare Trust Company of Canada, at its principal offices in Calgary, has been duly appointed the transfer agent and registrar for the Common Shares.

This opinion is being furnished for the sole benefit of the addressees hereof for the purposes provided herein and may not be relied upon or distributed to any other person or entity or for any other purpose without our prior written consent. This opinion is given as at the date hereof and we disclaim any obligation or undertaking to advise any person of any change in law or fact which may come to our attention after the date hereof.

Yours truly,