

BUSINESS COMBINATION AGREEMENT

B E T W E E N

DOJA CANNABIS COMPANY LIMITED

and

2614070 ONTARIO INC.

and

TS BRANDCO HOLDINGS INC.

MADE AS OF JANUARY 17, 2018

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	1
1.01 Defined Terms	1
1.02 Headings	11
1.03 Extended Meanings.....	11
1.04 Statutory References	11
1.05 Accounting Principles.....	11
1.06 Currency.....	12
1.07 Schedules	12
ARTICLE 2 BUSINESS COMBINATION	12
2.01 Business Combination	12
2.02 Outstanding Options and Warrants.....	14
2.03 Dissent Rights	15
ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF TOKYO SMOKE	16
3.01 Incorporation and Registration	16
3.02 Subsidiaries	16
3.03 Bankruptcy, etc.	16
3.04 Due Authorization, etc.	16
3.05 Absence of Conflict	17
3.06 Share Capital.....	17
3.07 Options and Other Convertible Securities	17
3.08 No Pre-Emptive Rights	18
3.09 Financial Statements	18
3.10 Absence of Changes.....	18
3.11 Internal Controls Over Financial Reporting	18
3.12 Ordinary Course.....	18
3.13 No Restrictions on Activities	18
3.14 Extent of Liabilities.....	19
3.15 Non-Arm's Length Transactions	19
3.16 No Guarantees.....	19
3.17 Intellectual Property.....	19
3.18 Assets	20
3.19 Tokyo Smoke Material Contracts	20
3.20 Other Contracts	21
3.21 Taxes and Governmental Charges	21
3.22 Absence of Litigation, etc.	22
3.23 Compliance with Laws	22
3.24 Authorizations and Consents	22
3.25 Employment Matters and Employee Plans	23
3.26 No Powers of Attorney	24
3.27 Insurance.....	24

3.28	Authorizations.....	24
3.29	Fees and Commissions.....	25
3.30	Books and Records	25
3.31	Restrictions on Business Combination	25
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF DOJA AND SUBCO		25
4.01	Incorporation and Registration	25
4.02	Subsidiaries	26
4.03	Bankruptcy, etc.	26
4.04	Due Authorization, etc.	26
4.05	Absence of Conflict	26
4.06	Share Capital	27
4.07	Options and Other Convertible Securities	27
4.08	No Pre-Emptive Rights	27
4.09	Voting Agreements	27
4.10	Financial Statements	27
4.11	Absence of Changes.....	27
4.12	Internal Controls Over Financial Reporting	28
4.13	Ordinary Course.....	28
4.14	No Restrictions on Activities	28
4.15	Extent of Liabilities.....	28
4.16	Non-Arm's Length Transactions	28
4.17	No Guarantees.....	29
4.18	Intellectual Property.....	29
4.19	Assets	29
4.20	DOJA Material Contracts	30
4.21	Other Contracts	30
4.22	Taxes and Governmental Charges	30
4.23	Absence of Litigation, etc.	31
4.24	Compliance with Laws	31
4.25	Authorizations and Consents	32
4.26	Employment Matters and Employee Plans.....	32
4.27	No Powers of Attorney	33
4.28	Insurance.....	34
4.29	Authorizations.....	34
4.30	Fees and Commissions.....	34
4.31	Books and Records	34
4.32	Restrictions on Business Combination	34
4.33	Reporting Issuer Status	35
4.34	CSE Policies.....	35
4.35	Share Issuance.....	35
4.36	Public Disclosure Documents	35
4.37	No Misrepresentation.....	35
4.38	CSE Listing.....	35
4.39	United States Securities Laws.....	35

ARTICLE 5 SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES

5.01 Survival of Covenants, Representations and Warranties.....36

ARTICLE 6 COVENANTS36

6.01 Access to Tokyo Smoke.....36
6.02 Access to DOJA.....37
6.03 Confidentiality37
6.04 Filings39
6.05 Conduct of Tokyo Smoke Prior to Closing.....39
6.06 Conduct of DOJA Prior to Closing.....41
6.07 Standstill of Tokyo Smoke.....43
6.08 Standstill of DOJA.....44
6.09 Change to Directors and Officers of DOJA.....45

ARTICLE 7 CONDITIONS OF CLOSING46

7.01 Conditions in Favour of DOJA.....46
7.02 Conditions in Favour of Tokyo Smoke.....48
7.03 Filing Articles50
7.04 Further Assurances.....50

ARTICLE 8 TERMINATION50

8.01 Termination.....50
8.02 Effect of Termination.....51
8.03 Waivers and Extensions.....51

ARTICLE 9 MISCELLANEOUS51

9.01 Further Assurances.....51
9.02 Transaction Costs.....51
9.03 Time of the Essence52
9.04 Public Announcements52
9.05 Benefit of the Agreement.....52
9.06 Entire Agreement.....52
9.07 Amendments and Waivers52
9.08 Assignment52
9.09 Notices52
9.10 Remedies Cumulative53
9.11 Governing Law53
9.12 Attornment.....54
9.13 Counterparts.....54
9.14 Electronic Execution.....54

BUSINESS COMBINATION AGREEMENT

THIS AGREEMENT is made as of January 17, 2018,

AMONG:

DOJA CANNABIS COMPANY LIMITED., a corporation existing under the laws of the Province of British Columbia,

(hereinafter called "DOJA"),

- and -

2614070 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario,

(hereinafter called "Subco"),

- and -

TS BRANDCO HOLDINGS INC. a corporation incorporated under the laws of the Province of Ontario,

(hereinafter called "Tokyo Smoke"),

WHEREAS DOJA is a reporting issuer in the provinces of British Columbia, Alberta and Ontario whose common shares are listed on the Canadian Securities Exchange (the "CSE");

AND WHEREAS Tokyo Smoke is engaged in the Tokyo Smoke Business (as hereinafter defined);

AND WHEREAS DOJA desires to acquire all of the issued and outstanding shares in the capital of Tokyo Smoke by means of a three-cornered amalgamation among DOJA, Tokyo Smoke and Subco;

NOW THEREFORE in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.01 Defined Terms

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"Accredited Investor" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;

"ACMPR" means the *Access to Cannabis for Medical Purposes Regulations* (which came into force on August 24, 2016 and replaced the *Marihuana for Medical Purposes Regulations* (Canada) issued June 7, 2013 pursuant to the *Controlled Drugs and Substances Act* (Canada) as of August 24, 2016);

"Affiliate" of any person means, at the time such determination is being made, any other person who has control or who is controlled by or under common control with such first person, where **"control"** means the possession, directly or indirectly, of the power to direct the management and policies of a person through the legal or beneficial ownership of voting securities, the right to appoint directors or management, by contract, voting trust, or otherwise; and the terms **"controlling"** and **"controlled"** have meanings correlative to the foregoing;

"Agreement" means this agreement, including its recitals and schedules, as amended from time to time;

"Amalco" has the meaning set out in Section 2.01(e);

"Amalco Shares" means common shares in the capital of Amalco;

"Amalgamation" means the amalgamation of Tokyo Smoke and Subco pursuant to section 174 of the OBCA as contemplated by this Agreement;

"Amalgamation Agreement" means the amalgamation agreement in the form attached hereto as Schedule A to be entered into between Tokyo Smoke and Subco pursuant to section 175 of the OBCA to effect the Amalgamation;

"Articles of Amalgamation" means the articles of Amalgamation to be filed with the Director, in the form agreed to between DOJA and Tokyo Smoke, each acting reasonably;

"ASPE" means Accounting Standards for Private Enterprises as issued by the International Accounting Standards Board and as adopted by the Canadian Institute of Chartered Accountants;

"Assets" means the assets, undertaking, property and rights of a party to this Agreement (the **"Applicable Party"**) and the Applicable Party's Subsidiaries, of every kind and description and wheresoever situated, including the Contracts to which the Applicable Party or any of the Applicable Party's Subsidiaries is a party or has rights or obligations under and all other assets and property that the Applicable Party and the Applicable Party's Subsidiaries purport to own and all assets and property reflected as being owned by the Applicable Party and the Applicable Party's Subsidiaries in their respective financial books and records;

"Authorization" means any order, permit, approval, consent, waiver, license, certificates, registrations or similar authorization of any Governmental Authority having jurisdiction;

"BCBCA" means the *Business Corporations Act* (British Columbia), as amended;

"Board Change" means the changes to the board of directors of the Resulting Issuer as set out in Section 6.09;

"Business Combination" means the business combination among DOJA, Subco and Tokyo Smoke pursuant to which Tokyo Smoke Shareholders will receive DOJA Shares on the basis of thirteen (13) DOJA Shares for each one Tokyo Smoke Share held and DOJA will become the parent company of Amalco;

"Business Day" means a day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario or Kelowna, British Columbia;

“Canadian Jurisdictions” means each of the provinces of British Columbia, Alberta and Ontario;

“Canadian Securities Laws” means all applicable securities Laws in each of the Canadian Jurisdictions and the respective rules and regulations made thereunder, together with applicable published policy statements, instruments, orders and rulings of the securities regulatory authorities in such provinces having the force of law;

“Compelled Disclosure” has the meaning set out in Section 6.03(d)(ii);

“Confidential Information” has the meaning set out in Section 6.03(a);

“Constating Documents” means, in respect of a body corporate, the notice of articles, articles, by-laws, or other charter documents, together with any amendments thereto or replacements thereof;

“Contaminants” means any radioactive materials, asbestos materials, urea formaldehyde, hydrocarbon contaminants, underground or above-ground tanks, pollutants, contaminants, deleterious substances, dangerous substances or goods, hazardous, corrosive, or toxic substances, special waste or waste of any kind, or any other substance, the storage, manufacture, disposal, treatment, generation, use, transport, remediation, or release into the environment of which is prohibited, controlled, or regulated under Environmental Laws;

“Contract” means any agreement, contract, licence, undertaking, option, engagement, or commitment of any nature, written or oral, including any: (i) lease of personal property; (ii) unfilled purchase order; (iii) forward commitment for supplies or materials or other forward contract; (iv) derivative contract; and (v) restrictive agreement or negative covenant agreement;

“CSE” means the Canadian Securities Exchange;

“Director” means the Director appointed under the OBCA;

“Disclosing Party” has the meaning set out in Section 6.03(a);

“Dissent Rights” mean the rights of the Tokyo Smoke Dissenting Shareholders to dissent under section 185 of the OBCA with respect to the Amalgamation;

“DOJA” means DOJA Cannabis Company Limited, a corporation incorporated under the BCBCA;

“DOJA Alternative Transaction” has the meaning set forth in Section 6.08(b);

“DOJA Alternative Transaction Agreement” has the meaning set forth in Section 6.08(b);

“DOJA Bought Deal” means DOJA’s bought deal private placement of 17,250 DOJA Bought Deal Units at a price of \$1,000 per DOJA Bought Deal Unit, for gross proceeds of \$17,250,000 completed on December 28, 2017;

“DOJA Bought Deal Compensation Unit” means the compensation units to be issued upon due exercise of the DOJA Bought Deal Compensation Warrants, being comprised of one DOJA Share and one-half of one DOJA Bought Deal Compensation Unit Warrant;

“DOJA Bought Deal Compensation Unit Warrant” means the common share purchase warrants to be issued to the underwriters upon due exercise of the DOJA Bought Deal Compensation Warrant, each entitling the holder to acquire a DOJA Share in accordance with its terms;

“DOJA Bought Deal Securities” means, collectively, the DOJA Bought Deal Units, DOJA Bought Deal Warrants, the DOJA Bought Deal Compensation Warrants, the DOJA Bought Deal Compensation Units, and the DOJA Bought Deal Compensation Unit Warrants;

“DOJA Bought Deal Unit” means a unit of DOJA, each such unit comprised of a DOJA Debenture having an aggregate principal amount of \$1,000 and 403 DOJA Bought Deal Warrants;

“DOJA Bought Deal Warrants” means the common share purchase warrants that comprised part of the DOJA Bought Deal Units issued in connection with the DOJA Bought Deal;

“DOJA Bought Deal Compensation Warrants” means 834,677 compensation warrants issued to the underwriters in connection with the DOJA Bought Deal, each DOJA Bought Deal Compensation Warrant entitling the holder to acquire a DOJA Bought Deal Compensation Unit;

“DOJA Business” means the business of operating as a lifestyle company focusing on the cannabis industry, including producing cannabis, selling DOJA branded products and continuing to scale its operations, conducted by DOJA and the DOJA Subsidiaries as of the date hereof;

“DOJA Debentures” means the 8% unsecured convertible debentures of DOJA in the aggregate principal amount of \$1,000 that comprised a part of each DOJA Bought Deal Unit issued in connection with the DOJA Bought Deal;

“DOJA Disclosure Schedule” means the disclosure schedule dated and delivered to Tokyo Smoke on the date hereof;

“DOJA Event” has the meaning set forth in Section 6.08(b);

“DOJA Financial Statements” means the audited financial statements for the year ended December 31, 2016 together with the unaudited financial statements of DOJA for the nine month period ending September 30, 2017;

“DOJA License” means Licence No. 10-MM0866/2017 issued by Health Canada to DOJA Cannabis Ltd. for the production, sale or provision, possession, shipping, transportation, delivery and destruction of dried marijuana, marijuana plants and marijuana seeds, all as set out therein, delivered pursuant to the ACMPR and *Controlled Drugs and Substances Act* (Canada), as the same may be renewed and replaced by Health Canada from time to time;

“DOJA Material Adverse Effect” means a material adverse effect on (i) the business, assets, liabilities, condition (financial or otherwise), management, results of operations or shareholders' equity of DOJA and the DOJA Subsidiaries, taken as a whole, (ii) the ability of Subco to complete the Amalgamation, or (iii) the ability of DOJA to complete the Amalgamation and the Business Combination; provided, however, that this will not include any fact, circumstance, event, change, effect, or occurrence: (A) relating to the global economy or securities markets in general; (B) affecting the cannabis industry in general, including the promulgation of laws or regulations affecting businesses in the cannabis industry, and which does not have a materially disproportionate effect on DOJA and the DOJA Subsidiaries considered on a consolidated basis; (C) changes in general economic conditions in Canada or any country or region in the world, or changes in conditions in the global economy generally (to the extent that such effect has not had a disproportionate effect on DOJA relative to other companies in the industries in which it carries on business); (D) changes in conditions in the financial markets, credit markets or capital markets in Canada or any other country or region in the world; (E) changes in political conditions in Canada or any other country or region in

the world (to the extent that such effect has not had a disproportionate effect on DOJA relative to other companies in the industries in which it carries on business); (F) acts of war, sabotage or terrorism (including any escalation or general worsening of any such acts of war, sabotage or terrorism) in Canada or any other country or region in the world (to the extent that such effect has not had a disproportionate effect on DOJA relative to other companies in the industries in which it carries on business); (G) earthquakes, hurricanes, tsunamis, tornadoes, floods, mudslides, wild fires or other natural disasters, weather conditions and other force majeure events in Canada or any other country or region in the world (to the extent that such effect has not had a disproportionate effect on DOJA relative to other companies in the industries in which it carries on business); (H) the announcement of this Agreement or the pendency of consummation of the transactions contemplated hereby; (I) compliance with the terms of, or the taking of any action required or contemplated by, this Agreement or the failure to take any action prohibited by this Agreement; (J) any actions or failure to take action, in each case, to which Tokyo Smoke has in writing expressly approved, consented to or requested; or (K) changes in law or other legal or regulatory conditions (or the interpretation thereof) (to the extent that such effect has not had a disproportionate effect on DOJA relative to other companies in the industries in which it carries on business);

“DOJA Material Contracts” means (i) every Contract to which DOJA or a DOJA Subsidiary is a party requiring payment by or to DOJA or a DOJA Subsidiary of an amount in any one year in excess of an aggregate of \$100,000; (ii) every Contract to which DOJA or a DOJA Subsidiary is a party that has or would reasonably be expected to have any material direct or indirect effect (by license, assignment or otherwise) on the Assets or the DOJA Business; and (iii) every Contract to which DOJA or a DOJA Subsidiary is a party with any directors, officers, shareholders, consultants or key employees of DOJA or a DOJA Subsidiary, but excluding employment Contracts;

“DOJA Option” means an option to purchase a DOJA Share;

“DOJA Ordinary Course” means, with respect to any actions taken by DOJA or a DOJA Subsidiary, as applicable, that such action is consistent in carrying out the DOJA Business;

“DOJA Owned Intellectual Property” has the meaning set forth in Section 4.18(c);

“DOJA Performance Warrants” means the 7,652,399 warrants to purchase DOJA Shares subject to the achievement of certain performance milestones as set forth in the definitive certificates governing the warrants, at a weighted average exercise price of \$0.05 per DOJA Share;

“DOJA Plan” means the stock option plan for the directors, officers, employees and consultants of DOJA in effect on the date hereof;

“DOJA Private Placement” means the private placement by DOJA of DOJA Subscription Receipts at a price of \$1.39 per DOJA Subscription Receipt for aggregate gross proceeds of \$12,500,001.73, completed on January 9, 2018;

“DOJA RTO Warrants” means the 12,244,146 warrants to purchase DOJA Shares at an average weighted exercise price of \$0.26 per DOJA Share;

“DOJA Shares” means common shares in the capital of DOJA;

“DOJA Subscription Receipts” means subscription receipts of DOJA issued pursuant to the DOJA Private Placement;

“DOJA Subsidiaries” means, together, Subco, DOJA Cannabis Ltd. and DOJA Café Ltd.;

“DOJA Termination” has the meaning set forth in Section 6.08(b);

“Effective Date” means the effective date set forth in the certificate of amalgamation issued pursuant to the OBCA in respect of the Amalgamation;

“Effective Time” means the earliest moment on the Effective Date;

“Employee Plans” means, with respect to an Applicable Party, all employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, pension, retirement, stock option, stock purchase, stock appreciation, stock award, health, welfare, medical, dental, disability, life insurance and similar plans, programmes, arrangements or practices relating to the current or former directors, officers, or employees of the Applicable Party and its Subsidiaries, maintained, funded or sponsored or required to be contributed to by the Applicable Party or a Subsidiary thereof, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered, under which the Applicable Party or a Subsidiary thereof may have or would be reasonably expected to have any material Liability, contingent or otherwise, except for any statutory plans to which the Applicable Party or any of its Subsidiaries is obliged to contribute or comply with including the Canada/Québec Pension Plan, or plans administered pursuant to applicable federal or provincial health, worker’s compensation or employment insurance legislation;

“Encumbrance” means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that, in substance secures payment or performance of an obligation;

“Environmental Laws” means any federal, state, provincial, territorial or local law, statute, ordinance, rule, regulation, order, decree, judgment, injunction, permit, license, authorization or other binding requirement, or common law, relating to health, safety or the regulation, protection, cleanup or restoration of the environment or natural resources, including those relating to the distribution, processing, generation, treatment, control, storage, disposal, transportation, other handling or release or threatened release of Contaminants;

“Exchange Ratio” means thirteen (13) DOJA Shares to be issued by DOJA in exchange for each one (1) Tokyo Smoke Share pursuant to the Amalgamation;

“Governmental Authority” means (i) any international, multinational, national, federal, provincial, state, municipal, local or other government or governmental or public ministry, department, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; (iii) any quasi-governmental body exercising any regulatory, expropriation or taxing authority; or (iv) any stock exchange or securities market;

“Governmental Charges” means all Taxes, customs, duties, rates, levies, assessments, reassessments and other charges, unemployment insurance contributions, pension plan contributions and any deductions or other amounts which it is required by Law or Contract to pay, deduct, withhold, collect or remit to any Governmental Authority or other entities entitled to receive payment of such amounts, together with all penalties, interest and fines with respect thereto, payable to any Governmental Authority;

"IFRS" means International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the Canadian Institute of Chartered Accountants;

"Intellectual Property" has the meaning set out in Section 3.17(a);

"Hold Period" has the meaning set out in Section 7.01(a);

"knowledge of DOJA" means the actual knowledge of the Chief Executive Officer, the Chief Financial Officer, the President or Vice President of DOJA, after reasonable inquiry;

"knowledge of Tokyo Smoke" means the actual knowledge of the Chief Executive Officer or the President of Tokyo Smoke, after reasonable inquiry;

"Laws" means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, instruments, policies, notices, directions and judgments or other requirements having the force of law of any Governmental Authority having jurisdiction over the matter and/or person then being referred to;

"Letter of Intent" means the letter of intent between DOJA and Tokyo Smoke with respect to, among other things, the Business Combination, dated December 20, 2017, as amended from time to time;

"Liability" of any person means (i) any right against such person to payment, whether or not such right is reduced to judgment, and whether or not the amount is liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; (ii) any right against such person to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to any equitable remedy is reduced to judgment, and whether or not the amount is fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; and (iii) any obligation of such person for the performance of any covenant or agreement (whether for the payment of money or otherwise);

"Losses", in respect of any matter, means all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter;

"Name Change" means the change of DOJA's name to "Hiku Brands Company Ltd.", or such other name as is acceptable to Tokyo Smoke and DOJA;

"OBCA" means the *Business Corporations Act* (Ontario), as amended;

"Offer" has the meaning set forth in Section 6.07(b);

"Owned Intellectual Property" has the meaning given to it in Section 3.17(c);

"Permitted Encumbrances" means (i) Encumbrances for Taxes not yet due and delinquent; (ii) inchoate or statutory Encumbrances of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of the Assets, provided that such Encumbrances are related to obligations not due or delinquent and in respect of which adequate holdbacks are being maintained as required by Law; (iii) the right reserved to or vested in any Governmental Authority by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of the applicable entity, to terminate any such lease, licence,

franchise, grant or permit, or to require annual or other payments as a condition of their continuance; and; and (iv) Encumbrances listed and described in Section 4.02 of the DOJA Disclosure Schedule in the case of DOJA and the DOJA Subsidiaries;

"Person" means any (i) corporation, partnership, limited liability company or partnership, joint venture, trust, unincorporated association or organization, business, enterprise or other entity; (ii) any individual; and (iii) any Governmental Authority;

"Public Record" means all information filed or to be filed by or on behalf of DOJA prior to the earlier of the Effective Date or the termination of this Agreement with any securities commission or regulatory authority in compliance, or intended compliance, with the continuous disclosure obligations applicable to a reporting issuer under applicable Laws;

"Recipient" has the meaning set out in Section 6.03(a);

"Regulation D" means Regulation D adopted by the United States Securities and Exchange Commission under the U.S. Securities Act;

"Regulation S" means Regulation S adopted by the United States Securities and Exchange Commission under the U.S. Securities Act;

"Replacement Options" means the options to purchase Resulting Issuer Shares to be issued by the Resulting Issuer in exchange for the Tokyo Smoke Options issued and outstanding upon the completion of the Business Combination in accordance with this Agreement;

"Representatives" has the meaning set out in Section 6.03(a);

"Resulting Issuer" means DOJA at the Effective Date, which, following completion of the Transactions, will be named "Hiku Brands Company Ltd." or such other name as agreed upon by Tokyo Smoke and DOJA;

"Resulting Issuer Shares" means common shares in the capital of the Resulting Issuer;

"Subco" means 2614070 Ontario Inc., a corporation incorporated under the OBCA and a wholly-owned subsidiary of DOJA;

"Subco Common Shares" means the common shares in the capital of Subco;

"Subsidiary" means, with respect to a specified body corporate, any body corporate of which the specified body corporate is entitled to elect a majority of the directors thereof or over which the specified body corporate holds more than 50% of the votes for the directors thereof and will include any body corporate, partnership, joint venture or other person (other than an individual) over which such specified body corporate exercises direction or control or which is in a like relation to such a body corporate;

"Tax" or **"Taxes"** means, in relation to any person, any and all taxes, whether or not referred to as taxes, (including any and all fines, interest and penalties in respect thereof) of any nature imposed, levied, withheld or assessed on or with respect to the income, profits, gross receipts, sales, capital, assets, real property, personal property, production, employees, payroll, benefit payments, purchases, payments, receipts or gains of such person (including, without limitation, any federal or state income, franchise or sales taxes, corporation capital tax, customs or excise duties or municipal license fees,

withholding tax and any taxes and other deductions required to be paid or withheld from any payment made to any person) by Canada or any province thereof, the United States of America or any political subdivision or taxing authority thereof or therein, or by any other country or any political subdivision or taxing authority thereof or therein;

"Tax Act" means the *Income Tax Act* (Canada), as amended, and all regulations thereunder;

"Tax Returns" means all returns, declarations, reports, information returns and statements filed or required to be filed by any taxing authority relating to Taxes;

"Tokyo Smoke" means TS Brandco Holdings Inc., a corporation incorporated under the OBCA;

"Tokyo Smoke Alternative Transaction" has the meaning set forth in Section 6.07(b);

"Tokyo Smoke Alternative Transaction Agreement" has the meaning set forth in Section 6.07(b);

"Tokyo Smoke Business" means the business of operating as a lifestyle company focusing on the cannabis industry, including selling Tokyo Smoke branded products and continuing to scale its operations, conducted by Tokyo Smoke and the Tokyo Smoke Subsidiaries as of the date hereof;

"Tokyo Smoke Circular" means the management information circular of Tokyo Smoke to be provided to the Tokyo Smoke Shareholders in respect of the Amalgamation and the other matters (if any) to be considered at the Tokyo Smoke Meeting;

"Tokyo Smoke Disclosure Schedule" means the disclosure schedule dated and delivered to DOJA on the date hereof;

"Tokyo Smoke Dissent Procedures" means the dissent procedures provided to Tokyo Smoke Shareholders pursuant to Section 185 of the OBCA;

"Tokyo Smoke Dissenting Shareholder" means a registered Tokyo Smoke Shareholder who dissents in respect of the Amalgamation in strict compliance with the Tokyo Smoke Dissent Procedures;

"Tokyo Smoke Event" has the meaning set forth in Section 6.07(b);

"Tokyo Smoke Financial Statements" means the financial statements of Tokyo Smoke for the financial year ended September 30, 2017;

"Tokyo Smoke Material Adverse Effect" means a material adverse effect on (i) the business, assets, liabilities, condition (financial or otherwise), management, results of operations or shareholders' equity of Tokyo Smoke and the Tokyo Smoke Subsidiaries, taken as a whole, or (ii) the ability of Tokyo Smoke to complete the Business Combination and the Amalgamation; provided, however, that this will not include any fact, circumstance, event, change, effect, or occurrence: (A) relating to the global economy or securities markets in general; (B) affecting the cannabis industry in general, including the promulgation of laws or regulations affecting businesses in the cannabis industry, and which does not have a materially disproportionate effect on Tokyo Smoke and the Tokyo Smoke Subsidiaries considered on a consolidated basis; (C) changes in general economic conditions in Canada or any country or region in the world, or changes in conditions in the global economy generally (to the extent that such effect has not had a disproportionate effect on Tokyo Smoke relative to other companies in the industries in which it carries on business); (D) changes in

conditions in the financial markets, credit markets or capital markets in Canada or any other country or region in the world; (E) changes in political conditions in Canada or any other country or region in the world (to the extent that such effect has not had a disproportionate impact on Tokyo Smoke relative to other companies in the industries in which Tokyo Smoke carries on business); (F) acts of war, sabotage or terrorism (including any escalation or general worsening of any such acts of war, sabotage or terrorism) in Canada or any other country or region in the world (to the extent such effect has not had a disproportionate impact on Tokyo Smoke relative to other companies in the industries in which Tokyo Smoke carries on business); (G) earthquakes, hurricanes, tsunamis, tornadoes, floods, mudslides, wild fires or other natural disasters, weather conditions and other force majeure events in Canada or any other country or region in the world (to the extent such effect has not had a disproportionate impact on Tokyo Smoke relative to other companies in the industries in which Tokyo Smoke carries on business); (H) the announcement of this Agreement or the pendency of consummation of the transactions contemplated hereby; (I) compliance with the terms of, or the taking of any action required or contemplated by, this Agreement or the failure to take any action prohibited by this Agreement; (J) any actions or failure to take action, in each case, to which DOJA has in writing expressly approved, consented to or requested; or (K) changes in law or other legal or regulatory conditions (or the interpretation thereof) (to the extent such change has not had a disproportionate impact on Tokyo Smoke relative to other companies in the industries in which Tokyo Smoke carries on business);

“Tokyo Smoke Material Contracts” means (i) every Contract to which Tokyo Smoke or a Tokyo Smoke Subsidiary is a party requiring payment by or to Tokyo Smoke or a Tokyo Smoke Subsidiary of an amount in any one year in excess of an aggregate of \$100,000; (ii) every Contract to which Tokyo Smoke or a Tokyo Smoke Subsidiary is a party that has or would reasonably be expected to have any material direct or indirect effect (by license, assignment or otherwise) on the Assets or the Tokyo Smoke Business; and (iii) every Contract to which Tokyo Smoke or a Tokyo Smoke Subsidiary is a party with any directors, officers, shareholders, consultants or key employees of Tokyo Smoke or the Tokyo Smoke Subsidiaries, but excluding employment Contracts;

“Tokyo Smoke Meeting” means the annual and special meeting of the shareholders of Tokyo Smoke to be held to approve, among other things, the Amalgamation and any and all adjournments or postponements of such meeting;

“Tokyo Smoke Option” means an option to purchase a Tokyo Smoke Share;

“Tokyo Smoke Ordinary Course” means, with respect to any actions taken by Tokyo Smoke or a Tokyo Smoke Subsidiary, as applicable, that such action is consistent in carrying out the Tokyo Smoke Business;

“Tokyo Smoke Plan” means the stock option plan for the directors, officers, employees and consultants of Tokyo Smoke in effect on the date hereof;

“Tokyo Smoke Shareholder Approval” has the meaning set forth in Section 6.05(c);

“Tokyo Smoke Shareholders’ Agreement” means the shareholders’ agreement of Tokyo Smoke dated October 27, 2016, as amended on December 2, 2016;

“Tokyo Smoke Shares” means, collectively, the Class A Common Shares, the Class B Common Shares, the Class C Common Shares and the Class D Common Shares in the capital of Tokyo Smoke;

"Tokyo Smoke Subsidiaries" means, collectively, TS Coffee Inc., TS Coffee (Queen) Inc., TS Coffee (College) Inc., TS Coffee (Hamilton) Inc., TS Coffee (Broadview) Inc., TS Coffee (Richmond) Inc., GRRBWA LLC and GRRBWA Coffee Inc.;

"Tokyo Smoke Supporting Shareholders" means Alan Gertner, Lorne Gertner and Bob Broderick;

"Tokyo Smoke Termination" has the meaning set forth in Section 6.07(b);

"Tokyo Smoke Voting Agreements" means the voting agreements (including all amendments thereto) between DOJA and the Tokyo Smoke Supporting Shareholders setting forth the terms and conditions upon which they have agreed, among other things, to vote their Tokyo Smoke Shares in favour of the Amalgamation at the Tokyo Smoke Meeting;

"Transactions" means the transactions contemplated by, or in relation to, this Agreement including the DOJA Private Placement, the Amalgamation and the Business Combination;

"United States" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"U.S. Person" means a "U.S. person" as defined in Regulation S under the U.S. Securities Act; and

"U.S. Securities Act" means the United States Securities Act of 1933, as amended.

1.02 **Headings**

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

1.03 **Extended Meanings**

In this Agreement, words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term "including" means "including without limiting the generality of the foregoing".

1.04 **Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.05 **Accounting Principles**

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered

Accountants, or any successor institute, applicable as at the date on which such calculation or action is made or taken or required to be made or taken.

1.06 **Currency**

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

1.07 **Schedules**

The following are the Schedules to this Agreement:

Schedule A - Amalgamation Agreement

ARTICLE 2
BUSINESS COMBINATION

2.01 **Business Combination**

(a) DOJA and Tokyo Smoke agree to effect the combination of their respective businesses and assets by way of a "three-cornered amalgamation" among DOJA, Subco and Tokyo Smoke.

(b) As soon as reasonably practicable following the execution and delivery of this Agreement Tokyo Smoke shall call and hold the Tokyo Smoke Meeting for the purpose of approving the Amalgamation and shall prepare and mail the Tokyo Smoke Circular to the Tokyo Smoke Shareholders.

(c) As soon as reasonably practicable following the approval of the Amalgamation by the Tokyo Smoke Shareholders at the Tokyo Smoke Meeting, DOJA shall pass a special resolution, as sole shareholder of Subco, approving the Amalgamation.

(d) Immediately prior to the Effective Time, DOJA shall complete and file Articles of Amendment, in the prescribed form, giving effect to the Name Change subject to the terms of this Agreement and shall change its ticker to "HIKU".

(e) Upon the approval of the Amalgamation by the Tokyo Smoke Shareholders, Tokyo Smoke and Subco will amalgamate, pursuant to the provisions of the OBCA, by jointly completing and filing Articles of Amalgamation with the Director, and shall continue as one corporation ("Amalco") effective at the Effective Time, giving effect to the Amalgamation subject to the terms of the Amalgamation Agreement, the form of which is set forth in Schedule A attached hereto.

(f) At the Effective Time and as a result of the Amalgamation:

(i) each holder of Tokyo Smoke Shares (other than Tokyo Smoke Dissenting Shareholders described in Section 2.01(h)) shall receive thirteen (13) fully paid and non-assessable DOJA Shares for each one (1) Tokyo Smoke Share held, following which all such Tokyo Smoke Shares shall be cancelled;

(ii) DOJA shall receive one fully paid and non-assessable Amalco Share for each one Subco Share held by DOJA, following which all such Subco Shares shall be cancelled;

- (iii) in consideration of the issuance of DOJA Shares pursuant to paragraph 2.01(f)(i), Amalco shall issue to DOJA one Amalco Share for each DOJA Share so issued;
 - (iv) DOJA shall add to the stated capital maintained in respect of the DOJA Shares an amount equal to the aggregate paid-up capital for purposes of the Tax Act of the Tokyo Smoke Shares immediately prior to the Effective Time (less the paid-up capital of any Tokyo Smoke Shares held by Tokyo Smoke Dissenting Shareholders who do not exchange their Tokyo Smoke Shares for DOJA Shares on the Amalgamation);
 - (v) Amalco shall add to the stated capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the Tax Act of the DOJA Shares and Tokyo Smoke Shares immediately prior to the Effective Time;
 - (vi) no fractional DOJA Shares shall be issued upon the exchange of Tokyo Smoke Shares; the number of DOJA Shares to be received by a holder of Tokyo Smoke Shares will be (A) rounded up to the nearest whole DOJA Share, in the event that the former holder of Tokyo Smoke Shares is entitled to receive a fractional share representing 0.5 or more of a DOJA Share, and (B) be rounded down to the nearest whole DOJA Share, in the event that the former holder of Tokyo Smoke Shares is entitled to receive a fractional share representing less than 0.5 of a DOJA Share;
 - (vii) DOJA shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to the transactions contemplated by this Agreement to any holder of Tokyo Smoke Shares such amounts as it determines are required or permitted to be deducted and withheld with respect to such payment under the Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Tokyo Smoke Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority; and
 - (viii) Amalco will become a wholly-owned subsidiary of DOJA.
- (g) At the Effective Time:
- (i) subject to subsection 2.01(f), the registered holders of Tokyo Smoke Shares shall become the registered holders of the DOJA Shares to which they are entitled, calculated in accordance with the provisions hereof, and shall receive as soon as reasonably practicable following the Effective Time certificates representing the number of DOJA Shares to which they are so entitled; and
 - (ii) DOJA shall become the registered holder of the Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof, and shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof.
- (h) At the Effective Time, each Tokyo Smoke Share held by a Tokyo Smoke Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of any Encumbrance, to Amalco and Amalco shall thereupon be obliged to pay the amount

therefor determined and payable in accordance with Section 2.032.02(e) hereof, the name of such holder shall be removed from the central securities register as a holder of Tokyo Smoke Shares and such Tokyo Smoke Dissenting Shareholder will cease to have any rights as a Tokyo Smoke Shareholder other than the right to be paid the fair value of its Tokyo Smoke Shares in accordance with Section 2.02(e).

(i) If a Tokyo Smoke Dissenting Shareholder fails to perfect or effectively withdraws its claim under section 185 of the OBCA or forfeits its right to make a claim under section 185 of the OBCA or if its rights as a Tokyo Smoke Shareholder are otherwise reinstated, such holder's Tokyo Smoke Shares shall thereupon be deemed to have been exchanged as of the Effective Time as prescribed by paragraph 2.01(f)(i).

(j) DOJA Shares will only be issued to U.S. Persons that are Accredited Investors and shall be "restricted securities" as defined in Rule 144(a)(3) of the U.S. Securities Act and shall bear a legend in customary form restricting re-sale and transfer without registration under the U.S. Securities Act unless pursuant to an available exemption from registration under the U.S. Securities Act.

2.02 Outstanding Options and Warrants

At the Effective Time:

(a) each Tokyo Smoke Option which is outstanding and has not been duly exercised prior to the Effective Date shall be exchanged for a Replacement Option to purchase from the Resulting Issuer the number of Resulting Issuer Shares equal to (i) the Exchange Ratio multiplied by (ii) the number of Tokyo Smoke Shares subject to such Tokyo Smoke Option immediately prior to the Effective Date. Such Replacement Option shall provide for an exercise price per Resulting issuer Share (rounded up to the nearest whole cent) equal to (y) the exercise price per Tokyo Smoke Share otherwise purchasable pursuant to such Tokyo Smoke Option, subject to adjustment to meet the requirements of Subsection 7(1.4) of the Tax Act as provided below divided by (z) the Exchange Ratio. If the foregoing calculation results in the total Replacement Options of a particular holder being exercisable for a number of Resulting Issuer Shares that includes a fractional Resulting Issuer Share, the total number of Resulting Issuer Shares subject to such holder's total Replacement Options shall be rounded down to the nearest whole number of Resulting Issuer Shares. All terms and conditions of a Replacement Option, including the term to expiry, conditions to and manner of exercising, will be the same as the Tokyo Smoke Option for which it was exchanged, and any certificate or option agreement previously evidencing the Tokyo Smoke Option shall thereafter evidence and be deemed to evidence such Replacement Option. Notwithstanding the foregoing, if required for purposes of meeting the requirements of paragraph 7(1.4)(c) of the Tax Act, the exercise price of each Replacement Option of any particular holder shall be, and shall be deemed to be, adjusted at the time of the exchange by the amount, and only to the extent, necessary to ensure that the aggregate fair market value of the Resulting Issuer Shares subject to the Replacement Option immediately after the exchange over the aggregate exercise price for such Resulting Issuer Shares pursuant to the Replacement Option does not exceed the excess of the aggregate fair market value of Tokyo Smoke Shares subject to the Tokyo Smoke Option immediately before the exchange over the aggregate exercise price for such Tokyo Smoke Shares under the Tokyo Smoke Option, and:

(i) each holder of Tokyo Smoke Options shall cease to be the holder of Tokyo Smoke Options, or have any rights as a holder of such Tokyo Smoke Options (other than to receive Replacement Options in accordance with the Business Combination);

- (ii) each name of a holder of Tokyo Smoke Options shall be removed from the register of Tokyo Smoke Options maintained by or on behalf of Tokyo Smoke;
- (iii) all Tokyo Smoke Options exchanged pursuant to this Section 2.02(a) shall be cancelled;
- (b) the DOJA Options outstanding immediately before the Effective Time shall continue in effect unamended;
- (c) the DOJA Performance Warrants outstanding immediately before the Effective Time shall continue in effect unamended;
- (d) the DOJA Warrants outstanding immediately before the Effective Time shall continue in effect unamended;
- (e) Replacement Options will not be exercisable in the United States or by or on behalf of a U.S. Person unless an exemption from registration is available under the U.S. Securities Act and applicable state securities laws is available and Replacement Options issued to U.S. Persons, if any, shall bear a legend in customary form to such effect.

2.03

Dissent Rights

Registered Tokyo Smoke Shareholders may exercise rights of dissent ("**Dissent Rights**") from the Amalgamation pursuant to and in the manner set forth under section 185 of the OBCA, provided that holders who exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their Tokyo Smoke Shares, which fair value shall be the fair value of such shares as at the close of business on the day prior to the Tokyo Smoke Meeting, shall be paid an amount equal to such fair value by Amalco; and
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Tokyo Smoke Shares shall be deemed to have participated in the Amalgamation, as of the Effective Time, on the same basis as a non-dissenting holder of Tokyo Smoke Shares and shall be entitled to receive only the consideration contemplated in subsection 2.01(f)(i) hereof that such holder would have received pursuant to the Amalgamation if such holder had not exercised Dissent Rights;

but in no case shall DOJA, Subco or Tokyo Smoke or any other Person be required to recognize holders of Tokyo Smoke Shares who exercise Dissent Rights as holders of Tokyo Smoke Shares after the time that is immediately prior to the Effective Time, and the names of such holders of Tokyo Smoke Shares who exercise Dissent Rights shall be deleted from the register of Tokyo Smoke Shareholders at the Effective Time. In no circumstances shall DOJA, Subco, Tokyo Smoke or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is a registered holder of Tokyo Smoke Shares in respect of which such Dissent Rights are sought to be exercised. A registered holder of Tokyo Smoke Shares is not entitled to exercise Dissent Rights with respect to Tokyo Smoke Shares if such holder votes (or instructs, or is deemed, by submission of any incomplete proxy, to have instructed his, her or its proxyholder to vote) in favour of the resolution approving the Amalgamation at the Tokyo Smoke Meeting.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF TOKYO SMOKE

Tokyo Smoke represents and warrants to DOJA as follows and acknowledges and confirms that DOJA is relying on such representations and warranties in connection with its entering into this Agreement.

3.01 Incorporation and Registration

Each of Tokyo Smoke and the Tokyo Smoke Subsidiaries is a corporation duly existing under the Laws of its respective jurisdiction and each has all necessary corporate power, authority and capacity to own its property and assets and to carry on its business as currently conducted, except where the failure to have such power, authority and capacity would not reasonably be expected to have a Tokyo Smoke Material Adverse Effect. Neither the nature of its activities or the Tokyo Smoke Business nor the location or character of the Assets owned, operated or leased by Tokyo Smoke or the Tokyo Smoke Subsidiaries require Tokyo Smoke or the Tokyo Smoke Subsidiaries to be registered, licensed or otherwise qualified as a foreign corporation or to be in good standing in any jurisdiction other than the jurisdictions where it is so registered, licensed or qualified, except where the failure to be so registered, licensed or qualified or remain in good standing would not reasonably be expected to have a Tokyo Smoke Material Adverse Effect. No proceedings have been instituted or are pending for the dissolution or liquidation of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries.

3.02 Subsidiaries

The only Subsidiaries of Tokyo Smoke are the Tokyo Smoke Subsidiaries. Except for the Tokyo Smoke Subsidiaries and as disclosed in Schedule 3.02 of the Tokyo Smoke Disclosure Schedule, Tokyo Smoke does not have any interest in any body corporate, partnership, joint ventures or other entity or person. Except as disclosed in Schedule 3.02 of the Tokyo Smoke Disclosure Schedule, none of Tokyo Smoke and the Tokyo Smoke Subsidiaries is a party to any agreement, option or commitment to acquire any shares or securities of any body corporate, partnership, trust, joint venture or other entity or person other than in connection with the Business Combination. Tokyo Smoke is the sole registered holder and beneficial owner of 100% of the issued and outstanding shares in the capital of the Tokyo Smoke Subsidiaries, other than GRRBWA Coffee Inc. which is wholly-owned by GRRBWA LLC, and free and clear of all Encumbrances, claims or demands of any kind whatsoever other than Permitted Encumbrances. All of such shares and securities have been fully authorized and validly issued and in the case of shares are outstanding as fully paid and non-assessable shares. No other securities of the Tokyo Smoke Subsidiaries are issued and outstanding.

3.03 Bankruptcy, etc.

No bankruptcy, insolvency or receivership proceedings have been instituted by Tokyo Smoke or any Tokyo Smoke Subsidiary or, to the knowledge of Tokyo Smoke, are pending against Tokyo Smoke or any Tokyo Smoke Subsidiary and each of Tokyo Smoke and the Tokyo Smoke Subsidiaries is, in the Tokyo Smoke Ordinary Course, able to pay its debts and other obligations.

3.04 Due Authorization, etc.

Subject to the requisite shareholder approvals, (i) Tokyo Smoke has all necessary corporate power, capacity and authority to enter into this Agreement and to carry out its obligations under this Agreement and to undertake the Business Combination, and (ii) this Agreement has been duly authorized, executed and delivered by Tokyo Smoke and constitutes a valid and binding obligation of Tokyo Smoke

enforceable against it in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by Law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunctions are in the discretion of the court from which they are sought.

3.05 **Absence of Conflict**

The entering into, and the performance by Tokyo Smoke of the transactions contemplated in, this Agreement:

- (a) do not and will not require any consent, permit, approval, Authorization or order of any Governmental Authority, except that which may be required under applicable securities legislation or the rules of the CSE and any approval or authorization under the OBCA for the Business Combination and the Amalgamation;
- (b) do not and will not contravene any applicable Laws or any rule or regulation of any Governmental Authority which is binding on Tokyo Smoke, where such contravention would reasonably be expected to have a Tokyo Smoke Material Adverse Effect; and
- (c) does not and will not violate, result in the 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 (i) the Constatng Documents of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries, or any resolution of the directors or shareholders of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries, or (ii) any Contract to which Tokyo Smoke or any of the Tokyo Smoke Subsidiaries is a party or by which the Assets or the Tokyo Smoke Business is bound or affected, or (iii) any judgment, decree or order or any term or provision thereof applicable to Tokyo Smoke or any of the Tokyo Smoke Subsidiaries or any of the Assets or the Tokyo Smoke Business, which breach, conflict or default would reasonably be expected to have a Tokyo Smoke Material Adverse Effect or to result in the creation of any Encumbrance upon any of the Assets.

3.06 **Share Capital**

The authorized capital of Tokyo Smoke consists of an unlimited number of Class A Common Shares, an unlimited number of Class B Common Shares, an unlimited number of Class C Common Shares and an unlimited number of Class D Common Shares, of which 2,679,536 Class A Common Shares, 1,520,901 Class B Common Shares, nil Class C Common Shares and 22,569 Class D Common Shares are issued and outstanding as at the date hereof. All of the issued shares of Tokyo Smoke have been duly and validly issued in compliance with applicable Law and are outstanding as fully paid and non-assessable shares in the capital of Tokyo Smoke.

3.07 **Options and Other Convertible Securities**

Except for the holders of 871,734 Tokyo Smoke Options and as disclosed in Schedule 3.07 of the Tokyo Smoke Disclosure Schedule, no person has or will have any right, agreement, warrant or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from Tokyo Smoke or any of the Tokyo Smoke Subsidiaries of any interest in any of the outstanding shares or securities of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries, or for the issue or allotment of any unissued shares in the capital of Tokyo Smoke or the Tokyo Smoke Subsidiaries or any other security directly or indirectly convertible into or exchangeable for such shares in the capital of Tokyo Smoke

or the Tokyo Smoke Subsidiaries or for the issue of any other securities of any nature or kind of Tokyo Smoke or a Tokyo Smoke Subsidiary.

3.08 **No Pre-Emptive Rights**

Except pursuant to the Tokyo Smoke Shareholders' Agreement, no holder of securities of Tokyo Smoke is entitled to any pre-emptive or similar right to subscribe for securities of Tokyo Smoke.

3.09 **Financial Statements**

The Tokyo Smoke Financial Statements have been prepared in accordance with ASPE applied on a basis consistent with that of preceding periods, and

(a) the balance sheets included in such Tokyo Smoke Financial Statements fairly present, in all material respects, the financial condition of Tokyo Smoke on the respective dates thereof; and

(b) the statements of operations and deficit included in the Tokyo Smoke Financial Statements fairly present, in all material respects, the results of operations of Tokyo Smoke for the fiscal periods then ended.

3.10 **Absence of Changes**

Since September 30, 2017, there has not been any material adverse change in the Tokyo Smoke Business and the results of operations, financial condition, assets, properties, capital, liabilities (contingent or otherwise), cash flow or business operations of Tokyo Smoke and the Tokyo Smoke Subsidiaries considered on a consolidated basis that would reasonably be expected to have a Tokyo Smoke Material Adverse Effect.

3.11 **Internal Controls Over Financial Reporting**

To the knowledge of Tokyo Smoke, prior to the date of this Agreement there is no fraud, whether or not material, that involves management or other employees who have a significant role in Tokyo Smoke's internal control over financial reporting. Since September 30, 2017, and prior to the date of this Agreement, Tokyo Smoke has received no (x) material complaints from any source regarding accounting, internal accounting controls or auditing matters or (y) expressions of concern from employees of Tokyo Smoke regarding questionable accounting or auditing matters.

3.12 **Ordinary Course**

Since December 20, 2017, except for the transactions contemplated by this Agreement, the Tokyo Smoke Business has been carried on in the Tokyo Smoke Ordinary Course.

3.13 **No Restrictions on Activities**

Except as disclosed in Schedule 3.13 of the Tokyo Smoke Disclosure Schedule, none of Tokyo Smoke nor any of the Tokyo Smoke Subsidiaries are party to or bound or affected by any commitment, Contract or document containing any covenant which in any way expressly limits the freedom of Tokyo Smoke or the Tokyo Smoke Subsidiaries to compete in any line of business, or to use, transfer or move any of its Assets or operations, or which materially or adversely affects the business practices, operations or condition of Tokyo Smoke or the Tokyo Smoke Subsidiaries, respectively, and taken as a whole.

3.14 **Extent of Liabilities**

Other than expenses incurred in connection with the Business Combination, as set forth in Schedule 3.14 of the Tokyo Smoke Disclosure Schedule and in the Tokyo Smoke Ordinary Course, Tokyo Smoke and the Tokyo Smoke Subsidiaries have no Liabilities (accrued, absolute, contingent or otherwise), except as disclosed in the Tokyo Smoke Financial Statements.

3.15 **Non-Arm's Length Transactions**

Except as disclosed in Schedule 3.15 of the Tokyo Smoke Disclosure Schedule:

(a) none of Tokyo Smoke nor any of the Tokyo Smoke Subsidiaries has engaged in any transaction with, made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any director, officer, employee or shareholder of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries or any other person with whom Tokyo Smoke or any of the Tokyo Smoke Subsidiaries is not dealing at arm's length (within the meaning of the Tax Act) or any affiliate of any of the foregoing, except for amounts due as normal compensation or reimbursement of ordinary business expenses; and

(b) none of Tokyo Smoke nor any of the Tokyo Smoke Subsidiaries is a party to any contract or agreement with any director, officer, employee, or shareholder of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries or any other person with whom Tokyo Smoke or any of the Tokyo Smoke Subsidiaries is not dealing at arm's length (within the meaning of the Tax Act) or any affiliate of any of the foregoing, other than employment agreements entered into in the Tokyo Smoke Ordinary Course and agreements evidencing the Tokyo Smoke Options granted to date.

3.16 **No Guarantees**

None of Tokyo Smoke nor any of the Tokyo Smoke Subsidiaries is bound by any Contract, assurance, bond, undertaking or guarantee under or pursuant to which it has guaranteed or endorsed the debts, obligations or Liabilities of any other person.

3.17 **Intellectual Property**

(a) Except for certain pending patents and trademarks disclosed in Schedule 3.17(a) of the Tokyo Smoke Disclosure Schedule, Tokyo Smoke and the Tokyo Smoke Subsidiaries own all rights in or have obtained valid and enforceable licenses or other rights to use, the patents, patent applications, inventions, copyrights, know how (including trade secrets and other proprietary or confidential information), trade-marks (both registered and unregistered), trade names or any other intellectual property (collectively, "**Intellectual Property**") necessary to carry on their respective businesses as currently carried on or proposed to be carried on, free and clear of all Encumbrances, except for Permitted Encumbrances.

(b) Except as disclosed in Schedule 3.17(b) of the Tokyo Smoke Disclosure Schedule, to the knowledge of Tokyo Smoke, there are no third parties who have, or will be able to establish, rights (including any license) to any trade-mark applications, trade-mark registrations, patent applications or patents owned by Tokyo Smoke or any Tokyo Smoke Subsidiary (or rights in the subject matter of such trade-mark applications, trade-mark registrations, patent applications or patents) in such a manner that would reasonably be expected to have a Tokyo Smoke Material Adverse Effect.

- (c) Except as disclosed in Schedule 3.17(c) of the Tokyo Smoke Disclosure Schedule, none of Tokyo Smoke nor any Tokyo Smoke Subsidiary has received any written notice of (i) any infringement by third parties of any Intellectual Property owned by Tokyo Smoke or any Tokyo Smoke Subsidiary ("**Owned Intellectual Property**"), (ii) any conflict with a third party whereby it is alleged that either Tokyo Smoke or any Tokyo Smoke Subsidiary infringes or otherwise violates any Intellectual Property of others, (iii) any conflict with a third party whereby Tokyo Smoke or any of Tokyo Smoke Subsidiaries' rights in or to any Owned Intellectual Property or the validity or scope of any Owned Intellectual Property is challenged, which infringement or conflict (if the subject of any unfavourable decision, ruling or finding), would reasonably be expected to have a Tokyo Smoke Material Adverse Effect.
- (d) Except in respect of Owned Intellectual Property that is not material to the business of Tokyo Smoke or any Tokyo Smoke Subsidiary as currently carried on or as proposed to be carried on, there is no application for registration of any Owned Intellectual Property with respect to which there has been a determination of unregistrability, and, to the knowledge of Tokyo Smoke, there are no facts which would form a reasonable basis for such determination.
- (e) To the knowledge of Tokyo Smoke, there is no Intellectual Property held by others that would prevent the development, manufacture, use, sale, lease, license and service of products now existing or under development by Tokyo Smoke or any Tokyo Smoke Subsidiary, other than those sourced from third parties.

3.18

Assets

- (a) The Tokyo Smoke Business is the only business carried on by Tokyo Smoke and the Tokyo Smoke Subsidiaries. The Assets include all assets, rights, Authorizations and property necessary to conduct the Tokyo Smoke Business immediately after the Business Combination in the same manner it is currently conducted, except as would not reasonably be expected to have a Tokyo Smoke Material Adverse Effect.
- (b) Tokyo Smoke and the Tokyo Smoke Subsidiaries have good and marketable title to all of the Assets, free and clear of any and all claims and Encumbrances whatsoever other than Permitted Encumbrances.
- (c) No person or other entity has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase or other acquisition from Tokyo Smoke or the Tokyo Smoke Subsidiaries of any of the Assets.

3.19

Tokyo Smoke Material Contracts

Schedule 3.19 of the Tokyo Smoke Disclosure Schedule sets forth a true and complete list of all Tokyo Smoke Material Contracts. Each such Tokyo Smoke Material Contract is a valid and subsisting agreement, enforceable in accordance with the terms thereof, and can be fulfilled and performed in all material respects by Tokyo Smoke or the Tokyo Smoke Subsidiaries in the Tokyo Smoke Ordinary Course. Each such Tokyo Smoke Material Contract is unamended since being made available to DOJA, is in full force and effect, in good standing and no event of default has occurred and is continuing and no event has occurred which, with the giving of notice, the passing of time or both, would constitute an event of default by Tokyo Smoke or one of the Tokyo Smoke Subsidiaries under any Tokyo Smoke Material Contract. To the knowledge of Tokyo Smoke, no event has occurred which, with the giving of notice, the lapse of time or both, would constitute an event of default by any other party to any such Tokyo Smoke Material Contract, none of

Tokyo Smoke or the Tokyo Smoke Subsidiaries is alleged to be in default of any of the provisions of such Tokyo Smoke Material Contracts, and Tokyo Smoke is not aware of any disputes with respect thereto.

3.20 **Other Contracts**

Other than the Tokyo Smoke Material Contracts, none of Tokyo Smoke nor any of the Tokyo Smoke Subsidiaries is a party to any Contract, the termination, expiry or non-renewal of which would reasonably be expected to have a Tokyo Smoke Material Adverse Effect.

3.21 **Taxes and Governmental Charges**

- (a) As of the date of this Agreement, each of Tokyo Smoke and the Tokyo Smoke Subsidiaries has:
- (i) duly and in a timely manner filed all Tax Returns and reports required by Law to have been filed by it (except for such Tax Returns and reports with respect to which the failure to timely file would not reasonably be expected to have a Tokyo Smoke Material Adverse Effect), and all such Tax returns and reports are true, correct, and complete in all material respects;
 - (ii) duly kept all records which it is required to keep for Tax purposes or which would be needed to substantiate any claim made or position taken in relation to Tax by it, as applicable, and such records available for inspection at the head office of Tokyo Smoke;
 - (iii) duly and correctly reported all income and other amounts required to be reported;
 - (iv) paid all Taxes to the extent that such Taxes have been assessed by the relevant taxation authority; and
 - (v) duly and in a timely manner paid, deducted, withheld, collected and remitted all Governmental Charges (other than Governmental Charges that are not yet due) and has made full provision for (including properly accruing and reflecting on its books and records) all Governmental Charges that are not yet due, that relate to periods (or portions thereof) ending prior to the date of this Agreement, except where the failure to pay any such Governmental Charges, or make any such remittance, deduction or contribution or other amount would not reasonably be expected to have a Tokyo Smoke Material Adverse Effect.
- (b) The Tokyo Smoke Financial Statements contain adequate provision for all Taxes, assessments and levies imposed on Tokyo Smoke and the Tokyo Smoke Subsidiaries, or their property or rights, arising out of operations on or before September 30, 2017, regardless of whether such amounts are payable before or after the Effective Date.
- (c) No deficiency in payment of any Taxes for any period has been asserted against Tokyo Smoke or any of the Tokyo Smoke Subsidiaries by any Governmental Authority and remains unsettled at the date hereof.
- (d) To the knowledge of Tokyo Smoke no Tax Return of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries is being audited by the relevant taxing authority. There are no outstanding waivers, objections, extensions, or comparable consents regarding the

application of the statute of limitations or period of reassessment with respect to any Taxes or Tax Returns that have been given or made by Tokyo Smoke or any of the Tokyo Smoke Subsidiaries (including the time for filing of Tax Returns or paying Taxes). To the knowledge of Tokyo Smoke there are no pending requests for any such waivers, extensions, or comparable consents. Tokyo Smoke has not received a ruling from any Governmental Authority or signed an agreement with any Governmental Authority that could reasonably be expected to have a Tokyo Smoke Material Adverse Effect.

- (e) There are no actions, suits, examinations, proceedings, investigations, audits or claims now pending or threatened or, to the knowledge of Tokyo Smoke, contemplated against Tokyo Smoke or the Tokyo Smoke Subsidiaries in respect of any Taxes and there are no matters under discussion with any Governmental Authority relating to any Taxes.
- (f) None of Tokyo Smoke nor any of the Tokyo Smoke Subsidiaries has been subject to or is currently subject to any investigation, audit or visit by any Governmental Authority relating to Tax which has been notified to Tokyo Smoke, and Tokyo Smoke is not aware of any such investigation, audit or visit planned for the next twelve months.
- (g) In this Section 3.21, references to Tokyo Smoke include references to every predecessor of Tokyo Smoke and a reference to a Tokyo Smoke Subsidiary includes a reference to every predecessor of such Tokyo Smoke Subsidiary.

3.22 **Absence of Litigation, etc.**

There is not now in progress, pending or, to Tokyo Smoke's knowledge, threatened or contemplated against or affecting Tokyo Smoke or any of the Tokyo Smoke Subsidiaries, or any of their respective assets or properties, or any officer or director thereof in their capacity as an officer or director thereof, any litigation, action, suit, investigation, claim, complaint or other proceeding, including appeals and applications for review, by or before any Governmental Authority, which if determined adversely to Tokyo Smoke or one of the Tokyo Smoke Subsidiaries, individually or in the aggregate, would reasonably be expected to have a Tokyo Smoke Material Adverse Effect.

3.23 **Compliance with Laws**

The Tokyo Smoke Business has been, and is now being, conducted and all of the Assets have been, and are now being, used in compliance with all applicable Laws other than such non-compliance which would not reasonably be expected to have a Tokyo Smoke Material Adverse Effect, and no written notices have been received by Tokyo Smoke that the Tokyo Smoke Business is not being conducted or that any of such Assets are not being used in compliance with all applicable Laws other than any non-compliance that would not reasonably be expected to have a Tokyo Smoke Material Adverse Effect.

3.24 **Authorizations and Consents**

- (a) Except for the approval of the CSE contemplated in Section 7.02(g) and the certificate of amalgamation to be issued by the Director in respect of the Amalgamation, no Authorization or declaration or filing with any Governmental Authority on the part of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries is required for the valid execution, delivery and performance of its obligations under this Agreement or the completion of the Business Combination pursuant to this Agreement.

- (b) Except as disclosed in Schedule 3.24 of the Tokyo Smoke Disclosure Schedules, no consent, approval or waiver is required pursuant to the terms of any Tokyo Smoke Material Contract for the valid execution, delivery and performance of its obligations under this Agreement or the completion of the Business Combination pursuant to this Agreement.

3.25

Employment Matters and Employee Plans

- (a) Except as disclosed in Schedule 3.25(a) of the Tokyo Smoke Disclosure Schedule, there are no Contracts, written or oral, between Tokyo Smoke or any of the Tokyo Smoke Subsidiaries on one side, and any other party on the other side, relating to payment, remuneration or compensation for work performed or services provided or that would require any payment to be made as a result of the completion of the transactions contemplated in this Agreement.
- (b) Other than the Tokyo Smoke Plan, a copy of which has been provided to DOJA, and except for incentive bonuses set forth in employment agreements, Tokyo Smoke and the Tokyo Smoke Subsidiaries do not have any Employee Plans of any nature whatsoever, nor has Tokyo Smoke or any Tokyo Smoke Subsidiary ever had any such plans.
- (c) None of Tokyo Smoke nor any Tokyo Smoke Subsidiary is party to a collective bargaining agreement, and no union or labour organization holds representation or collective bargaining rights in respect of any employee of Tokyo Smoke or any Tokyo Smoke Subsidiary. To the knowledge of Tokyo Smoke, no organization has attempted or threatened to attempt to organize or establish any trade union or employee association with respect to Tokyo Smoke or any Tokyo Smoke Subsidiary, including any certification or other representation proceeding.
- (d) Each of Tokyo Smoke and the Tokyo Smoke Subsidiaries has operated and is currently operating in compliance with all Laws relating to employees, including but not limited to employment standards, human rights, occupational health and safety, all pay equity and employment equity legislation other than such non-compliance which would not reasonably be expected to have a Tokyo Smoke Material Adverse Effect and there have been no employment related complaints against Tokyo Smoke or any of the Tokyo Smoke Subsidiaries, as applicable.
- (e) To the knowledge of Tokyo Smoke, there are no complaints, demands, actions, suits, claims, charges or proceedings of any kind, whether threatened, pending or reasonably anticipated, against Tokyo Smoke or the Tokyo Smoke Subsidiaries, relating to employees, pursuant to any applicable law, including but not limited to employment standards legislation, human rights legislation, health and safety legislation, workers' compensation legislation, payment equity legislation, labour relations legislation, privacy legislation, or any contract, statute or the common law, nor any occurrence which might lead to a complaint under any such applicable law.
- (f) There are no outstanding decisions or settlements or pending settlements under employment standards, human rights legislation, health and safety legislation, workers' compensation legislation, payment equity legislation, labour relations legislation or privacy legislation which place any obligation upon Tokyo Smoke or any of the Tokyo Smoke Subsidiaries to do or refrain from doing any act or place a material financial obligation on Tokyo Smoke or any of the Tokyo Smoke Subsidiaries.

- (g) To the knowledge of Tokyo Smoke, there are no actions, suits or claims pending, threatened or reasonably anticipated (other than routine claims for benefits) against any Employee Plan or its assets, and there are no audits, inquiries or proceedings pending or, to the knowledge of Tokyo Smoke or any Tokyo Smoke Subsidiary, threatened by any Governmental Authority with respect to any Employee Plan, which in either case reasonably could be expected to result in material Liability to Tokyo Smoke or any Tokyo Smoke Subsidiary.
- (h) To the knowledge of Tokyo Smoke, all Independent Contractors have been properly characterized as such in accordance with all applicable laws. Neither Tokyo Smoke nor any Tokyo Smoke Subsidiary has received notice of any kind from any governmental authority or any Independent Contractor questioning or disputing the classification of such Independent Contractors.
- (i) Except as disclosed in Schedule 3.25(i) of the Tokyo Smoke Disclosure Schedules, neither the execution and delivery of this Agreement nor the performance of the obligations of Tokyo Smoke thereunder will entitle any current or former employee of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries to any severance pay, bonus or other similar payment.

3.26 **No Powers of Attorney**

There are no outstanding powers of attorney or other authorizations granted by Tokyo Smoke or the Tokyo Smoke Subsidiaries to any third party to bind Tokyo Smoke or the Tokyo Smoke Subsidiaries to any Contract, Liability or obligation.

3.27 **Insurance**

Schedule 3.27 of the Tokyo Smoke Disclosure Schedule contains a list of Tokyo Smoke's insurance policies. Each of such policies are valid and enforceable and in full force and effect, are underwritten by unaffiliated and reputable insurers, are sufficient for all applicable requirements of law and provide insurance, including liability and product liability insurance, in such amounts and against such risks as is customary for corporations engaged in businesses similar to that carried on by Tokyo Smoke. Tokyo Smoke is not in default in any material respect with respect to the payment of any premium or material compliance with any of the provisions contained in any such insurance policy and has not failed to give any notice or present any claim within the appropriate time therefor. There are no circumstances under which Tokyo Smoke would be required to or, in order to maintain its coverage, should give any notice to the insurers under any such insurance policy which has not been given. Tokyo Smoke has not received notice from any of the insurers regarding cancellation of such insurance policy.

3.28 **Authorizations**

Each of Tokyo Smoke and the Tokyo Smoke Subsidiaries has all Authorizations necessary to conduct the Tokyo Smoke Business as presently conducted or for the ownership and use of the Assets in compliance with applicable Laws, except for any Authorizations the lack of which would not reasonably be expected to have a Tokyo Smoke Material Adverse Effect. None of Tokyo Smoke nor any Tokyo Smoke Subsidiary is in default under, nor have any of them received any notice of any claim or default with respect to, any such Authorization. No registrations, filings, applications, notices, transfers, consents, approvals, audits, qualifications, waivers or other action of any kind is required by virtue of the execution and delivery of this Agreement, or of the consummation of the transactions contemplated hereby: (a) to avoid the loss of any Authorization or any asset, property or right pursuant to the terms thereof, or the violation or breach of any Law applicable thereto, or (b) to enable Tokyo Smoke or any Tokyo Smoke Subsidiary to hold and enjoy the

same immediately after the Effective Date in the conduct of the Tokyo Smoke Business as conducted prior to the Effective Date.

3.29 **Fees and Commissions**

None of Tokyo Smoke nor any Tokyo Smoke Subsidiary is a party to or bound by any Contract to pay any royalty, license fee or management fee. Except as disclosed in Schedule 3.29 of the Tokyo Smoke Disclosure Schedule, no broker, finder or similar intermediary has acted for or on behalf of or is entitled to any broker's, finder's or similar fee or other commission from Tokyo Smoke or the Tokyo Smoke Subsidiaries in connection with this Agreement.

3.30 **Books and Records**

Complete and correct copies of the Constatng Documents, and of all amendments thereto, of Tokyo Smoke and the Tokyo Smoke Subsidiaries have been previously delivered to DOJA. The corporate records and minute books of Tokyo Smoke and the Tokyo Smoke Subsidiaries contain or, at or prior to the Business Combination will contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders thereof, since the date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings duly signed. Except as reflected in such minute books, there are no minutes of meetings or consents in lieu of meetings of the board of directors (or its committees) or of the shareholders of Tokyo Smoke or any Tokyo Smoke Subsidiary.

3.31 **Restrictions on Business Combination**

Except to the extent that Tokyo Smoke must comply with the policies of the CSE, applicable Laws and the Tokyo Smoke Shareholders' Agreement, Tokyo Smoke is not a party to or bound or affected by any commitment, agreement or document which would prohibit or restrict Tokyo Smoke from entering into and completing the Business Combination.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF DOJA AND SUBCO

DOJA and Subco jointly and severally represent and warrant to Tokyo Smoke as follows and acknowledges and confirms that Tokyo Smoke is relying on such representations and warranties in connection with its entering into this Agreement:

4.01 **Incorporation and Registration**

Each of DOJA and the DOJA Subsidiaries is a corporation validly existing under the Laws of its respective jurisdiction and each has all necessary corporate power, authority and capacity to own its property and assets and to carry on its business as currently conducted, except where the failure to have such power, authority and capacity would not reasonably be expected to have a DOJA Material Adverse Effect. Neither the nature of its activities or the DOJA Business nor the location or character of the Assets owned, operated or leased by DOJA or the DOJA Subsidiaries require DOJA or the DOJA Subsidiaries to be registered, licensed or otherwise qualified as a foreign corporation or to be in good standing in any jurisdiction other than the jurisdictions where it is so registered, licensed or qualified, except where the failure to be so registered, licensed or qualified or remain in good standing would not reasonably be expected to have a DOJA Material Adverse Effect. No proceedings have been instituted or are pending for the dissolution or liquidation of DOJA or any of the DOJA Subsidiaries.

4.02 **Subsidiaries**

Except for its ownership of all of the outstanding shares of the DOJA Subsidiaries and as set out in Schedule 4.02 of the DOJA Disclosure Schedule, DOJA does not have any interest in any body corporate, partnership, joint ventures or other entity or person. None of DOJA and the DOJA Subsidiaries is a party to any agreement, option or commitment to acquire any shares or securities of any body corporate, partnership, trust, joint venture or other entity or person other than in connection with the Business Combination. DOJA is the sole registered holder and beneficial owner of 100% of the issued and outstanding shares in the capital of the DOJA Subsidiaries, free and clear of all Encumbrances, claims or demands of any kind whatsoever other than Permitted Encumbrances. All of such shares and securities have been fully authorized and validly issued and in the case of shares are outstanding as fully paid and non-assessable shares. No other securities of the DOJA Subsidiaries are issued and outstanding.

4.03 **Bankruptcy, etc.**

No bankruptcy, insolvency or receivership proceedings have been instituted by DOJA or any DOJA Subsidiary or, to the knowledge of DOJA, are pending against DOJA or any DOJA Subsidiary and each of DOJA and the DOJA Subsidiaries is, in the DOJA Ordinary Course, able to pay its debts and other obligations.

4.04 **Due Authorization, etc.**

Subject to the requisite director and shareholder approvals, (i) each of DOJA and Subco has all necessary corporate power, capacity and authority to enter into this Agreement and to carry out its obligations under this Agreement and to undertake the Business Combination, and (ii) this Agreement has been duly authorized, executed and delivered by each of DOJA and Subco and constitutes a valid and binding obligation of each of DOJA and Subco enforceable against it in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by Law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunctions are in the discretion of the court from which they are sought.

4.05 **Absence of Conflict**

The entering into, and the performance by DOJA and Subco of the transactions contemplated in, this Agreement:

- (a) do not and will not require any consent, permit, approval, Authorization or order of any Governmental Authority, except that which may be required under applicable securities legislation or the rules of the CSE and any approval or authorization under the OBCA or the BCBCA that may be required for the Name Change and the Business Combination;
- (b) do not and will not contravene any applicable Laws or any rule or regulation of any Governmental Authority which is binding on DOJA, where such contravention would reasonably be expected to have a DOJA Material Adverse Effect; and
- (c) does not and will not violate, result in the 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 (i) the Constating Documents of DOJA or the DOJA Subsidiaries, or any resolution of the directors or shareholders of DOJA or the DOJA Subsidiaries, or (ii) any Contract to which DOJA or the DOJA Subsidiaries is a party or by which the Assets or the DOJA Business is bound or affected, or (iii) any judgment,

decree or order or any term or provision thereof applicable to DOJA or Subco or any of the Assets or the DOJA Business, which breach, conflict or default would reasonably be expected to have a DOJA Material Adverse Effect or to result in the creation of any Encumbrance upon any of the Assets.

4.06 **Share Capital**

The authorized share capital of DOJA consists of an unlimited number of common shares without nominal or par value, of which 63,176,024 DOJA Shares are issued and outstanding as fully paid and non-assessable shares in the capital of DOJA.

4.07 **Options and Other Convertible Securities**

Except for the holders of 916,667 DOJA Options, the DOJA RTO Warrants, the DOJA Performance Warrants, the DOJA Bought Deal Securities and the DOJA Subscription Receipts, no person has or will have any right, agreement, warrant or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from DOJA or any of the DOJA Subsidiaries of any interest in any of the outstanding shares or securities of DOJA or any of the DOJA Subsidiaries, or for the issue or allotment of any unissued shares in the capital of DOJA or the DOJA Subsidiaries or any other security directly or indirectly convertible into or exchangeable for such shares in the capital of DOJA or the DOJA Subsidiaries or for the issue of any other securities of any nature or kind of DOJA or a DOJA Subsidiary.

4.08 **No Pre-Emptive Rights**

No holder of securities of DOJA is entitled to any pre-emptive or similar right to subscribe for securities of DOJA.

4.09 **Voting Agreements**

DOJA is not a party to any agreement nor, to DOJA's knowledge, is there any agreement, which in any manner affects the voting control of any of the securities of DOJA.

4.10 **Financial Statements**

The DOJA Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with that of preceding periods, and:

- (a) the statements of financial position included in such DOJA Financial Statements fairly present, in all material respects, the financial condition of DOJA on the respective dates thereof; and
- (b) the statements of operations and comprehensive loss and loss and comprehensive loss included in the DOJA Financial Statements, as applicable, fairly present, in all material respects, the results of operations of DOJA for the fiscal periods then ended.

4.11 **Absence of Changes**

Since September 30, 2017 there has not been any material adverse change in the DOJA Business and the results of operations, financial condition, assets, properties, capital, liabilities (contingent or

otherwise), cash flow or business operations of DOJA and the DOJA Subsidiaries considered on a consolidated basis that would reasonably be expected to have a DOJA Material Adverse Effect.

4.12 **Internal Controls Over Financial Reporting**

To the knowledge of DOJA, prior to the date of this Agreement there is no fraud, whether or not material, that involves management or other employees who have a significant role in DOJA's, internal control over financial reporting. Since September 30, 2017 and prior to the date of this Agreement, DOJA has received no (x) material complaints from any source regarding accounting, internal accounting controls or auditing matters or (y) expressions of concern from employees of DOJA regarding questionable accounting or auditing matters.

4.13 **Ordinary Course**

Since December 20, 2017, and except for the transactions contemplated by this Agreement and the DOJA Bought Deal, the DOJA Business has been carried on in the DOJA Ordinary Course and DOJA has not carried on any business or entered into any DOJA Material Contract, commitment or agreement of any sort whatsoever other than as disclosed in the Public Record.

4.14 **No Restrictions on Activities**

Except as disclosed in Schedule 4.14 of the DOJA Disclosure Schedule, none of DOJA nor any of the DOJA Subsidiaries is a party to or bound or affected by any commitment, Contract or document containing any covenant which in any way expressly limits the freedom of DOJA or the DOJA Subsidiaries to compete in any line of business, or to use, transfer or move any of its Assets or operations, or which materially or adversely affects the business practices, operations or condition of DOJA or the DOJA Subsidiaries, respectively, and taken as a whole.

4.15 **Extent of Liabilities**

Other than expenses incurred in connection with the Business Combination and in the DOJA Ordinary Course, DOJA and the DOJA Subsidiaries have no outstanding Liabilities (accrued, absolute, contingent or otherwise), except as disclosed in the Public Record or in the DOJA Financial Statements.

4.16 **Non-Arm's Length Transactions**

Except as disclosed in the DOJA Financial Statements:

- (a) none of DOJA nor any of the DOJA Subsidiaries has engaged in any transaction with, made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any director, officer, employee or shareholder of DOJA or any of the DOJA Subsidiaries or any other person with whom DOJA or any of the DOJA Subsidiaries is not dealing at arm's length (within the meaning of the Tax Act) or any affiliate of any of the foregoing, except for amounts due as normal compensation or reimbursement of ordinary business expenses; and
- (b) none of DOJA nor any of the DOJA Subsidiaries is a party to any contract or agreement with any director, officer, employee, or shareholder of DOJA or any of the DOJA Subsidiaries or any other person with whom DOJA or any of the DOJA Subsidiaries is not dealing at arm's length (within the meaning of the Tax Act) or any affiliate of any of the foregoing, other than employment agreements entered into in the DOJA Ordinary Course and agreements evidencing the DOJA Options and the DOJA Performance Warrants granted to date.

4.17 **No Guarantees**

None of DOJA nor any of the DOJA Subsidiaries is bound by any Contract, assurance, bond, undertaking or guarantee under or pursuant to which it has guaranteed or endorsed the debts, obligations or Liabilities of any other person, except as disclosed in the DOJA Financial Statements.

4.18 **Intellectual Property**

- (a) DOJA and the DOJA Subsidiaries own all rights in or have obtained valid and enforceable licenses or other rights to use the Intellectual Property necessary to carry on their respective businesses as currently carried on or proposed to be carried on, free and clear of all Encumbrances, except for Permitted Encumbrances.
- (b) To the knowledge DOJA, there are no third parties who have, or will be able to establish, rights (including any license) to any trade-mark applications, trade-mark registrations, patent applications or patents owned by DOJA or any DOJA Subsidiary (or rights in the subject matter of such trade-mark applications, trade-mark registrations, patent applications or patents) in such a manner that would reasonably be expected to have a DOJA Material Adverse Effect.
- (c) Except as disclosed in Schedule 4.18(c) of the DOJA Disclosure Schedule, none of DOJA nor any DOJA Subsidiary has received any written notice of (i) any infringement by third parties of any Intellectual Property owned by DOJA or any DOJA Subsidiary (“**DOJA Owned Intellectual Property**”), (ii) any conflict with a third party whereby it is alleged that either DOJA or any DOJA Subsidiary infringes or otherwise violates any Intellectual Property of others, (iii) any conflict with a third party whereby DOJA or any of DOJA Subsidiaries’ rights in or to any DOJA Owned Intellectual Property or the validity or scope of any DOJA Owned Intellectual Property is challenged, which infringement or conflict (if the subject of any unfavourable decision, ruling or finding), would reasonably be expected to have a DOJA Material Adverse Effect.
- (d) Except in respect of DOJA Owned Intellectual Property that is not material to the DOJA Business as currently carried on or as proposed to be carried on, there is no application for registration of any DOJA Owned Intellectual Property with respect to which there has been a determination of unregistrability, and, to the knowledge of DOJA, there are no facts which would form a reasonable basis for such determination.
- (e) To the knowledge of DOJA, there is no Intellectual Property held by others that would prevent the development, manufacture, use, sale, lease, license and service of products now existing or under development by DOJA or any DOJA Subsidiary, other than those sourced from third parties.

4.19 **Assets**

- (a) The DOJA Business is the only business carried on by DOJA and the DOJA Subsidiaries. The Assets include all assets, rights, Authorizations and property necessary to conduct the DOJA Business immediately after the Business Combination in the same manner it is currently conducted, except as would not reasonably be expected to have a DOJA Material Adverse Effect.

- (b) DOJA and the DOJA Subsidiaries have good and marketable title to all of the Assets, free and clear of any and all claims and Encumbrances whatsoever other than Permitted Encumbrances.
- (c) No person or other entity has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase or other acquisition from DOJA or the DOJA Subsidiaries of any of the Assets.

4.20 **DOJA Material Contracts**

Schedule 4.20 of the DOJA Disclosure Schedule sets forth a true and complete list of all DOJA Material Contracts. Each such DOJA Material Contract is a valid and subsisting agreement, enforceable in accordance with the terms thereof and can be fulfilled and performed in all material respects by DOJA or the DOJA Subsidiaries in the DOJA Ordinary Course. Each such DOJA Material Contract is unamended since being made available to Tokyo Smoke, is in full force and effect, in good standing and no event of default has occurred and is continuing and no event has occurred which, with the giving of notice, the lapse of time or both, would constitute an event of default by DOJA or one of the DOJA Subsidiaries under any such DOJA Material Contract. To the knowledge of DOJA, no event has occurred which, with the giving of notice, the passing of time or both, would constitute an event of default by any other party to any such DOJA Material Contract, none of DOJA or the the DOJA Subsidiaries is alleged to be in default of any of the provisions of such DOJA Material Contract, and DOJA is not aware of any disputes with respect thereto.

4.21 **Other Contracts**

Other than the DOJA Material Contracts, none of DOJA nor the DOJA Subsidiaries is a party to any Contract, the termination, expiry or non-renewal of which would reasonably be expected to have a DOJA Material Adverse Effect.

4.22 **Taxes and Governmental Charges**

- (a) As of the date of this Agreement, each of DOJA and the DOJA Subsidiaries has:
 - (i) duly and in a timely manner filed all Tax Returns and reports required by Law to have been filed by it (except for such Tax Returns and reports with respect to which the failure to timely file would not reasonably be expected to have a DOJA Material Adverse Effect), and all such Tax Returns and reports are true, correct, and complete in all material respects;
 - (ii) duly kept all records which it is required to keep for Tax purposes or which would be needed to substantiate any claim made or position taken in relation to Tax by it, as applicable, and such records available for inspection at the head office of DOJA;
 - (iii) duly and correctly reported all income and other amounts required to be reported;
 - (iv) paid all Taxes to the extent that such Taxes have been assessed by the relevant taxation authority; and
 - (v) duly and in a timely manner paid, deducted, withheld, collected and remitted all Governmental Charges (other than Governmental Charges that are not yet due) and has made full provision for (including properly accruing and reflecting on its books and records) all Governmental Charges that are not yet due, that relate to periods (or

portions thereof) ending prior to the date of this Agreement, except where the failure to pay any such Governmental Charges, or make any such remittance, deduction or contribution or other amount would not reasonably be expected to have a DOJA Material Adverse Effect.

- (b) The DOJA Financial Statements contain adequate provision for all Taxes, assessments and levies imposed on DOJA and the DOJA Subsidiaries, or their property or rights, arising out of operations on or before September 30, 2017, regardless of whether such amounts are payable before or after the Effective Date.
- (c) No deficiency in payment of any Taxes for any period has been asserted against DOJA or any of the DOJA Subsidiaries by any Governmental Authority and remains unsettled at the date hereof.
- (d) To the knowledge of DOJA, no Tax Return of DOJA or any of the DOJA Subsidiaries is being audited by the relevant taxing authority. There are no outstanding waivers, objections, extensions, or comparable consents regarding the application of the statute of limitations or period of reassessment with respect to any Taxes or Tax Returns that have been given or made by DOJA or any of the DOJA Subsidiaries (including the time for filing of Tax Returns or paying Taxes). To the knowledge of DOJA there are no pending requests for any such waivers, extensions, or comparable consents. DOJA has not received a ruling from any Governmental Authority or signed an agreement with any Governmental Authority that could reasonably be expected to have a DOJA Material Adverse Effect.
- (e) There are no actions, suits, examinations, proceedings, investigations, audits or claims now pending or threatened or, to the knowledge of DOJA, contemplated against DOJA or any of the DOJA Subsidiaries in respect of any Taxes and there are no matters under discussion with any Governmental Authority relating to any Taxes.
- (f) None of DOJA nor any of the DOJA Subsidiaries has been subject to or is currently subject to any investigation, audit or visit by any Governmental Authority relating to Tax which has been notified to DOJA, and DOJA is not aware of any such investigation, audit or visit planned for the next twelve months.
- (g) In this Section 4.22, references to DOJA include references to every predecessor of DOJA and a reference to a DOJA Subsidiary includes a reference to every predecessor of such DOJA Subsidiary.

4.23 **Absence of Litigation, etc.**

There is not now in progress, pending or, to DOJA's knowledge, threatened or contemplated against or affecting DOJA or any of the DOJA Subsidiaries, or any of their Assets or properties, or any officer or director thereof in their capacity as an officer or director thereof, any litigation, action, suit, investigation, claim, complaint or other proceeding, including appeals and applications for review, by or before any Governmental Authority, which if determined adversely to DOJA or any of the DOJA Subsidiaries, individually or in the aggregate, would reasonably be expected to have a DOJA Material Adverse Effect.

4.24 **Compliance with Laws**

- (a) The DOJA Business has been, and is now being, conducted and all of its Assets, including the DOJA License, have been, and are now being, used in compliance with all applicable

Laws including, without limitation, the ACMPR, other than such non-compliance which would not reasonably be expected to have a DOJA Material Adverse Effect.

- (b) No written notices have been received by DOJA, including notices from Health Canada or any other Governmental Authority, alleging or asserting that the DOJA Business is not being conducted or that any of such Assets, including the DOJA License, are not being used in compliance with all applicable Laws other than any non-compliance that would not reasonably be expected to have a DOJA Material Adverse Effect.

4.25

Authorizations and Consents

- (a) Except for the approval of the CSE contemplated in Section 7.01(h) and the certificate of amalgamation to be issued by the Director in respect of the Amalgamation, no Authorization or declaration or filing with any Governmental Authority on the part of DOJA or any of the DOJA Subsidiaries is required for the valid execution, delivery and performance of its obligations under this Agreement or the completion of the Business Combination pursuant to this Agreement.
- (b) No consent, approval or waiver is required pursuant to the terms of any Contract to which DOJA or any of the DOJA Subsidiaries is a party for the valid execution, delivery and performance of its obligations under this Agreement or the completion of the Business Combination pursuant to this Agreement.
- (c) DOJA has not received notice that any Governmental Authority has taken, is taking, or intends to take action to limit, suspend, modify or revoke any Authorizations including the DOJA License, and has no knowledge or reason to believe that any such Governmental Authority is considering taking or would have reasonable grounds to take such action.
- (d) DOJA has, or has had on its behalf, filed, declared, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any applicable Laws or Authorizations to keep the DOJA License in good standing and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission).

4.26

Employment Matters and Employee Plans

- (a) There are no Contracts, written or oral, between DOJA or any of the DOJA Subsidiaries on one side and any other party on the other side, relating to payment, remuneration or compensation for work performed or services provided (other than professional advisors engaged by DOJA to provide services in connection with the Business Combination and the DOJA Private Placement) that would require any payment to be made as a result of the completion of the transactions contemplated in this Agreement.
- (b) Except as disclosed in Schedule 4.26 of the DOJA Disclosure Schedule, the DOJA Plan, a copy of which has been provided to Tokyo Smoke, and incentive bonuses set forth in employment agreements or other agreements, DOJA does not have any Employee Plans of any nature whatsoever, nor has DOJA or any of the DOJA Subsidiaries ever had any such plans.

- (c) None of DOJA nor any of the DOJA Subsidiaries is a party to a collective bargaining agreement, and no union or labour organization holds representation or collective bargaining rights in respect of any employee of DOJA or any of the DOJA Subsidiaries. To the knowledge of DOJA, no organization has attempted or threatened to attempt to organize or establish any trade union or employee association with respect to DOJA or any DOJA Subsidiary, including any certification or other representation proceeding.
- (d) Each of DOJA and the DOJA Subsidiaries has operated and is operating in full compliance with all Laws relating to employees, including but not limited to employment standards, human rights, occupational health and safety, all pay equity and employment equity legislation other than such non-compliance which would not reasonably be expected to have a DOJA Material Adverse Effect and there have been no employment-related complaints against DOJA or any of the DOJA Subsidiaries.
- (e) To the knowledge of DOJA, there are no complaints, demands, actions, suits, claims, charges or proceedings of any kind, whether threatened, pending or reasonably anticipated, against DOJA or the DOJA Subsidiaries, relating to employees, pursuant to any applicable law, including but not limited to employment standards legislation, human rights legislation, health and safety legislation, workers' compensation legislation, payment equity legislation, labour relations legislation, privacy legislation, or any contract, statute or the common law, nor any occurrence which might lead to a complaint under any such applicable law.
- (f) To the knowledge of DOJA, there are no outstanding decisions or settlements or pending settlements under employment standards, human rights legislation, health and safety legislation, workers' compensation legislation, payment equity legislation or labour relations legislation or privacy legislation which place any obligation upon DOJA or any of the DOJA Subsidiaries to do or refrain from doing any act or place a material financial obligation on DOJA or any DOJA Subsidiary.
- (g) To the knowledge of DOJA, there are no actions, suits or claims pending, threatened or reasonably anticipated (other than routine claims for benefits) against any Employee Plan or its assets, and there are no audits, inquiries or proceedings pending or, to the knowledge of DOJA or any of the DOJA Subsidiaries, threatened by any Governmental Authority with respect to any Employee Plan, which in either case reasonably could be expected to result in material Liability to DOJA or any of the DOJA Subsidiaries.
- (h) To the knowledge of DOJA, all Independent Contractors have been properly characterized as such in accordance with all applicable laws. Neither DOJA nor any DOJA Subsidiary has received notice of any kind from any governmental authority or any Independent Contractor questioning or disputing the classification of such Independent Contractors.
- (i) Neither the execution and delivery of this Agreement nor the performance of the obligations of DOJA thereunder will entitle any current or former employee of DOJA or any of the DOJA Subsidiaries to any severance pay, bonus or other similar payment.

4.27

No Powers of Attorney

There are no outstanding powers of attorney or other authorizations granted by DOJA or any of the DOJA Subsidiaries to any third party to bind DOJA or any of the DOJA Subsidiaries to any Contract, Liability or obligation.

4.28 **Insurance**

Schedule 4.28 of the DOJA Disclosure Schedule contains a list of DOJA's insurance policies. Each of such policies are valid and enforceable and in full force and effect, are underwritten by unaffiliated and reputable insurers, are sufficient for all applicable requirements of law and provide insurance, including liability and product liability insurance, in such amounts and against such risks as is customary for corporations engaged in businesses similar to that carried on by DOJA. DOJA is not in default in any material respect with respect to the payment of any premium or material compliance with any of the provisions contained in any such insurance policy and has not failed to give any notice or present any claim within the appropriate time therefor. There are no circumstances under which DOJA would be required to or, in order to maintain its coverage, should give any notice to the insurers under any such insurance policy which has not been given. DOJA has not received notice from any of the insurers regarding cancellation of such insurance policy.

4.29 **Authorizations**

Each of DOJA and the DOJA Subsidiaries has all Authorizations necessary to conduct the DOJA Business as presently conducted or for the ownership and use of the Assets in compliance with applicable Laws, except for any Authorizations the lack of which would not reasonably be expected to have a DOJA Material Adverse Effect. None of DOJA nor any of the DOJA Subsidiaries is in default under, nor have any of them received any notice of any claim or default with respect to, any such Authorization. No registrations, filings, applications, notices, transfers, consents, approvals, audits, qualifications, waivers or other action of any kind is required by virtue of the execution and delivery of this Agreement, or of the consummation of the transactions contemplated hereby: (a) to avoid the loss of any Authorization or any asset, property or right pursuant to the terms thereof, or the violation or breach of any Law applicable thereto, or (b) to enable DOJA or any of the DOJA Subsidiaries to hold and enjoy the same immediately after the Effective Date in the conduct of the DOJA Business as conducted prior to the Effective Date.

4.30 **Fees and Commissions**

None of DOJA nor any of the DOJA Subsidiaries is a party to or bound by any Contract to pay any royalty, license fee or management fee. No broker, finder or similar intermediary has acted for or on behalf of or is entitled to any broker's, finder's or similar fee or other commission from DOJA or any of the DOJA Subsidiaries in connection with this Agreement.

4.31 **Books and Records**

Complete and correct copies of the Constatng Documents, and of all amendments thereto, of DOJA and the DOJA Subsidiaries have been previously delivered to Tokyo Smoke. The corporate records and minute books of DOJA and the DOJA Subsidiaries contain or, at or prior to the Business Combination will contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders thereof since the date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed. Except as reflected in such minute books, there are no minutes of meetings or consents in lieu of meetings of the board of directors (or its committees) or of the shareholders of DOJA or any DOJA Subsidiary.

4.32 **Restrictions on Business Combination**

Except to the extent that DOJA must comply with the policies of the CSE and applicable Laws, DOJA is not a party to or bound or affected by any commitment, agreement or document which would prohibit or restrict DOJA from entering into and completing the Business Combination.

4.33 **Reporting Issuer Status**

DOJA is a “reporting issuer” in each of the Canadian Jurisdictions within the meaning of the Canadian Securities Laws, is in material compliance with its obligations as a reporting issuer, and none of the British Columbia Securities Commission, the Alberta Securities Commission or the Ontario Securities Commission, the CSE or other Governmental Authority has issued any order preventing the Business Combination or the trading of any securities of DOJA.

4.34 **CSE Policies**

DOJA is in material compliance with all policies and requirements of the CSE and has not carried on any business or activities except as permitted thereby.

4.35 **Share Issuance**

Subject to applicable Canadian Securities Laws and the rules and policies of the CSE, at the Effective Time, DOJA will have the full and lawful right and authority to issue DOJA Shares to the Tokyo Smoke Shareholders, in connection with the Business Combination, and upon issuance such shares will be validly issued as fully paid and non-assessable common shares in the capital of DOJA free and clear of all Encumbrances.

4.36 **Public Disclosure Documents**

DOJA is current in the filing of all public disclosure documents required to be filed by DOJA under applicable Canadian Securities Laws and CSE rules (including all Contracts required by Canadian Securities Laws to be filed by DOJA), with the exception of certain price protection filings made with the CSE, there are no filings that have been made thereunder on a confidential basis and all of such filings comply with the requirements of all applicable Canadian Securities Laws except where such non-compliance has not and would not reasonably be expected to have a DOJA Material Adverse Effect.

4.37 **No Misrepresentation**

Since August 3, 2017, except as set forth in Schedule 4.37 of the DOJA Disclosure Schedule, no portion of the Public Record contained a misrepresentation (as such term is defined in the *Securities Act* (British Columbia)) as at its date of public dissemination or as at the date hereof.

4.38 **CSE Listing**

The DOJA Shares are listed for trading on the CSE under the trading symbol “DOJA”.

4.39 **United States Securities Laws**

(a) With respect to DOJA Shares to be offered and sold in reliance on Rule 506(b) of Regulation D, none of DOJA, any affiliated issuer, any director, executive officer, other officer of DOJA participating in the Business Combination, any beneficial owner of 20% or more of the Company’s outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with DOJA in any capacity at the time of the exchange (each, an “**Issuer Covered Person**” and, together, “**Issuer Covered Persons**”) is subject to any of the “Bad Actor” disqualifications described in Rule 506(d) of Regulation D (a “**Disqualification Event**”). DOJA has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event.

(b) To DOJA's knowledge, it (i) is a Foreign Private Issuer, (ii) has no class of securities outstanding that is or is required to be registered under Section 12 of the U.S. Securities Act or that is subject to the reporting requirements of Section 13 or 15(d) of the U.S. Securities Act, and (iii) is not registered or required to register as an investment company under the United States Investment Company Act of 1940, as amended.

(c) During the period in which DOJA Shares are offered for exchange, none of DOJA, its affiliates, or any person acting on any of their behalf will engage in any Directed Selling Efforts (as that term is defined in Rule 902(c) of Regulation S) or will take any action that would cause the exemption afforded by Rule 506(b) of Regulation D or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and exchange of DOJA Shares.

ARTICLE 5
SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES

5.01 **Survival of Covenants, Representations and Warranties**

No investigation by or on behalf of any party prior to the execution of this Agreement will mitigate, diminish or affect the representations and warranties made by the other parties. The representations and warranties of the parties contained in this Agreement will not survive the completion of the Business Combination and will expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms. This Section 5.01 will not limit any covenant or agreement of any of the parties, which, by its terms, contemplates performance after the Effective Time or the date on which this Agreement is terminated, as the case may be.

ARTICLE 6
COVENANTS

6.01 **Access to Tokyo Smoke**

Tokyo Smoke will forthwith make available to DOJA and its authorized representatives and, if requested by DOJA, provide a copy to DOJA of, all title documents, Contracts, financial statements, Constatng Documents, minute books, share certificate books, share registers, plans, reports, licences, orders, permits, books of account, accounting records and all other documents, information or data relating to Tokyo Smoke, the Tokyo Smoke Subsidiaries and the Tokyo Smoke Business. Tokyo Smoke will afford DOJA and its authorized representatives every reasonable opportunity to have access during normal business hours to the Tokyo Smoke Business and the property, assets, undertaking, records and documents of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries. At the request of DOJA, Tokyo Smoke will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of the Tokyo Smoke Business and any property of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries or to enable DOJA or its authorized representatives to obtain full access to all files and records relating to Tokyo Smoke or any of the Tokyo Smoke Subsidiaries and any of the assets of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries maintained by Governmental Authorities. At DOJA's request, Tokyo Smoke will co-operate with DOJA in arranging any such meetings as DOJA should reasonably request with:

- (a) employees of Tokyo Smoke or any of the Tokyo Smoke Subsidiaries, directors and officers of Tokyo Smoke;
- (b) persons who have or have had a business relationship with Tokyo Smoke or any of the Tokyo Smoke Subsidiaries; and

- (c) auditors, solicitors or any other persons engaged or previously engaged to provide services to Tokyo Smoke or any of the Tokyo Smoke Subsidiaries who have knowledge of matters relating to Tokyo Smoke or any of the Tokyo Smoke Subsidiaries and the Tokyo Smoke Business.

6.02 **Access to DOJA**

DOJA will forthwith make available to Tokyo Smoke and its authorized representatives and, if requested by Tokyo Smoke, provide a copy to Tokyo Smoke of, all title documents, Contracts, financial statements, Constatng Documents, minute books, share certificate books, share registers, plans, reports, licences, orders, permits, books of account, accounting records and all other documents, information or data relating to DOJA, the DOJA Subsidiaries and the DOJA Business. DOJA will afford Tokyo Smoke and its authorized representatives every reasonable opportunity to have access, during normal business hours, to the DOJA Business and the property, assets, undertaking, records and documents of DOJA or any of the DOJA Subsidiaries. At the request of Tokyo Smoke, DOJA will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of the DOJA Business and any property of DOJA or any of the DOJA Subsidiaries or to enable Tokyo Smoke or its authorized representatives to obtain full access to all files and records relating to DOJA or any of the DOJA Subsidiaries and any of the assets of DOJA or any of the DOJA Subsidiaries maintained by Governmental Authorities. At Tokyo Smoke's request, DOJA will co-operate with Tokyo Smoke in arranging any such meetings as Tokyo Smoke should reasonably request with:

- (a) employees of DOJA or any of the DOJA Subsidiaries, directors and officers of DOJA;
- (b) persons who have or have had a business relationship with DOJA or any of the DOJA Subsidiaries; and
- (c) auditors, solicitors or any other persons engaged or previously engaged to provide services to DOJA or any of the DOJA Subsidiaries who have knowledge of matters relating to DOJA or any of the DOJA Subsidiaries and the DOJA Business.

6.03 **Confidentiality**

- (a) Each party hereto agrees that it shall keep strictly confidential and shall not disclose, copy, reproduce or distribute, or cause or permit to be disclosed, copied, reproduced or distributed any information concerning another party hereto (the "**Disclosing Party**"), its business, operations, assets and liabilities, that was obtained from another party hereto (or such party's Representatives) including pursuant to Sections 6.01 and 6.02 hereof, respectively (the "**Confidential Information**") to anyone except (i) the receiving party's (the "**Recipient**") directors, officers, employees, affiliates and advisors (the "**Representatives**") to whom disclosure is reasonably necessary for the purposes of or in connection with the transactions contemplated herein, and who have agreed to be bound by the terms of this Agreement, or (ii) as otherwise consented to in writing by Disclosing Party. Each Recipient shall use its best efforts to ensure that the Confidential Information remains strictly confidential and is not disclosed to or seen, used or obtained by any person or entity except in accordance with the terms of this Agreement.
- (b) Prior to the Effective Date, each Recipient and its Representatives shall not use or cause to be used any Confidential Information for any purpose other than in connection with evaluating, negotiating or advising in connection with the transactions contemplated herein, and at no time shall a Recipient or its Representatives otherwise use or cause to be used any

Confidential Information for the benefit of itself or any other third party or in any manner adverse to, or to the detriment of, the Disclosing Party or its shareholders.

- (c) Each Recipient shall instruct its Representatives to whom it makes disclosure that the disclosure is made in confidence and shall be kept in confidence and used only in accordance with this Agreement. The Recipient is liable for any breach of the obligations under this Agreement committed by its Representatives.
- (d) Notwithstanding the foregoing,
 - (i) the obligations of the Recipient under this section 6.03 shall not apply to any information that (A) is publicly available or becomes publicly available through no action or fault of the Recipient, (B) was already in the Recipient's possession or known to Recipient prior to being disclosed or provided to the Recipient by or on behalf of the Disclosing Party, provided that the source of such information or material was not bound by a contractual, legal or fiduciary obligation of confidentiality to the Disclosing Party or any other party with respect thereto, (C) is obtained by the Recipient from a third party, provided, that, such third party has the lawful right to disclose the Confidential Information, or (D) is independently developed by the Recipient without reference to the Confidential Information; and
 - (ii) a Recipient may disclose Confidential Information if and to the extent legally required or compelled to do so by applicable law or in any governmental, administrative or judicial process (the "**Compelled Disclosure**"). The Recipient shall provide the Disclosing Party with prompt written notice of any request or requirement for Compelled Disclosure and shall cooperate with the Disclosing Party as the latter may reasonably and lawfully request with respect to the form, timing and nature of any Compelled Disclosure or seeking a protective order or other appropriate remedy. The Recipient may disclose only such Confidential Information as is specifically required or compelled to be disclosed and shall continue to use his, her or its best efforts to preserve the confidentiality of the Confidential Information.
- (e) Upon the termination or rescission of this Agreement, each Recipient will promptly, if requested to do so by the Disclosing Party, return to the Disclosing Party or destroy all Confidential Information and all copies thereof and retain none for its files. The requirements of confidentiality set forth herein shall survive the return or destruction of such Confidential Information.
- (f) Each Recipient hereby agrees that its failure or threat of failure to perform any obligation or duty which it has agreed to perform under this Agreement may cause irreparable harm to the Disclosing Party, which harm cannot be adequately compensated for by monetary damages. It is further agreed by each Recipient that an order of specific performance, injunctive relief or other equitable relief (or any combination thereof) against the Recipient in the event of a breach or default, or the threat of a breach or default, under the terms of this Agreement would be equitable and would not work a hardship on the Recipient and accordingly, in such event the Disclosing Party, without any bond or other security being required and in addition to whatever other remedies are or might be available at law or in equity, shall have the right to commence an action against the Recipient either to compel specific performance by, or to obtain injunctive relief or other equitable relief (or any combination thereof) against, the Recipient, with respect to any such event.

- (g) Each Recipient acknowledges that the Recipient is aware, and shall advise his, her or its Representatives, that Canadian Securities Laws prohibit any person who has received material non-public information regarding a reporting issuer from purchasing or selling securities of such issuer or from communicating such information to any other person.

6.04

Filings

- (a) DOJA and Tokyo Smoke shall prepare and file, or cause to be filed, any filings required under any applicable Laws, or the rules and policies of the CSE or other Governmental Authorities relating to the Business Combination and the Amalgamation, and shall provide on a timely basis such information to each other as is necessary to complete such filings.
- (b) DOJA covenants and agrees to take, in a timely manner, all commercially reasonable actions and steps necessary in order that effective as at the Effective Date: (i) the DOJA Shares, including for greater certainty, the DOJA Shares issuable pursuant to the Business Combination, be listed and posted for trading on the CSE; and (ii) if received, DOJA shall provide Tokyo Smoke with copies of the approval of the CSE respecting the Business Combination and the listing and posting for trading of the additional DOJA Shares to be issued pursuant to the Business Combination.

6.05

Conduct of Tokyo Smoke Prior to Closing

Without in any way limiting any other obligations of Tokyo Smoke hereunder, during the period from the date hereof until the earlier of the Effective Date or the date this Agreement is terminated in accordance with its terms, Tokyo Smoke will use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable (i) to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, (ii) to comply with all provisions of this Agreement, and (iii) to cooperate with DOJA in connection with the foregoing, including, without limitation, the following actions:

- (a) *Conduct Business in the Ordinary Course.* Tokyo Smoke will, and will cause each of the Tokyo Smoke Subsidiaries to, conduct the Tokyo Smoke Business and its operations and affairs only in the Tokyo Smoke Ordinary Course, and Tokyo Smoke will not, and will cause each of the Tokyo Smoke Subsidiaries to not, without the prior written consent of DOJA, take any action or enter into any transaction that, if effected before the date of this Agreement, would constitute a breach of any representation, warranty, covenant or other obligation of Tokyo Smoke contained herein, or which may interfere with or be inconsistent with the successful completion of the transactions contemplated herein;
- (b) *Material Adverse Effects.* Tokyo Smoke shall notify DOJA of any Tokyo Smoke Material Adverse Effect;
- (c) *Corporate Action.* Tokyo Smoke will use its commercially reasonable efforts to take all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution, delivery and performance of this Agreement and the other agreements and documents contemplated hereby and to complete the Business Combination and the transactions contemplated hereby, and to cause all necessary meetings of directors and shareholders of Tokyo Smoke to be held for such purpose. In particular, Tokyo Smoke will use its commercially reasonable efforts to obtain the approval of its shareholders for the Amalgamation, in accordance with the OBCA (the "**Tokyo Smoke Shareholder Approval**") on or before January 31, 2018. Tokyo Smoke will not, in connection with the

Tokyo Smoke Shareholder Approval, mail or otherwise transmit any information circular or form of proxy or other solicitation material to any person in the United States except to Tokyo Smoke Shareholders resident in the United States as at the record date of the meeting of Tokyo Smoke Shareholders where Tokyo Smoke Shareholder Approval will be sought;

- (d) *Tokyo Smoke Voting Agreements.* Tokyo Smoke shall use its commercially reasonable efforts to obtain signed copies of the Tokyo Smoke Voting Agreements from the Tokyo Smoke Supporting Shareholders concurrently with the execution of this Agreement, and following such execution until the date of the Tokyo Smoke Meeting;
- (e) *Restrictive Covenants.* Tokyo Smoke shall not, directly or indirectly (other than with the prior written consent of DOJ):
 - (i) amend its Constatng Documents except as necessary to carry out the Amalgamation;
 - (ii) split, combine or reclassify any of its securities or declare, pay or make any dividend or other distribution on its shares, or distribute any of its properties or assets to any person;
 - (iii) enter into or amend any employment contracts with any director, officer or key employee, create or amend any Employee Plan, make any increases in the base compensation, bonuses, paid vacation time allowed or benefits for its directors, officers, employees or consultants except for the adoption of the Tokyo Smoke Plan;
 - (iv) hire or dismiss any employees whose total annual compensation exceeds \$75,000 in the aggregate;
 - (v) acquire or agree to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any person, partnership, joint venture or other business organization or division or acquire or agree to acquire any material assets outside of the Tokyo Smoke Ordinary Course;
 - (vi) create any stock option or bonus plan, pay any bonuses, deferred or otherwise, or defer any compensation to any of its directors, officers or employees;
 - (vii) make any material change in accounting procedures or practices;
 - (viii) mortgage, pledge or hypothecate any of its assets, or subject them to any Encumbrance, other than a Permitted Encumbrance;
 - (ix) enter into any Contract or arrangement granting any rights to purchase or lease any of its assets or requiring the consent of any person to the transfer, assignment or lease of any of its assets outside of the Tokyo Smoke Ordinary Course;
 - (x) sell, lease, sublease, assign or transfer (by tender offer, exchange offer, merger, amalgamation, sale of shares or assets or otherwise) any of its assets;
 - (xi) cancel, waive or compromise any debts or claims, including accounts payable to and receivable from affiliates;

- (xii) settle any outstanding claim, dispute, litigation matter, or tax dispute;
 - (xiii) enter into any other material transaction or any amendment of any Contract or Authorization which is material to the Tokyo Smoke Business settle any outstanding claim, dispute, litigation matter, or tax dispute;
 - (xiv) enter into any material Contract regarding its business operations, including any joint venture, partnership or other arrangement outside of the Tokyo Smoke Ordinary Course;
 - (xv) transfer any assets to any of its shareholders or any of their subsidiaries or affiliates or assume any indebtedness or Liability from a shareholder or any of their subsidiaries or affiliates or enter into any other related party transactions;
 - (xvi) fail to pay or satisfy when due any Liability where the failure to do so would have a Tokyo Smoke Material Adverse Effect; or
 - (xvii) enter into any agreement or understanding to do any of the foregoing; and
- (f) *Contractual Consents.* Tokyo Smoke will give all notices and use its commercially reasonable efforts to obtain all waivers, consents and approvals required under any Contract to which Tokyo Smoke or any of the Tokyo Smoke Subsidiaries is a party or by which it is bound to consummate the transactions contemplated in this Agreement.
- (g) *Contracts.* Tokyo Smoke will not, without the prior written consent of DOJA (such consent not to be unreasonably withheld or delayed), enter into any new material Contract or amend the terms of any existing material Contract to which it is a party except for the material Contracts necessary to carry out the transactions contemplated in this Agreement.

6.06

Conduct of DOJA Prior to Closing

Without in any way limiting any other obligations of DOJA hereunder, during the period from the date hereof until the earlier of the Effective Date or the date this Agreement is terminated in accordance with its terms, DOJA will use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable (i) to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, (ii) to comply with all provisions of this Agreement, and (iii) to cooperate with Tokyo Smoke in connection with the foregoing, including, without limitation, the following actions:

- (a) *Conduct Business in the Ordinary Course.* DOJA will, and will cause each of the DOJA Subsidiaries to, conduct the DOJA Business and its operations and affairs only in the DOJA Ordinary Course, and DOJA will not, and will cause each of the DOJA Subsidiaries to not, without the prior written consent of Tokyo Smoke, take any action or enter into any transaction that, if effected before the date of this Agreement, would constitute a breach of any representation, warranty, covenant or other obligation of DOJA contained herein, or which may interfere with or be inconsistent with the successful completion of the transactions contemplated herein;
- (b) *Material Adverse Effects.* DOJA shall notify Tokyo Smoke of any DOJA Material Adverse Effect;

- (c) *Corporate Action.* DOJA will use its commercially reasonable efforts to take all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution, delivery and performance of this Agreement and the other agreements and documents contemplated hereby and to complete the Business Combination and to cause all necessary meetings of directors and shareholders of DOJA and Subco to be held for such purpose.
- (d) *Name Change.* DOJA will use its commercially reasonable efforts to complete the Name Change and change DOJA's ticker "HIKU" immediately prior to the completion of the Business Combination;
- (e) *Restrictive Covenants.* DOJA shall not, directly or indirectly (other than with the prior written consent of Tokyo Smoke):
 - (i) amend its Constatng Documents except as necessary to carry out the Name Change;
 - (ii) split, combine or reclassify any of its securities or declare, pay or make any dividend or other distribution on its shares, or distribute any of its properties or assets to any person, other than as described in Schedule 6.06(e)(ii);
 - (iii) enter into or amend any employment contracts with any director, officer or key employee, create or amend any Employee Plan, make any increases in the base compensation, bonuses, paid vacation time allowed or benefits for its directors, officers, employees or consultants except for the adoption of the DOJA Plan;
 - (iv) hire or dismiss any employees whose total annual compensation exceeds \$75,000 in the aggregate;
 - (v) acquire or agree to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any person, partnership, joint venture or other business organization or division or acquire or agree to acquire any material assets outside of the DOJA Ordinary Course;
 - (vi) create any stock option or bonus plan, pay any bonuses, deferred or otherwise, or defer any compensation to any of its directors, officers or employees, other than as described in Schedule 6.06(e)(vi);
 - (vii) make any material change in accounting procedures or practices;
 - (viii) mortgage, pledge or hypothecate any of its assets, or subject them to any Encumbrance, other than a Permitted Encumbrance;
 - (ix) enter into any Contract or arrangement granting any rights to purchase or lease any of its assets or requiring the consent of any person to the transfer, assignment or lease of any of its assets outside of the DOJA Ordinary Course;
 - (x) sell, lease, sublease, assign or transfer (by tender offer, exchange offer, merger, amalgamation, sale of shares or assets or otherwise) any of its assets;
 - (xi) cancel, waive or compromise any debts or claims, including accounts payable to and receivable from affiliates;

- (xii) enter into any other material transaction or any amendment of any Contract or Authorization which is material to the DOJA Business;
 - (xiii) settle any outstanding claim, dispute, litigation matter, or tax dispute;
 - (xiv) transfer any assets to any of its shareholders or any of their subsidiaries or affiliates or assume any indebtedness or Liability from a shareholder or any of their subsidiaries or affiliates or enter into any other related party transactions;
 - (xv) enter into any material Contract regarding its business operations, including any joint venture, partnership or other arrangement outside of the DOJA Ordinary Course;
 - (xvi) fail to pay or satisfy when due any Liability where the failure to do so would have a DOJA Material Adverse Effect; or
 - (xvii) enter into any agreement or understanding to do any of the foregoing.
- (f) *Regulatory Consents.* DOJA will use its commercially reasonable efforts to obtain, prior to the completion of the Business Combination, from all appropriate Governmental Authorities, all Authorizations required as a condition of the lawful consummation of the transactions contemplated by this Agreement including the approval of the CSE, and will effect all necessary registrations and other filings and submissions of information requested by Governmental Authorities in connection with the same;
- (g) *Contractual Consents.* DOJA will give all notices and use its commercially reasonable efforts to obtain all waivers, consents and approvals required under any Contract to which DOJA or any DOJA Subsidiary is a party or by which it is bound to consummate the transactions contemplated hereby; and
- (h) *Contracts.* DOJA will not, without the prior written consent of Tokyo Smoke (such consent not to be unreasonably withheld or delayed), enter into any new Contract or amend the terms of any existing Contract to which it is a party except for the Contracts necessary to carry out the transactions contemplated in this Agreement.

6.07

Standstill of Tokyo Smoke

- (a) Unless and until this Agreement is terminated pursuant to the terms hereof, Tokyo Smoke hereby agrees:
- (i) not to initiate, propose, assist or participate in any activities or solicitations in opposition to or in competition with the Business Combination and, without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal, acquisition of shares in the capital of Tokyo Smoke or any other form of transaction (unless the parties have mutually agreed otherwise), inconsistent with completion of the Business Combination and not to take actions of any kind which may reduce the likelihood of success of the Business Combination;
 - (ii) not to issue any debt, equity or other securities, without the prior written consent of DOJA (such consent not to be unreasonably withheld or delayed), other than: (A)

the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to the date hereof; (B) the issuance of Tokyo Smoke Shares upon the exercise of convertible securities, warrants, options, or any other commitment or agreement outstanding prior to the date hereof; (C) any arm's length property acquisition transaction or other corporate acquisitions by Tokyo Smoke; or (D) as contemplated herein;

- (iii) not to take any action that would prevent the Business Combination from being consummated on substantially the same terms contemplated by this Agreement; and
 - (iv) to cooperate fully with DOJA and to use its commercially reasonable efforts to complete the Business Combination.
- (b) In the event that Tokyo Smoke receives a bona fide offer, whether written or oral, (an "Offer") from a third party to acquire the assets or shares of Tokyo Smoke or to enter into an arrangement or agreement which would materially interfere with the Business Combination which Tokyo Smoke wishes to pursue at the instruction of its board of directors or a committee thereof, including without in any way limiting the generality of the foregoing, any such arrangement or agreement resulting from an unsolicited offer or proposal from a third party (a "Tokyo Smoke Alternative Transaction"), then Tokyo Smoke shall provide forthwith a copy of the Offer to DOJA or if made orally, a written summary of the Offer (and in any event within one business day following receipt thereof) and Tokyo Smoke may terminate this Agreement upon written notice to DOJA. Upon termination of this Agreement by Tokyo Smoke by written notice to DOJA (the "Tokyo Smoke Termination") or upon Tokyo Smoke entering into an agreement, including a letter of intent (the "Tokyo Smoke Alternative Transaction Agreement") prior to the termination of this Agreement, with respect to the Tokyo Smoke Alternative Transaction, Tokyo Smoke shall forthwith provide DOJA with a copy of the Tokyo Smoke Alternative Transaction Agreement and shall, within ten (10) business days following the earlier of the Tokyo Smoke Termination or the entering into of the Tokyo Smoke Alternative Transaction Agreement (collectively and individually referred to as a "Tokyo Smoke Event"), as applicable, make a cash payment to DOJA in the amount of \$5,000,000, which payment shall constitute full and final compensation and remedy to DOJA for any breach or the non-performance of this Agreement, and any and all fees and expenses associated therewith.

6.08

Standstill of DOJA

- (a) Unless and until this Agreement is terminated pursuant to the terms hereof, DOJA hereby agrees:
 - (i) not to initiate, propose, assist or participate in any activities or solicitations in opposition to or in competition with the Business Combination and, without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal, acquisition of shares in the capital of DOJA or any other form of transaction (unless the parties have mutually agreed otherwise), inconsistent with completion of the Business Combination and not to take actions of any kind which may reduce the likelihood of success of the Business Combination;
 - (ii) not to issue any debt, equity or other securities, without the prior written consent of Tokyo Smoke (such consent not to be unreasonably withheld or delayed), other

than: (A) in connection with the DOJA Private Placement; (B) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to the date hereof; (C) the issuance of DOJA Shares upon the exercise of convertible securities, warrants, options, or any other commitment or agreement outstanding prior to the date hereof, or (D) any arm's length property acquisition transaction or other corporate acquisitions by DOJA;

- (iii) not to take any action that would prevent the Business Combination from being consummated on substantially the same terms contemplated by this Agreement; and
 - (iv) to cooperate fully with Tokyo Smoke and to use its commercially reasonable efforts to complete the Business Combination.
- (b) In the event that DOJA receives an Offer from a third party to acquire the assets or shares of DOJA or to enter into an arrangement or agreement which would materially interfere with the Business Combination which DOJA wishes to pursue at the instruction of its board of directors or a committee thereof, including without in any way limiting the generality of the foregoing, any such arrangement or agreement resulting from an unsolicited offer or proposal from a third party (a "**DOJA Alternative Transaction**"), then DOJA shall provide forthwith a copy of the Offer to Tokyo Smoke or if made orally, a written summary of the Offer (and in any event within one business day following receipt thereof) and DOJA may terminate this Agreement upon written notice to Tokyo Smoke. Upon termination of this Agreement by DOJA by written notice to Tokyo Smoke (the "**DOJA Termination**") or upon DOJA entering into an agreement, including a letter of intent (the "**DOJA Alternative Transaction Agreement**") prior to the termination of this Agreement, with respect to the DOJA Alternative Transaction, DOJA shall forthwith provide Tokyo Smoke with a copy of the DOJA Alternative Transaction Agreement and shall, within ten (10) business days following the earlier of the DOJA Termination or the entering into of the DOJA Alternative Transaction Agreement (collectively and individually referred to as a "**DOJA Event**"), as applicable, make a cash payment to Tokyo Smoke in the amount of \$5,000,000, which payment shall constitute full and final compensation and remedy to Tokyo Smoke for any breach or the non-performance of this Agreement, and any and all fees and expenses associated therewith.

6.09

Change to Directors and Officers of DOJA

Upon the completion of the Business Combination:

- (a) Jeff Barber, Patrick Brauckmann and Stewart Thornhill will resign as directors of Resulting Issuer and there will be appointed in their place as directors of the Resulting Issuer Alan Gertner, Lorne Gertner and Charles Broderick;
- (b) Ryan Foreman will resign as the President of the Resulting Issuer and will be appointed as Chief Operating Officer of the Resulting Issuer; and
- (c) Trent Kitsch will resign as the Chief Executive Officer of DOJA and will be appointed as President of the Resulting Issuer, and Alan Gertner will be appointed as Chief Executive Officer of the Resulting Issuer.

ARTICLE 7
CONDITIONS OF CLOSING

7.01 **Conditions in Favour of DOJA**

The consummation of the Business Combination is subject to the following terms and conditions for the exclusive benefit of DOJA, to be fulfilled or performed at or prior to the Effective Time:

- (a) *Voluntary Hold Periods.* The DOJA Shares to be received for Tokyo Smoke Shares pursuant to the Amalgamation shall be subject to a voluntary hold period (reflected by the inclusion of a legend on the certificates representing such DOJA Shares) (the “**Hold Period**”) as follows:
 - (i) *Principals:* The DOJA Shares issuable, directly or indirectly, to Lorne Gertner, Alan Gertner, Brian Polsinello and Felicia Snyder will be subject to a Hold Period until the date that is eighteen (18) months from the Effective Date, with 25% of the DOJA Shares released on the date that is 4.5 months following the Effective Date and an additional 25% released every 4.5 months thereafter; and
 - (ii) *Non-Principals:* The DOJA Shares issuable to Tokyo Smoke Shareholders other than those referred to paragraph 7.01(a)(i) will be subject to a Hold Period until the date that is six (6) months from the Effective Date, with 20% of the DOJA Shares released on the Effective Date and an additional 40% released every three months thereafter.
- (b) *Personal Information Forms.* As required by the CSE, each proposed new director and officer of the Resulting Issuer and such other persons as may be required by the CSE shall have completed and delivered to DOJA and the CSE a duly completed and notarized Form 3 Personal Information Form.
- (c) *CSE Listing.* The CSE shall have conditionally approved, or not disallowed, as applicable, the listing of the common shares of the Resulting Issuer, including the shares which are issuable upon the exercise of the Replacement Options and other convertible securities, subject to compliance with the usual requirements of the CSE, and the resale of such shares not being subject to any Canadian hold or restricted period (except for a sale that would constitute a “control distribution” as defined in National Instrument 45-102 – *Resale of Securities*, and except for any other hold or escrow periods as may be required by the CSE). The parties hereto shall have also entered into such agreements as may be required by the CSE.
- (d) *Required Approvals.* Tokyo Smoke shall have obtained the approval of its board of directors, and, if required or permitted by the OBCA, its shareholders, in accordance with the OBCA, for this Agreement and the Transactions contemplated hereby.
- (e) *Proof of Corporate Action.* DOJA shall have received from Tokyo Smoke a copy, certified by a duly authorized officer thereof to be true and complete as of the Effective Date, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby.
- (f) *Representations and Warranties.* The representations and warranties of Tokyo Smoke contained in this Agreement will be true and correct at the Effective Time, with the same

force and effect as if such representations and warranties were made at and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event they will be true as of such earlier date, or except as affected by transactions specifically permitted or contemplated by this Agreement, or except for any failures or breaches of representations and warranties which, individually or in the aggregate, would not reasonably be expected to result in a Tokyo Smoke Material Adverse Effect or prevent or delay the completion of the Business Combination or other Transactions contemplated herein), and certificates of the Chief Executive Officer and the President of Tokyo Smoke dated the Effective Date will have been delivered to DOJA confirming the foregoing.

- (g) *Covenants.* All of the terms, covenants and conditions of this Agreement to be complied with or performed by Tokyo Smoke at or before the Effective Time will have been complied with or performed (except to the extent that the failure to comply with or perform such covenants has not resulted in or would not result in, individually or in the aggregate, a Tokyo Smoke Material Adverse Effect or prevent or delay the completion of the Business Combination or the other Transactions contemplated herein) and certificates of the Chief Executive Officer and the President of Tokyo Smoke dated the Effective Date will have been delivered to DOJA confirming the foregoing.
- (h) *Regulatory Consents.* There will have been obtained, from all relevant Governmental Authorities, such Authorizations as are required to be obtained by Tokyo Smoke to consummate the Business Combination, including the approval of the CSE for the Business Combination and for the listing on the CSE of the Resulting Issuer Shares issuable pursuant to the Business Combination (including the exercise of the Replacement Options issued in replacement for or in lieu of the Tokyo Smoke Options pursuant to the terms of this Agreement).
- (i) *Contractual Consents.* Tokyo Smoke will have given or obtained the notices, consents and approvals referred to in subsection 6.05(e), as applicable, in each case in form and substance satisfactory to DOJA, acting reasonably.
- (j) *No Action or Proceeding.* No *bona fide* legal or regulatory action or proceeding will be pending or threatened by any person to enjoin, restrict or prohibit the Business Combination or any other of the transactions contemplated hereby, or the right of DOJA, Subco, any of the DOJA Subsidiaries, Tokyo Smoke or any of the Tokyo Smoke Subsidiaries to conduct, expand, and develop their business.
- (k) *Tokyo Smoke Material Adverse Effect.* There will have been no Tokyo Smoke Material Adverse Effect since the date hereof and a certificate of the Chief Executive Officer and the President of Tokyo Smoke dated the Effective Date to that effect will have been delivered to DOJA.
- (l) *Release by Directors and Officers.* Each of the directors and officers of DOJA that resigns as contemplated in Section 6.09 will have executed and delivered releases in favour of DOJA in form and substance satisfactory to DOJA, acting reasonably.
- (m) *Dissent Rights.* Dissent Rights will not have been exercised in respect of a total number of Tokyo Smoke Shares which would, if such shares were converted into DOJA Shares pursuant to the Business Combination, exceed 5% of the DOJA Shares outstanding upon completion of the Business Combination.

- (n) *DOJA Shares.* The DOJA Shares to be issued to the former holders of Tokyo Smoke Shares in connection with the Business Combination and, after giving effect to the Business Combination, issuable upon the exercise of the options and warrants of DOJA in accordance with the respective terms thereof, shall be issued as fully paid and non-assessable shares in the capital of DOJA, free and clear of all encumbrances, liens, charges, demands of whatsoever nature under Canadian law, except those imposed pursuant to statutory "control block hold periods" and escrow restrictions of the CSE, if any and any contractual hold periods agreed to by the parties.

If any of the conditions contained in this Section 7.01 have not been performed or fulfilled at or prior to the Effective Time to the satisfaction of DOJA, acting reasonably, DOJA may, by notice to Tokyo Smoke, terminate this Agreement and the obligations of Tokyo Smoke and DOJA under this Agreement. Any such condition may be waived in whole or in part by DOJA without prejudice to any claims it may have for breach of covenant, representation or warranty or otherwise.

7.02 Conditions in Favour of Tokyo Smoke

The consummation of the Business Combination is subject to the following terms and conditions for the exclusive benefit of Tokyo Smoke, to be fulfilled or performed at or prior to the Effective Time:

- (a) *CSE Listing.* The CSE shall have conditionally approved, or not disallowed, as applicable, the listing of the common shares of the Resulting Issuer, including the shares which are issuable upon the exercise of the Replacement Options and other convertible securities, subject to compliance with the usual requirements of the CSE, and the resale of such shares not being subject to any Canadian hold or restricted period (except for a sale that would constitute a "control distribution" as defined in National Instrument 45-102 – *Resale of Securities*, and except for any other hold or escrow periods as may be required by the CSE). The parties hereto shall have also entered into such agreements as may be required by the CSE.
- (b) *Required Approvals.* Each of DOJA and the DOJA Subsidiaries shall have obtained the approval of its board of directors for this Agreement and the transactions contemplated hereby.
- (c) *Proof of Corporate Action.* Tokyo Smoke shall have received from each of DOJA and Subco a copy, certified by a duly authorized officer thereof to be true and complete as of the Effective Date, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby.
- (d) *Name Change.* The Name Change will have been completed.
- (e) *Representations and Warranties.* The representations and warranties of DOJA contained in this Agreement will be true and correct at the Effective Time, with the same force and effect as if such representations and warranties were made at and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event they will be true as of such earlier date, or except as affected by transactions specifically permitted or contemplated by this Agreement, or except for any failures or breaches of representations and warranties which, individually or in the aggregate, would not reasonably be expected to result in a DOJA Material Adverse Effect or prevent or delay the completion of the Business Combination or other Transactions contemplated herein), and a certificate of

the Chief Executive Officer and the Chief Financial Officer of DOJA dated the Effective Date will have been delivered to Tokyo Smoke confirming the foregoing.

- (f) *Covenants.* All of the terms, covenants and conditions of this Agreement to be complied with or performed by DOJA at or before the Effective Time will have been complied with or performed (except to the extent that the failure to comply with such covenants has not resulted in or would not result in, individually or in the aggregate, a DOJA Material Adverse Effect or prevent or delay the completion of the Business Combination or the other Transactions contemplated herein), and a certificate of the Chief Executive Officer and the Chief Financial Officer of DOJA dated the Effective Date will have been delivered to Tokyo Smoke confirming the foregoing.
- (g) *Regulatory Consents.* There will have been obtained, from all relevant Governmental Authorities, such Authorizations as are required to be obtained by Tokyo Smoke and DOJA to consummate the Business Combination, including the approval of the CSE for the Business Combination and for the listing on the CSE of the Resulting Issuer Shares issuable pursuant to the Business Combination (including the exercise of the Replacement Options issued in replacement for or in lieu of the Tokyo Smoke Options pursuant to the terms of this Agreement), in each case in form and substance satisfactory to Tokyo Smoke, acting reasonably.
- (h) *Contractual Consents.* DOJA will have given or obtained the notices, consents and approvals referred to in subsection 6.06(g), in each case in form and substance satisfactory to DOJA, acting reasonably.
- (i) *No Action or Proceeding.* No *bona fide* legal or regulatory action or proceeding will be pending or threatened by any person to enjoin, restrict or prohibit the Business Combination or any other of the transactions contemplated hereby, or the right of DOJA, Subco, Tokyo Smoke, or any of the Tokyo Smoke Subsidiaries to conduct, expand, and develop their business.
- (j) *DOJA Material Adverse Effect.* There will have been no DOJA Material Adverse Effect and a certificate of the Chief Executive Officer and the Chief Financial Officer of DOJA dated the Effective Date to that effect will have been delivered to Tokyo Smoke.
- (k) *Release by Directors and Officers.* Each of the directors and officers of DOJA that resigns as contemplated in Section 6.09 will have executed and delivered releases in favour of DOJA in form and substance satisfactory to Tokyo Smoke, acting reasonably.
- (l) *Dissent Rights.* Dissent Rights will not have been exercised in respect of a total number of Tokyo Smoke Shares which would, if such shares were converted into DOJA Shares pursuant to the Business Combination, exceed 5% of the DOJA Shares outstanding upon completion of the Business Combination.
- (m) *DOJA Shares.* The DOJA Shares to be issued to the former holders of Tokyo Smoke Shares in connection with the Business Combination and, after giving effect to the Business Combination, issuable upon the exercise of the options and warrants of DOJA in accordance with the respective terms thereof, shall be issued as fully paid and non-assessable shares in the capital of DOJA, free and clear of all encumbrances, liens, charges, demands of whatsoever nature under Canadian law, except those imposed pursuant to statutory "control block hold periods" and escrow restrictions of the CSE, if any.

If any of the conditions contained in this Section 7.02 have not been performed or fulfilled at or prior to the Effective Time to the satisfaction of Tokyo Smoke, acting reasonably, Tokyo Smoke may, by notice to DOJA, terminate this Agreement and the obligations of Tokyo Smoke and DOJA under this Agreement. Any such condition may be waived in whole or in part by Tokyo Smoke without prejudice to any claims it may have for breach of covenant, representation or warranty or otherwise.

7.03 **Filing Articles**

Tokyo Smoke and DOJA will jointly file with the Director, Articles of Amalgamation and such other documents as may be required to complete the Business Combination as soon as practical and in any event within one Business Day after all conditions set out in Sections 7.01 and 7.02 have been satisfied or waived.

7.04 **Further Assurances**

Each party to this Agreement covenants and agrees that, from time to time prior to and subsequent to the Business Combination, it will execute and deliver all such documents, including all such additional conveyances, transfers, consents and other assurances and do all such other acts and things as the other party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

ARTICLE 8
TERMINATION

8.01 **Termination**

This Agreement may be terminated at any time before the Effective Time, whether before or after Tokyo Smoke obtains the Tokyo Smoke Shareholder Approval:

- (a) by the mutual agreement of DOJA and Tokyo Smoke;
- (b) by either of DOJA or Tokyo Smoke by notice to the other if there has been a misrepresentation, breach or non-performance by the breaching party of any representation, warranty, covenant or obligation contained in this Agreement, which could reasonably be expected to have a Tokyo Smoke Material Adverse Effect or DOJA Material Adverse Effect on the terminating party, as applicable, or the ability of either party to complete the Business Combination in accordance with the terms of this Agreement, provided the breaching party has been given notice of and ten (10) days to cure any such misrepresentation, breach or non-performance;
- (c) by DOJA pursuant to Section 6.07 or Section 7.01;
- (d) by Tokyo Smoke pursuant to Section 6.08 or Section 7.02; or
- (e) by either Tokyo Smoke or DOJA, if the Business Combination has not been completed on or before March 31, 2018, or such later date as may be agreed to by Tokyo Smoke and DOJA (provided that the right to terminate this Agreement under this Section 8.01(e) shall not be available to any party whose failure to fulfill any of its obligations under this Agreement has

been the cause of or resulted in the failure to consummate the transactions contemplated hereby by such date),

provided that the right to terminate this Agreement pursuant to Section 8.01(a), (b) or (e) above is not available to a party if it is in material breach of any representation, warranty or covenant hereof.

8.02 **Effect of Termination**

If this Agreement is terminated in accordance with Section 8.01:

- (a) this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of the parties hereunder except with respect to (i) Section 6.03, subsection **Error! Reference source not found.** (with respect to the payment of a penalty fee) and Section 9.02, which will survive such termination, and (ii) a breach arising from the fraud or wilful misconduct of any party; and
- (b) neither DOJA nor Tokyo Smoke will have any further liability to the other party except as expressly contemplated hereby, provided that the termination of this Agreement (i) will not relieve either DOJA or Tokyo Smoke from any liability for breach by it of this Agreement prior to such termination or (ii) preclude a party from seeking injunctive relief to restrain any breach or threatened breach of this Agreement or otherwise to obtain specific performance of any provision of this Agreement.

8.03 **Waivers and Extensions**

At any time prior to the earlier of the Effective Time or the termination of this Agreement in accordance with the provisions thereof, each of the parties hereto may (a) extend the time for the performance of any of the obligations or other acts of another party hereto; (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto; or (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the party to be bound thereby.

ARTICLE 9
MISCELLANEOUS

9.01 **Further Assurances**

Each of the parties hereto will from time to time execute and deliver all such further documents and instruments and do all acts and things as the another party hereto may, either before or after the Business Combination, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

9.02 **Transaction Costs**

Each party hereto will pay its respective costs and expenses (including but not limited to its legal and accounting costs) incurred in connection with the preparation, execution, delivery and performance of this Agreement and all documents and instruments executed pursuant to this Agreement and all transactions contemplated by this Agreement, and any other costs and expenses whatsoever and howsoever incurred.

9.03 **Time of the Essence**

Time is of the essence of this Agreement.

9.04 **Public Announcements**

The parties hereto shall not make any public announcement or press release concerning this Agreement or the matters contemplated herein, their discussions or any other memoranda, letters or agreements between the parties relating to the matters contemplated herein without the prior consent of each other, which consent shall not be unreasonably withheld, provided that no party shall be prevented from making any disclosure which is required to be made by Law or any rules of a stock exchange or similar organization by which it is bound.

9.05 **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

9.06 **Entire Agreement**

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto, including for greater certainty the Letter of Intent. The parties agree that the Letter of Intent is terminated upon the execution hereof. 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.

9.07 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by Tokyo Smoke, Subco and DOJA. No waiver 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 provision waived.

9.08 **Assignment**

This Agreement may not be assigned by a party hereto without the written consent of the other parties hereto, such consent not to be unreasonably withheld or delayed.

9.09 **Notices**

Any demand, notice or communication to be made or given under or pursuant to this Agreement is to be in writing, except as otherwise expressly permitted or required under this Agreement, and may be made or given by personal delivery, by registered mail or by transmittal by electronic mail addressed to the respective parties as follows:

- (a) If to DOJA or Subco, then to the following address:

6-2322 Dominion Road
West Kelowna, British Columbia V1Z 2W8

Attention: Jeff Barber, Chief Financial Officer
Email : jeff.barber@dojamj.com

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

Pushor Mitchell LLP
301, 1665 Ellis Street
Kelowna, British Columbia V1Y 2B3

Attention: Keith Inman
Email: inman@pushormitchell.com

(b) If to Tokyo Smoke, then to the following address:

358 Dufferin Street, Unit 109
Toronto, Ontario M6K 1Z8

Attention: Alan Gertner, Chief Executive Officer
Email : alan@tokyosmoke.com

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

Wildeboer Dellelce LLP
365 Bay Street, Suite 800
Toronto, Ontario M5H 2V1

Attention: Jeff Hergott
Email: jhergott@wildlaw.ca

or to such other mailing or electronic mail address as any party may from time to time notify the others of in accordance with this paragraph. Any demand, notice or communication made or given by personal delivery is conclusively deemed to have been given on the day of actual delivery thereof, or, if made or given by registered mail, on the fifth (5th) business day following the deposit thereof in the mail or, if made or given by electronic mail, 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. If the party making or giving such demand, notice or communication knows, or ought reasonably to know, of difficulties with the postal system which might affect the delivery of mail, any such demand, notice or communication is not to be mailed but is to be made or given by personal delivery or by electronic mail transmission.

9.10 **Remedies Cumulative**

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.

9.11 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without giving effect to any choice or conflict

of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

9.12 **Attornment**

For the purpose of all legal proceedings, this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. Each party hereto hereby attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

9.13 **Counterparts**

This Agreement may be executed 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.

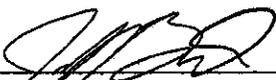
9.14 **Electronic Execution**

Delivery of an executed signature page to this Agreement by either party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

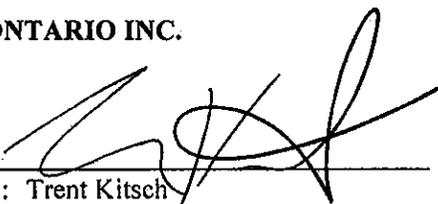
[The remainder of this page has been left intentionally blank. Signature page follows.]

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

DOJA CANNABIS COMPANY LIMITED

By: 
Name: Jeffrey Barber
Title: Chief Financial Officer and Director

2614070 ONTARIO INC.

By: 
Name: Trent Kitsch
Title: President and Director

TS BRANDCO HOLDINGS INC.

By: _____
Name: Alan Gertner
Title: Chief Executive Officer

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

DOJA CANNABIS COMPANY LIMITED

By: _____
Name: Jeffrey Barber
Title: Chief Financial Officer and Director

2614070 ONTARIO INC.

By: _____
Name: Trent Kitsch
Title: President and Director

TS BRANDCO HOLDINGS INC.

By:  _____
Name: Alan Gertner
Title: Chief Executive Officer

**SCHEDULE A
AMALGAMATION AGREEMENT**

THIS AGREEMENT made as of the ___ day of _____, 2018.

B E T W E E N:

2614070 ONTARIO INC.

existing under the *Business Corporations Act* (Ontario)

(hereinafter referred to as “**Subco**”)

- and -

TS BRANDCO HOLDINGS INC.

existing under the *Business Corporations Act* (Ontario)

(hereinafter referred to as “**Tokyo Smoke**”)

WHEREAS:

1. The parties hereto have entered into a business combination agreement with DOJA Cannabis Company Limited (“**DOJA**”) dated as of January 17, 2018 pursuant to which the parties thereto have agreed that the business and assets of Tokyo Smoke will be combined with those of Subco (the “**Business Combination Agreement**”).
2. The authorized capital of Subco consists of an unlimited number of common shares of which 100 are issued and outstanding as fully paid and non-assessable.
3. The authorized capital of Tokyo Smoke consists of an unlimited number of Class A Common Shares, an unlimited number of Class B Common Shares, an unlimited number of Class C Common Shares and an unlimited number of Class D Common Shares, of which 2,679,536 Class A Common Shares, 1,520,901 Class B Common Shares, nil Class C Common Shares and 22,569 Class D Common Shares are issued and outstanding as fully paid and non-assessable as at the date hereof.
4. Subco and Tokyo Smoke have agreed to amalgamate under the OBCA (as hereinafter defined) upon the terms and conditions hereinafter set out;
5. Effective upon the Amalgamation (as herein after defined), DOJA shall issue to each Tokyo Smoke Shareholder (as hereinafter defined) thirteen (13) DOJA Shares for each one (1) Tokyo Smoke Share (as hereinafter defined);

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto do hereby agree as follows:

1. Interpretation

In this Agreement including the recitals:

"Agreement" means this amalgamation agreement, at it may be amended or supplemented at any time and from time to time after the date hereof;

"Amalco" means the corporation resulting from the amalgamation of Subco and Tokyo Smoke pursuant to the Amalgamation;

"Amalco Shares" means the common shares in the capital of Amalco;

"Amalgamating Corporation" means each of Subco and Tokyo Smoke and **"Amalgamating Corporations"** means both of them;

"Amalgamation" means the amalgamation of the Amalgamating Corporations under Section 174 of the OBCA on the terms and subject to the conditions set out in this Agreement;

"Business Combination" means the business combination among DOJA, Subco and Tokyo Smoke pursuant to which Tokyo Smoke Shareholders will receive DOJA Shares on the basis of thirteen (13) DOJA Shares for each one Tokyo Smoke Share held, and DOJA will become the parent company of Amalco;

"Business Combination Agreement" has the meaning ascribed thereto in the preamble to this Agreement;

"Certificate of Amalgamation" means the certificate of amalgamation to be issued by the Director in respect of the Amalgamation;

"CSE" means the Canadian Securities Exchange;

"Director" means the director appointed under Section 278 of the OBCA;

"DOJA Shares" means common shares in the capital of DOJA;

"Effective Date" means the date shown on the Certificate of Amalgamation;

"Effective Time" has the meaning ascribed to it in Section 9;

"Exchange Ratio" has the meaning ascribed to it in Section 4(b);

"Governmental Authority" means (i) any international, multinational, national, federal, provincial, state, municipal, local or other government or governmental or public ministry, department, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; (iii) any quasi-governmental body exercising any regulatory, expropriation or taxing authority; or (iv) any stock exchange or securities market;

"ITA" means the *Income Tax Act* (Canada), as amended, and all regulations thereunder;

"OBCA" means the *Business Corporations Act* (Ontario), as amended from time to time;

"Parties" means Subco and Tokyo Smoke;

"Person" means any (i) corporation, partnership, limited liability company or partnership, joint venture, trust, unincorporated association or organization, business, enterprise or other entity; (ii) any individual; and (iii) any Governmental Authority;

“**Subco Shares**” means common shares in the capital of Subco;

“**Tokyo Smoke Shares**” means, collectively, the Class A Common Shares, Class B Common Shares, Class C Common Shares and Class D Common Shares in the capital of Tokyo Smoke;

“**Tokyo Smoke Shareholder**” means a registered holder of Tokyo Smoke Shares, from time to time, and “**Tokyo Smoke Shareholders**” means all of such holders; and

“**Transfer Agent**” means, AST Trust Company (Canada), the registrar and transfer agent of DOJA.

2. **Paramountcy**

In the event of any conflict between the provisions of this Agreement and the provisions of the Business Combination Agreement, the provisions of the Business Combination Agreement shall prevail.

3. **Agreement to Amalgamate**

Each of the Parties hereby agrees to the Amalgamation. The Amalgamating Corporations shall amalgamate to create Amalco on the terms and conditions set out in this Agreement.

4. **Amalgamation**

The Parties shall cause the Articles of Amalgamation to be filed pursuant to the OBCA to effect the Amalgamation. Under the Amalgamation, at the Effective Time:

- (a) Subco and Tokyo Smoke will amalgamate and continue as Amalco with the name “TS Brandco Holdings Inc.”;
- (b) each holder of Tokyo Smoke Shares (other than Tokyo Smoke Dissenting Shareholders who do not cancel their Tokyo Smoke Shares in consideration for obtaining DOJA Shares on the Amalgamation) shall receive thirteen (13) fully paid and non-assessable DOJA Shares for each one (1) Tokyo Smoke Share held (the “**Exchange Ratio**”), following which all such Tokyo Smoke Shares shall be cancelled;
- (c) each option to purchase a Tokyo Smoke Share (“**Tokyo Smoke Option**”) which is outstanding and has not been duly exercised prior to the Effective Date shall be exchanged for an option to purchase (each, a “**Replacement Option**”) from DOJA such number of DOJA Shares equal to (i) the Exchange Ratio multiplied by (ii) the number of Tokyo Smoke Shares subject to such Tokyo Smoke Option immediately prior to the Effective Date. Such Replacement Option shall provide for an exercise price per DOJA Share (rounded up to the nearest whole cent) equal to (y) the exercise price per Tokyo Smoke Share otherwise purchasable pursuant to such Tokyo Smoke Option, subject to adjustment to meet the requirements of Subsection 7(1.4) of the ITA as provided below divided by (z) the Exchange Ratio. If the foregoing calculation results in the total Replacement Options of a particular holder being exercisable for a number of DOJA Shares that includes a fractional DOJA Share, the total number of DOJA Shares subject to such holder’s total Replacement Options shall be rounded down to the nearest whole number of DOJA Shares. All terms and conditions of a Replacement Option, including the term to expiry, conditions to and manner of exercising, will be the same as the Tokyo Smoke Option for which it was exchanged, and

any certificate or option agreement previously evidencing the Tokyo Smoke Option shall thereafter evidence and be deemed to evidence such Replacement Option. Notwithstanding the foregoing, if required for purposes of meeting the requirements of paragraph 7(1.4)(c) of the ITA, the exercise price of each Replacement Option of any particular holder shall be, and shall be deemed to be, adjusted at the time of the exchange by the amount, and only to the extent, necessary to ensure that the aggregate fair market value of the DOJA Shares subject to the Replacement Option immediately after the exchange over the aggregate exercise price for such DOJA Shares pursuant to the Replacement Option does not exceed the excess of the aggregate fair market value of Tokyo Smoke Shares subject to the Tokyo Smoke Option immediately before the exchange over the aggregate exercise price for such Tokyo Smoke Shares under the Tokyo Smoke Option, and:

- (i) each holder of Tokyo Smoke Options shall cease to be the holder of Tokyo Smoke Options, or have any rights as a holder of such Tokyo Smoke Options (other than to receive Replacement Options in accordance with the Business Combination);
- (ii) each name of a holder of Tokyo Smoke Options shall be removed from the register of Tokyo Smoke Options maintained by or on behalf of Tokyo Smoke; and
- (iii) all Tokyo Smoke Options exchanged pursuant to this Section 4(c) shall be cancelled;
- (d) all other convertible securities issued by Tokyo Smoke shall be exchanged for convertible securities in the capital of DOJA on the basis of the Exchange Ratio, with all terms thereof adjusted accordingly;
- (e) DOJA shall receive one fully paid and non-assessable Amalco Share for each one Subco Share held by DOJA, following which all such Subco Shares shall be cancelled;
- (f) in consideration of the issuance of DOJA Shares in Section 4(b), Amalco shall issue to DOJA one Amalco Share for each DOJA Share issued;
- (g) the DOJA Shares shall be issued fully paid in consideration of the cancellation of the Tokyo Smoke Shares immediately prior to the Effective Time, excluding any Tokyo Smoke Shares held by Tokyo Smoke Dissenting Shareholders who do not cancel their Tokyo Smoke Shares in consideration of obtaining DOJA Shares in the Amalgamation;
- (h) Amalco shall add to the stated capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the ITA of the Subco Shares and Tokyo Smoke Shares immediately prior to the Effective Time;
- (i) DOJA shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to Transactions to any holder of Tokyo Smoke Shares such amounts as it determines are required or permitted to be deducted and withheld with respect to such payment under the ITA or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Tokyo Smoke Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority; and
- (j) Amalco will become a wholly-owned subsidiary of DOJA.

5. Delivery of Securities Following Amalgamation

In accordance with normal commercial practice, as soon as practicable following the Effective Date, DOJA, directly or through the Transfer Agent, shall issue Direct Registration Advices or certificates representing the appropriate number of DOJA Shares to the former holders of Tokyo Smoke Shares.

6. Effect of Amalgamation

- (a) The Amalgamating Corporations shall be amalgamated and continue as one corporation under the terms and conditions prescribed in this Agreement.
- (b) The Amalgamating Corporations shall cease to exist as entities separate from Amalco.
- (c) Amalco shall possess all the property, rights, privileges and franchises and shall be subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the Amalgamating Corporations.
- (d) A conviction against, or ruling, order or judgment in favour or against an Amalgamating Corporation may be enforced by or against Amalco.
- (e) The articles of amalgamation shall be deemed to be the articles of incorporation of Amalco.
- (f) Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against an Amalgamating Corporation before the Amalgamation has become effective.

7. Fractional Shares

No fractional DOJA Shares shall be issued to holders of Tokyo Smoke Shares; in lieu of any fractional entitlement, the number of DOJA Shares issued to each former holder of Tokyo Smoke Shares shall be rounded up to the nearest whole DOJA Share in the event that the former holder of Tokyo Smoke Shares is entitled to receive a fractional share representing 0.5 or more of a DOJA Share, or be rounded down to the nearest whole DOJA Share in the event that the former holder of Tokyo Smoke Shares is entitled to receive a fractional share representing less than 0.5 of a DOJA Share.

8. Filing of Articles of Amalgamation

If this Agreement is adopted by each of the Amalgamating Corporations as required by the OBCA, the Amalgamating Corporations agree that they will, jointly and together, file with the Director, agreed upon Articles of Amalgamation in the form prescribed under the OBCA.

9. Effective Time

The Amalgamation shall take effect and go into operation at 12:01 a.m. on the Effective Date, if this Agreement has been adopted as required by law and all necessary filings have been made with the Director before that time, or at such later time, or time and date, as may be determined by the directors or by special resolutions of the Amalgamating Corporations when this Agreement shall have been adopted as required by law; provided, however, that if this Agreement is terminated under Section 19, the Amalgamation shall not take place notwithstanding the fact that this Agreement may have been adopted by the shareholders of the Amalgamating Corporations.

10. Registered Office

The registered office of Amalco shall be in the City of Toronto in the Province of Ontario. The address of the first registered office of Amalco shall be: Wildeboer Dellelce Place, 365 Bay Street, Suite 800, Toronto, Ontario, M5H 2V1.

11. Amalco Name

The name of Amalco shall be "TS Brandco Holdings Inc."

12. Articles and By-Laws

- (a) The Articles of Amalgamation are deemed to be the articles of incorporation of Amalco and, except for the purposes of subsection 117(1) of the OBCA, the Certificate of Amalgamation is deemed to be the certificate of incorporation of Amalco.
- (b) The by-laws of Amalco shall be the by-laws of Tokyo Smoke, a copy of which may be examined at the following address: 358 Dufferin Street, Unit 109, Toronto, Ontario, M6K 1Z8.

13. Activities

There will be no limitations on the activities of Amalco. The directors of Amalco shall be authorized to borrow money on the credit of Amalco.

14. Authorized Capital

The authorized capital of Amalco shall consist of an unlimited number of common shares without nominal or par value.

15. Number of Directors

The board of directors of Amalco shall consist of not less than one (1) and not more than ten (10) directors, the exact number of which shall be determined by the directors from time to time.

16. Initial Directors

The first directors of Amalco shall be the persons whose names and residential addresses appear below:

<u>Name</u>	<u>Prescribed Address</u>
Alan Gertner	Wildeboer Dellelce Place, 365 Bay Street, Suite 800, Toronto, Ontario, M5H 2V1
Trent Kitsch	6 - 2322 Dominion Road West Kelowna, BC V1Z 2W8

The above directors will hold office from the Effective Date until the first annual meeting of shareholders of Amalco or until their successors are elected or appointed.

17. Transfer of Shares

The right to transfer of shares in the capital of Amalco shall be restricted in that no shareholder shall be entitled to transfer any share or shares unless its transfer complies with the restriction on the transfer of securities set out in section 18(b) hereof.

18. Special Provisions

Subject to the provisions of the OBCA, the following provisions shall apply to Amalco:

- (c) Without in any way restricting the powers conferred upon Amalco or its board of directors by the OBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the board of directors may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deems expedient:
 - (i) borrow money upon the credit of Amalco;
 - (ii) issue, re-issue, sell or pledge debt obligations of Amalco;
 - (iii) subject to the provisions of the OBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, give a guarantee on behalf of Amalco to secure performance of an obligation of any person; and
 - (iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of Amalco owned or subsequently acquired, to secure any obligation of Amalco.

The board of directors may from time to time delegate to a director, a committee of directors or an officer of Amalco any or all of the powers conferred on the board as set out above, to such extent and in such manner as the board shall determine at the time of such delegation.

- (d) No securities of Amalco, other than non-convertible debt securities, shall be transferred without either:
 - (i) the approval of the directors of Amalco expressed by a resolution passed at a meeting of the board of directors or by a resolution in writing signed by all of the directors entitled to vote on that resolution at a meeting of directors; or
 - (ii) the approval of the holders of shares of Amalco carrying at least a majority of the votes entitled to be cast at a meeting of shareholders, expressed by a resolution passed at a meeting of the holders of such shares or by an instrument or instruments in writing signed by the holders of a majority of such shares.

19. Termination

This Agreement may be terminated by the board of directors of each of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholders of the Amalgamating Corporations, at any time prior to the issuance of the Certificate of Amalgamation and following the termination of the Business Combination Agreement, without, except as provided in the Business Combination Agreement, any recourse by any Party hereto or any of their shareholders or other Persons.

20. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario in respect of all matters arising under or in relation to this Agreement.

21. Further Assurances

Each of the Parties agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.

22. Time of the Essence

Time shall be of the essence of this Agreement.

23. Amendments

This Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

24. Counterparts

This Agreement may be signed in counterparts (including counterparts by facsimile), and all such signed counterparts, when taken together, shall constitute one and the same agreement, effective on this date.

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

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

2614070 ONTARIO INC.

By: _____
Name: Trent Kitsch
Title: President

TS BRANDCO HOLDINGS INC.

By: _____
Name: Alan Gertner
Title: Chief Executive Officer