

AMENDING AGREEMENT

THIS AMENDING AGREEMENT (the "Agreement") is made as of the 28th day of April, 2017.

AMONG:

SG SPIRIT GOLD INC., a corporation existing under the laws of the Province of British Columbia

("SG Spirit")

AND:

NLMCO ACQUISITION CORP., a corporation incorporated under the laws of the Province of British Columbia

("Subco")

AND:

NORTHERN LIGHTS MARIJUANA COMPANY LIMITED, a corporation incorporated under the laws of the Province of British Columbia

("Northern Lights")

WHEREAS SG Spirit, Subco and Northern Lights (collectively, the "Parties") entered into an amalgamation agreement dated effective February 10th, 2017 (the "Amalgamation Agreement");

AND WHEREAS the Parties desire to amend the Amalgamation Agreement as set forth in this Agreement;

NOW THEREFORE in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Section 1.1 of the Amalgamation Agreement is hereby amended to delete paragraphs (u), (v), (ff) and (gg) in their entirety, and to include the following additional definitions:

"Northern Lights Additional Private Placement" means the non-brokered private placement of Northern Lights Shares, at a price of \$0.90 per Northern Lights Share, or such other price per Northern Lights Share may determine in its sole discretion.

"Northern Lights Final Private Placement" means the non-brokered private placement of Northern Lights Shares, at a price of \$0.45 per Northern Lights Share.

"Northern Lights Financial Statements" means all financial statements of Northern Lights, both audited and unaudited as applicable, for the periods required pursuant to applicable regulatory policies for inclusion in any disclosure document or other filing to any applicable regulatory authorities, and includes, but is not limited to, the audited financial statements of Northern Lights for the year ended March 31, 2017.

“Northern Lights Options” means the incentive stock options of Northern Lights issued to Stewart Thornhill, each of which entitle the holder to purchase one Northern Lights Share on terms to be determined by Northern Lights in its sole discretion.

“Resulting Issuer Shares” means the SG Spirit Shares, as constituted following completion of the SG Spirit Consolidation.

“SG Spirit Consolidation” means a consolidation of the outstanding SG Spirit Shares on the basis of 1 Resulting Issuer Share for every 3 SG Spirit Shares.

“SG Spirit Exchange Options” means the incentive stock options of SG Spirit, issued in exchange for the existing Northern Lights Options, entitling the holder thereof to purchase 1.8 Resulting Issuer Shares, on substantially the same terms as the Northern Lights Options.

“SG Spirit Exchange Performance Warrants” means the common share purchase warrants of SG Spirit, issued in exchange for the existing Northern Lights Performance Warrants, entitling the holder thereof to purchase 1.8 Resulting Issuer Shares, on substantially the same terms as the Northern Lights Performance Warrants.

“SG Spirit Exchange Warrants” means the common share purchase warrants of SG Spirit, issued in exchange for the Northern Lights Warrants, entitling the holder thereof to purchase one Resulting Issuer Share at a price of \$0.25, on substantially the same terms as the Northern Lights Warrants, other than with respect to the right to accelerate the expiry time of such warrants, which right shall only be available for exercise if the market price of the Resulting Issuer Shares is greater than \$1.10 (after taking into account an exchange ratio of 1.8-to-one and the SG Spirit Consolidation) for twenty consecutive trading days.

2. Section 1.1(cc) of the Amalgamation Agreement is amended to remove the words “and shall also include any share purchase warrants of Northern Lights which may be issued by Northern Lights in connection with the Northern Lights Final Private Placement”.
3. Section 1.1(ii) of the Amalgamation Agreement is deleted in its entirety and replaced with:

“SG Spirit Shares” means the common shares in the capital of SG Spirit prior to the completion of the SG Spirit Consolidation.
4. Sections 2.1, 2.2, 2.5, 4.2(e) and 7.1(b) of the Amalgamation Agreement are amended to delete the references to “SG Spirit Shares” and replace them with “Resulting Issuer Shares”.
5. Section 2.1 of the Amalgamation Agreement is deleted in its entirety and replaced with the following:

“This Agreement and the Amalgamation are intended, subject to the terms and conditions hereof, to result in the formation of Amalco; the issuance of SG Spirit Shares, SG Spirit Exchange Warrants, SG Spirit Exchange Performance Warrants and SG Spirit Exchange Options to the Northern Lights Shareholders, in exchange for their Northern Lights Shares, Northern Lights Warrants, Northern Lights Performance Warrants and Northern Lights Options outstanding at the Effective Time on a 1.8-for-one basis; and Amalco becoming a wholly-owned subsidiary of SG Spirit. To this end, each of SG Spirit and Northern Lights agrees to act in good faith and use all commercially reasonable efforts to take and do, or cause to be taken and done, all acts and other things necessary, proper or advisable to obtain all necessary approvals to complete the

Amalgamation in accordance with the terms and conditions hereof and applicable laws, and to cooperate with each other in connection therewith.”

6. Section 2.2 of the Amalgamation Agreement is amended to delete the following paragraphs in their entirety:

“(d) each Northern Lights Warrant outstanding at the Effective Time shall be exchanged for 1.8 SG Spirit Exchange Warrants, entitling the holder to acquire one SG Spirit Share on the same terms and conditions as the Northern Lights Warrants, taking into account an exchange ratio of 1.8-to-one, and thereafter all Northern Lights Warrants shall be cancelled; and”

“No fractional SG Spirit Shares, or SG Spirit Exchange Warrants or SG Spirit Exchange Performance Warrants exercisable for fractional shares, will be issued by SG Spirit. In lieu of any fractional entitlement, the number of SG Spirit Shares to be issued to each former Northern Lights Shareholder shall be rounded up to the next greater whole number of SG Spirit Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of SG Spirit Shares if the fractional entitlement is less than 0.5 and, in calculating such fractional interests, all SG Spirit Shares registered in the name of or beneficially held by such Northern Lights Shareholder or its nominee, as the case may be, shall be aggregated.”

“All SG Spirit Shares issued in exchange for Northern Lights Shares pursuant to subsection 2.2(c), other than SG Spirit Shares otherwise subject to Escrow Arrangements and SG Spirit Shares issued in exchange for Northern Lights Shares issued pursuant to the Northern Lights Final Private Placement, will be subject to resale restrictions which shall restrict the ability of the holder to trade such Resulting Issuer Shares in the following proportions and until the following dates.”

“All SG Spirit Shares issued in exchange for Northern Lights Shares issued pursuant to the Northern Lights Final Private Placement, will be subject to resale restrictions which shall restrict the ability of the holder to trade such SG Spirit Shares until the date which is 4 months from the Effective Date.”

and replace them with the following:

“(d) each Northern Lights Warrant outstanding at the Effective Time shall be exchanged for 1.8 SG Spirit Exchange Warrants, entitling the holder to acquire one Resulting Issuer Share on the same terms and conditions as the Northern Lights Warrants, taking into account an exchange ratio of 1.8-to-one and subject to adjustment of the acceleration rights set forth in the Northern Lights Warrants, and thereafter all Northern Lights Warrants shall be cancelled;”

“(f) each Northern Lights Option outstanding at the Effective Time shall be exchanged for 1.8 SG Spirit Exchange Options, entitling the holder to acquire one Resulting Issuer Share on the same terms and conditions as the Northern Lights Options, taking into account an exchange ratio of 1.8-to-one, and thereafter all Northern Lights Options shall be cancelled;”

“No fractional Resulting Issuer Shares, or SG Spirit Exchange Warrants, SG Spirit Exchange Performance Warrants or SG Spirit Exchange Options exercisable for fractional shares, will be issued by SG Spirit. In lieu of any fractional entitlement, the number of Resulting Issuer Shares to be issued to each former Northern Lights Shareholder shall be rounded up to the next greater

whole number of Resulting Issuer Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of Resulting Issuer Shares if the fractional entitlement is less than 0.5 and, in calculating such fractional interests, all Resulting Issuer Shares registered in the name of or beneficially held by such Northern Lights Shareholder or its nominee, as the case may be, shall be aggregated.”

“All Resulting Issuer Shares issued in exchange for Northern Lights Shares pursuant to subsection 2.2(c), other than Resulting Issuer Shares otherwise subject to Escrow Arrangements and Resulting Issuer Shares issued in exchange for Northern Lights Shares issued pursuant to the Northern Lights Final Private Placement or the Northern Lights Additional Private Placement, will be subject to resale restrictions which shall restrict the ability of the holder to trade such SG Spirit Shares in the following proportions and until the following dates:”

“All Resulting Issuer Shares issued in exchange for Northern Lights Shares issued pursuant to the Northern Lights Final Private Placement or the Northern Lights Additional Private Placement will be subject to resale restrictions which shall restrict the ability of the holder to trade such Resulting Issuer Shares until the date which is 4 months from the Effective Date.”

7. Section 2.6(c) of the Amalgamation Agreement is amended to delete the reference to “Jeffrey Barber” and replace it with “Trent Kitsch”.
8. Section 2.7(b) of the Amalgamation Agreement is deleted in its entirety and replaced with the following:

*“**Directors.** SG Spirit shall reconstitute its board of directors (the “**Board**”) such that Richard Grayston, Mark Ferguson and Richard Ko shall resign, and the following directors shall be appointed in substitution thereof, subject to SG Spirit’s receipt of all reasonably necessary documentation to effect such appointments:*

- (i) William Trent Kitsch;*
- (ii) Ryan Foreman;*
- (iii) Jeffrey Barber;*
- (iv) Patrick Brauckmann; and*
- (v) Stewart Thornhill.”*

9. Section 2.7(c) of the Amalgamation Agreement be deleted in its entirety and replaced with the following:

*“**Officers.** SG Spirit shall reconstitute its senior management (the “**Management**”) such that Richard Grayston and Mark Ferguson shall resign as officers of SG Spirit and the following officers shall be appointed, subject to SG Spirit’s receipt of all reasonably necessary documentation to effect such appointments:*

- (i) William Trent Kitsch – Chief Executive Officer;*
- (ii) Ryan Foreman – President;*
- (iii) Jeffrey Barber – Chief Financial Officer;*

- (iv) *Maria Kitsch – Vice-President;*
 - (v) *Keith Inman – Corporate Secretary; and*
 - (vi) *such other person(s) as may be determined by Northern Lights in its sole discretion.”*
10. Section 3.1(a) of the Amalgamation Agreement be deleted in its entirety and replaced with the following:
- “effective upon the Closing, the Board shall be reconstituted to consist of five members, comprising the following persons:*
- (i) *William Trent Kitsch;*
 - (ii) *Ryan Foreman;*
 - (iii) *Jeffrey Barber;*
 - (iv) *Patrick Brauckmann; and*
 - (v) *Stewart Thornhill.”*
11. Section 3.1(b) be deleted in its entirety and replaced with the following:
- “effective upon the Closing, the Management shall be reconstituted to comprise the following persons:*
- (i) *William Trent Kitsch – Chief Executive Officer;*
 - (ii) *Ryan Foreman – President;*
 - (iii) *Jeffrey Barber – Chief Financial Officer;*
 - (iv) *Maria Kitsch – Vice-President;*
 - (v) *Keith Inman – Corporate Secretary; and*
 - (vi) *such other person(s) as may be determined by Northern Lights in its sole discretion.”*
12. Section 3.1(e) of the Amalgamation Agreement is deleted in its entirety and replaced with the following:
- “neither SG Spirit nor Northern Lights shall have issued any further securities without the consent of the other party, other than as contemplated herein, or in the case of SG Spirit, in connection with the exercise of any existing SG Spirit Warrants or SG Spirit Options, or in the case of Northern Lights, in connection with the Northern Lights Initial Private Placement, the Northern Lights Final Private Placement, the Northern Lights Additional Private Placement, the issuance of up to a maximum of 100,000 Northern Lights Options to Stewart Thornhill or the exercise of any existing Northern Lights Performance Warrants.”*
13. Section 3.1(h) of the Amalgamation Agreement is deleted in its entirety and replaced with the following:

“the Resulting Issuer Shares shall have been conditionally accepted for listing on the Canadian Securities Exchange, subject to completion of the Amalgamation, and the TSX Venture Exchange shall have approved the delisting of the SG Spirit Shares, subject to completion of the listing on the Canadian Securities Exchange”

14. Section 3.2(d) of the Amalgamation Agreement is deleted in its entirety and replaced with the following:

“each of the holders of Northern Lights Performance Warrants shall have consented to the exchange of their securities for SG Spirit Performance Warrants, pursuant to the terms of this Agreement;”

15. Section 3.3(c) of the Amalgamation Agreement is deleted in its entirety and replaced with the following:

“Each of SG Spirit and Subco shall have conducted its business in the ordinary course and shall not have expended any cash or incurred any liabilities or other obligations (contingent or otherwise) other than in the ordinary course of business or in connection with the transactions contemplated herein. Without in any way limiting the foregoing, SG Spirit shall have sought and obtained the prior approval of Northern Lights for any cash expenditures or liabilities incurred by SG Spirit or Subco (other than cash expenditures of up to a maximum of an aggregate of \$2,500 per month in respect of salary paid to Richard Grayston) in excess of \$1,000;”

16. Section 3.3 of the Amalgamation Agreement is amended to add the following subsections:

“(f) SG Spirit shall have completed the SG Spirit Consolidation;

(g) SG Spirit shall have introduced qualified subscribers to the Northern Lights Additional Private Placement that are acceptable to Northern Lights, acting reasonably, for minimum aggregate subscription proceeds of \$1,500,000; and

(h) SG Spirit shall have transferred, sold or otherwise disposed of the mineral claims (including, for greater certainty, all liabilities or obligations associated with such mineral claims) held by SG Spirit, including, without limitation, the mineral claims in the Province of British Columbia which are commonly referred to as the “Purcell LOV Property” on terms acceptable to SG Spirit.”

17. Section 5.1 of the Amalgamation Agreement is deleted in its entirety and replaced with the following:

“5.1 Right to Terminate

This Agreement may be terminated at any time prior to the Effective Time, by the mutual consent of the parties or in the following circumstances by written notice given by the terminating party to the other parties hereto:

- (a) by Northern Lights, if SG Spirit shall not have delivered to or to the order of Northern Lights duly completed and executed subscription agreements from qualified subscribers to the Northern Lights Additional Private Placement that are acceptable to Northern*

Lights, acting reasonably, together with minimum aggregate subscription proceeds of \$1,500,000, on or prior to May 31, 2017;

- (b) *by either of SG Spirit or Northern Lights (the “**Non-Defaulting Party**”), if the Effective Time has not occurred on or before June 30, 2017, and the other party hereto is in default (the “**Defaulting Party**”) of any covenant on its part to be performed hereunder, and the Non-Defaulting Party has given written notice (the “**Default Notice**”) of such default to the Defaulting Party and the Defaulting Party has failed to cure such default within seven days of the Default Notice,*

and in such event, each party hereto shall be released from all obligations under this Agreement without liability, always provided that such release without liability shall not apply if such termination is a result of the party’s failure to perform, satisfy or observe in good faith its obligations to be performed, satisfied or observed hereunder.”

18. Section 6.1(c) of the Amalgamation Agreement is deleted in its entirety and replaced with the following:

“issue any securities other than in connection with the Northern Lights Initial Private Placement, the Northern Lights Final Private Placement, the Northern Lights Additional Private Placement, the issuance of up to a maximum of 100,000 Northern Lights Options to Stewart Thornhill, or in accordance with the terms and conditions of a previously issued convertible security outstanding at the date hereof, all of which previously issued convertible securities outstanding as at the date hereof, for each party, are fully and accurately disclosed in Appendix “C” hereto;”

19. Section 6.1 of the Amalgamation Agreement be amended to add the following after Section 6.1(c) thereof:

“(d) SG Spirit shall not make any payment to a non-arm’s length party (as determined in accordance with the Income Tax Act (Canada)) to SG Spirit or any of its directors or officers, or become a party to or bound by any agreement or arrangement, whether in writing or otherwise, requiring or pursuant to which any non-arm’s length party (as determined in accordance with the Income Tax Act (Canada)) to SG Spirit, or any of its directors or officers, shall receive or become entitled to any payment or obligation, other than payment of a salary to Richard Grayston, which salary shall not exceed \$2,500 per month”

20. Section 6.1 of the Amalgamation Agreement be amended to add the following words after the last sentence in that section:

“For greater certainty, and without limiting the generality of this Section 6.1, in the event a holder of SG Spirit Warrants exercises all or any of such SG Spirit Warrants prior to the Effective Time, SG Spirit agrees to hold the aggregate exercise price for such exercised SG Spirit Warrants in trust for the benefit and use of the Northern Lights subsequent to the Effective Time.”

21. Section 7.2 of the Amalgamation Agreement is hereby amended to add the following subsections:

- “(h) as at April 28, 2017, SG Spirit has working capital (as determined in accordance with International Financial Reporting Standards for public companies) of no less than \$90,000;*
- (i) except in the case of the Northern Lights Additional Private Placement, no broker, finder, investment banker or other person is entitled to any brokerage, finder’s or other fee or commission in connection with the Amalgamation, the Northern Lights Initial Private Placement, the Northern Lights Final Private Placement, or otherwise in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of SG Spirit or Subco; and*
- (j) other than the mineral claims held by SG Spirit in the Province of British Columbia, and which are commonly referred to as the “Purcell LOV Property”, neither SG Spirit nor Subco have any interest in any mineral claims.”*
22. Section 7.4(c) of the Amalgamation Agreement is deleted in its entirety and replaced with the following:
- “its issued share capital is a set out in Appendix “C” hereto, and other than securities issuable pursuant to the Northern Lights Additional Private Placement or as disclosed herein:*
- (i) there are no rights, privileges or agreements requiring it to repurchase, redeem, retract or otherwise acquire, whether directly or indirectly, any of its issued shares or other securities; and*
- (ii) there are no options, warrants, rights, privileges or agreements requiring it to seek or otherwise issue (by exercise, conversion, exchange or otherwise), whether directly or indirectly, any of its unissued shares;*
- and such information contained in Appendix “C” hereto shall remain accurate and complete in all material respects at the Closing, subject to the completion of the Northern Lights Additional Private Placement or the exercise of any Northern Lights Warrants or Northern Lights Performance Warrants prior to the Effective Time;”*
23. Section 7.4(n) of the Amalgamation Agreement be amended to delete the words “Zena Prokosh”.
24. Section 8.2(c) of the Amalgamation Agreement be amended to delete the words “Jeffrey Barber, Chief Financial Officer” and to replace them with the words “Trent Kitsch, Chief Executive Officer”.
25. Appendix C of the Amalgamation Agreement is amended to delete Tables A and C in their entirety and replace them with the following:

SG SPIRIT GOLD INC.

Type of Security	Number
SG Spirit Shares outstanding at date hereof	15,211,457 ⁽¹⁾
SG Spirit Warrants outstanding at date hereof	10,200,000 ⁽¹⁾

SG Spirit Options at date hereof	260,000 ⁽¹⁾⁽²⁾
Other agreements/rights to issue Common Shares	Nil

NORTHERN LIGHTS MARIJUANA COMPANY LIMITED

Type of Security ⁽³⁾	Number
Northern Lights Shares outstanding at date hereof ⁽³⁾	26,549,487
Northern Lights Warrants outstanding at date hereof	5,943,105
Northern Lights Performance Warrants outstanding at date hereof	4,231,833

Notes:

- (1) Prior to completion of the SG Spirit Consolidation.
- (2) Additional 100,000 incentive stock options to be granted to Richard Grayston prior to the Effective Time at an exercise price determined in the context of the market and in accordance with applicable regulatory policies.
- (3) Not including the Northern Lights Shares which may be issued pursuant to the Northern Lights Additional Private Placement and up to 100,000 Northern Lights Options to be issued to Stewart Thornhill.
26. The Amalgamation Agreement shall be further amended with such additional changes are necessary to give effect to this Agreement. The amendments to the Amalgamation Agreement contemplated by this Agreement shall be effective immediately upon execution of this Agreement.
27. The Amalgamation Agreement and this Agreement shall together constitute and be read as one and the same written instrument. Except as otherwise amended by the foregoing, the provisions of the Amalgamation Agreement shall be and continue in full force and effect and are hereby confirmed as of the date hereof.
28. This Agreement is personal in nature and may not be assigned in whole or in part without the express written consent of the other parties hereto. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.
29. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties hereto acknowledge and agree that the courts of British Columbia shall have the exclusive jurisdiction with respect to any dispute or other matter arising hereunder.
30. This Agreement may be signed and delivered in two or more counterparts and by facsimile or functionally equivalent electronic means, and when taken together such counterparts and facsimiles shall be deemed to constitute one and the same and an originally executed instrument having effect from the date first above written notwithstanding the date of execution and delivery.

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

SG SPIRIT GOLD INC.

per: "Richard Grayston" (signed)
Richard Grayston
Chief Executive Officer

NLMCO ACQUISITION CORP.

per: "Richard Grayston" (signed)
Richard Grayston
Director

**NORTHERN LIGHTS MARIJUANA COMPANY
LIMITED**

per: "Trent Kitsch" (signed) _____
Trent Kitsch
Chief Executive Officer