

Stem Holdings, Inc.
7777 Glades Road, Suite 203
Boca Raton, FL 33434

March 29, 2019

Canadian Securities Exchange Markets Inc.
100 King Street West, Suite 7210
Toronto, Ontario, M5X 1E1

Dear Sir or Madam:

Re: Stem Holdings, Inc. (the "Corporation") – Closing of the acquisition of South African Ventures, Inc.

We confirm that we have acquired all of the issued and outstanding shares of capital stock South African Ventures, Inc. ("**SAV**") from the shareholders of SAV (the "**Vendors**") pursuant to the share purchase agreement dated March 22, 2019 among the Corporation, SAV and the Vendors, which was announced on March 24, 2019.

Please contact the undersigned if you have any questions or comments.

Yours very truly,

(signed) "Adam Berk"

Adam Berk
President and CEO
Stem Holdings, Inc.