

SHARE PURCHASE AGREEMENT

THIS AGREEMENT is dated for reference the 16th day of October, 2017.

BETWEEN:

PUF VENTURES INC., a corporation existing under the laws of the Province of British Columbia having its head office at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7;

(the “**Vendor**”)

AND:

MYM NUTRACEUTICALS INC., a corporation existing under the laws of the Province of British Columbia, having its head office at Suite 1500 — 409 Granville Street, Vancouver, British Columbia, V6C 1T2;

(the “**Purchaser**”)

WHEREAS:

- A. The Vendor is the registered and beneficial owner of seventy (70) of the issued and outstanding common shares (the “**PVA Shares**”) of PUF Ventures Australia Pty Ltd. (“**PVA**”), representing a 70% interest in PVA;
- B. The Vendor wishes to sell and the Purchaser wishes to purchase thirty-five (35) PVA Shares (the “**Transfer**”) on the terms herein provided, subject to any restriction on transfer contained in the Articles (otherwise known as the Constitution) of PVA; and
- C. The Transfer is subject to approval of the board of directors of PVA.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises, covenants and agreements herein set forth, the parties hereto agree as follows:

1.

PURCHASE AND SALE OF PVA SHARES

Purchase and Sale of PVA Shares

- 1.1.** Subject as herein provided, the Vendor hereby sells thirty-five (35) PVA Shares to the Purchaser and the Purchaser hereby purchases from the Vendor the PVA Shares, whereby, on completion of the Transfer, the Vendor will own 35% of PVA, the Purchaser will own 35% of PVA, and the shareholders of PVA who are not a party to this Agreement will own 30% of the issued and outstanding PVA Shares.

1.2. Subject to section 1.1 above:

- (a) the Vendor and the Purchaser shall jointly, on a *pro rata* basis (*i.e.*, 50% each), be responsible for the obligations of the Vendor to complete certain milestones in accordance with Section 3.2 of the Heads of Agreement (the “**HOA**”) attached hereto as Schedule “A”;
- (b) the Vendor will invest USD\$1 million into PVA as its obligation to complete the four milestones referred to in s. 3.2 of the HOA; and
- (c) if the Purchaser fails to fund 50% of any of the milestone obligations referred to in s. 3.2 of the HOA, the Vendor has the right to rescind and have the Purchaser return the thirty-five (35) PVA Shares to the Vendor.

Consideration for PVA Shares

1.3. The total purchase price for the PVA Shares is One Canadian Dollar (\$1.00), which the parties agree is nominal value of the PVA Shares, as at the date hereof, and will be paid immediately, by cash delivered to the Vendor at the address set out herein, or at such other place in Canada as the Vendor and Purchaser may agree, forthwith upon delivery by the Vendor to the Purchaser of one or more share certificates evidencing all of the PVA Shares duly endorsed for transfer to the Purchaser, together with such other documents as the Purchaser may reasonably require with respect to the purchase of the PVA Shares.

2.

REPRESENTATIONS AND WARRANTIES

Vendor’s Representations and Warranties

2.1. The Vendor represents and warrants to and covenants with the Purchaser, as representations, warranties and covenants that are to continue and survive the exchange contemplated herein, that the Vendor owns the PVA Shares legally and beneficially and has good right, full power and absolute authority to sell the PVA Shares in accordance with the terms of this Agreement, free of all liens, charges and encumbrances.

Purchaser’s Representations and Warranties

2.2. The Purchaser represents and warrants to and covenants with the Vendor, as representations, warranties and covenants that are to continue and survive the exchange, purchases and sales contemplated herein, that the Purchaser has good right, full power and absolute authority to purchase the PVA Shares in accordance with the terms of this Agreement.

Exclusive Benefit of Representations and Warranties

2.3. Each representation, warranty and covenant provided herein is for the exclusive benefit of the party to or with whom or which it is given, and a breach of any one or more such representation, warranty or covenant may be waived by that party in whole or in part at any time without prejudice to that party’s rights in respect of any other breach of the same or any other representation, warranty, or covenant.

3.
JOINT INDEMNIFICATION

- 3.1.** The Vendor and the Purchaser jointly hereby covenant and agree to indemnify and save harmless PVA at all times against and in respect of any and all claims, demands, actions, or proceedings and legal and other expenses by reason of any liability arising out of:
- (a) a material event which occurred prior to the Transfer but which became known subsequent to the Transfer; and
 - (b) any and all assessments, re-assessments, penalties or other claims or prosecutions by Canada Revenue Agency, Customs, Excise and Taxation or any other person or entity against them, or any of them, for or in respect of any matter not properly reflected in the financial statements, tax filings made by PVA or the Vendor pertaining to the Transfer.
- 3.2.** The Vendor shall reimburse PVA for any payment made by the Purchaser, at any time in respect of any liability or claim against it, arising out of the said Transfer to which the foregoing indemnity relates, provided that:
- (a) it shall be a condition of any obligation of the Vendor under this paragraph that PVA shall have given written notice to the Purchaser of any such liability, loss or claim for damages as soon as is reasonably possible after the same shall have come to the attention of the Purchaser and shall have advised the Vendor by such notice whether the Purchaser intends to dispute the liability or cause such liability to be disputed;
 - (b) upon receipt of such notice from the Purchaser, the Vendor shall have the right individually or collectively to undertake the entire defence of any such claims by giving to the Purchaser notice of such intention within 15 days thereafter;
 - (c) failing notice from the Vendor of his intention to defend, the Purchaser shall be at liberty to defend the said claim at the cost and expense of the Vendor;
 - (d) should the Vendor elect to dispute the said claim, he shall indemnify and save harmless the Purchaser of and from all costs and expenses of the defence; and
 - (e) where an amount is payable by the Purchaser or Vendor as indemnification pursuant to the terms of this Agreement and the *Excise Tax Act* provides that GST is deemed to have been collected by the payee thereof, the amount so payable, as determined without reference to this paragraph (the "Indemnification Amount"), shall be increased by an amount equal to the rate of GST applied to the Indemnification Amount in accordance with the *Excise Tax Act*.
- 3.3.** PVA represents that its directors have approved the Transfer completed hereby in consideration of the indemnity herein provided to PVA.

4.
MISCELLANEOUS

Further Assurances

- 4.1. The Vendor and the Purchaser will each forthwith execute and deliver to the other such further documents and do all acts and things as may be required to give effect to this Agreement.

Enurement

- 4.2. The terms and conditions contained in this Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the parties.

Time of Essence

- 4.3. Time will be of the essence of this Agreement.

Currency

- 4.4. All references to money in this Agreement are references to Canadian currency, unless otherwise specified.

No Amendment or Alteration

- 4.5. This Agreement shall not be amended, altered or qualified, except by memorandum in writing signed by all of the parties hereto and any amendment, alteration, or qualification hereof shall be null and void and shall not be binding upon any party who has not given his written consent as aforesaid.

Counterparts

- 4.6. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date first above written.

PUF VENTURES INC.

MYM NUTRACEUTICALS INC.

Per:

Per:

"Derek Ivany"

Authorized Signatory

"Erick Factor"

Authorized Signatory



Dated July 12, 2017

Heads of Agreement

Parties

PUF Ventures Australia Pty Ltd ACN 620 403 410

PUF Ventures Inc

Chrome Holdings Pty Ltd ACN 620 400 017

David Barron Parry

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Heads of Agreement dated July 12, 2017

- Parties**
- PUF Ventures Australia Pty Ltd (ACN 620 403 410)**
of Level 2 10 Rudd St Canberra ACT 2061
(Company)
- PUF Ventures Inc**
of 804-750 West Pender Street, Vancouver, Canada
(PUFV)
- Chrome Holdings Pty Ltd (ACN 620 400 017)**
of 6 Boyland Close, Spance, ACT 2615
(Chrome)
- David Barron Parry**
of 1271 West 22nd Street, North Vancouver, Canada
(Parry)

Introduction

- A** The parties plan to enter into an initial agreement for the management and administration of the Company in accordance with this Heads of Agreement.

It is agreed

1 Definitions and interpretation

1.1 Definitions

In this Agreement, unless the contrary intention appears:

- (1) **Agreement** means this Heads of Agreement, including any schedule or annexure to it;
- (2) **Business Day** means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in the place where an act is to be performed or a payment is to be made;
- (3) **Business Plan** means the business plan from time to time approved by the parties, a draft of which is at Schedule 2;
- (4) **Detailed Terms** means the detailed terms and conditions to give effect to this Agreement to be negotiated by the parties under clause 10;
- (5) **Effective Date** means the date of this Agreement;
- (6) **Encumbrance** in relation to any property, means:
 - (a) a mortgage, charge, pledge, lien or other security over the property, including a security coming within the usual meaning of the term "encumbrance";
 - (b) a profit a prendre, easement or restrictive covenant affecting the property;
 - (c) a caveat, garnishee order, writ of execution, right of set-off, assignment of income or monetary claim affecting the property;

- (d) a lease or licence in respect of the property;
 - (e) a preferential interest, title retention, or other estate, interest, claim or arrangement affecting the property;
 - (f) a contract of sale or option to purchase or acquire the property; or
 - (g) an agreement to grant, create, allow or register any of these,
- and whether the Encumbrance is registered or unregistered, statutory, legal or equitable;

- (7) **Governing Principles** means the principles for the management and operation of the Company set out in Schedule 1; and
- (8) **Related Body Corporate, Subsidiary and Holding Company** each has the meaning given in section 9 of the *Corporations Act 2001*.

1.2 Interpretation

- (1) Reference to:
 - (a) one gender includes the others;
 - (b) the singular includes the plural and the plural includes the singular;
 - (c) a person includes a body corporate;
 - (d) a party includes the party's executors, administrators, successors and permitted assigns;
 - (e) a thing includes the whole and each part of it separately;
 - (f) a statute, regulation, code or other law or a provision of any of them includes:
 - (i) any amendment or replacement of it; and
 - (ii) another regulation or other statutory instrument made under it, or made under it as amended or replaced; and
 - (g) dollars means Australian dollars unless otherwise stated.
- (2) "Including" and similar expressions are not words of limitation.
- (3) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (4) Headings and any table of contents or index are for convenience only and do not form part of this Agreement or affect its interpretation.
- (5) A provision of this Agreement must not be construed to the disadvantage of a party merely because that party was responsible for the preparation of this Agreement or the inclusion of the provision in this Agreement.
- (6) If an act must be done on a specified day which is not a Business Day, it must be done instead on the next Business Day.

2 Nature of this Heads of Agreement

- 2.1 This Agreement is intended to be a binding legal obligation.
- 2.2 Each party must comply with the provisions of this Agreement notwithstanding anything to the contrary in the constitution of any company, and must so far as is lawful exercise their rights as directors and shareholders in accordance with the provisions of this Agreement.
- 2.3 If a provision of this Agreement conflicts with any provision in any constitution of a company:
- (1) To the extent permitted by law, this Agreement shall prevail to the extent of the conflict; and
 - (2) The parties shall take all steps to amend the constitution so that it is consistent with this Agreement, to the extent permitted by law.

3 Allotment of Shares

- 3.1 The parties acknowledge that PUFV has been allotted 70 shares in the Company pursuant to a Term Sheet agreed by the parties on 8 June 2017, and which is set out in Schedule 3. One of the objects of this Agreement is to give effect to the matters referred to in the Term Sheet. To the extent of any inconsistency between this Agreement and the Term Sheet, this Agreement shall prevail. The share capital of the Company is:

Shareholder	% of shares	Number of shares
PUFV	70	70
Chrome	16	16
Parry	14	14

- 3.2 The allotment of the shares to PUFV is subject to the following conditions:
- (1) PUFV will pay the amounts stated below within 7 days of receiving written notification from the Company of the achievement of the milestone attaching to that payment as described below:
 - (a) USD50,000 – upon the formation and incorporation of the Company, including setup of Australian bank accounts with foreign clients, registration of Australian Business Number (ABN), Business Systems implementation (domain, email/office, finance), the engagement of lawyers and accountants;
 - (b) USD150,000 – upon agreement with Council/Municipality on land including site identification (Ballina, Byron Bay, Tweed Heads, Casino), submission of RJIP Grant, completion of site negotiations (Ballina, Casino) and engagement of greenhouse expert;
 - (c) USD250,000 – upon filing of applications to the Office of Drug Control for Cultivation, Production and Manufacturing Licenses;

(d) USD550,000 – upon Awarding of license from ODC, including payment to Richmond Valley Council for services connection;

(2) In the event that PUFV fails to make a payment in accordance with clause 3.2(1) above or the milestone relating to the payment cannot be achieved and so the payment never arises, PUFV agrees to return the pro rata amount of shares to the Company to be split equally between the other shareholders.

3.3 The parties (other than the Company) must not sell, transfer or otherwise dispose of its shares in the Company during the Term, except in accordance with the agreement of all of the parties or this Agreement.

3.4 The parties (other than the Company) may organise their affairs so that they hold their shares in the name of any associated corporate or trust providing that each holder agrees to be bound by this Agreement as if it were named as the relevant shareholder.

3.5 Subject to this Agreement, the Company will not issue further shares during the term of this Agreement or allow the registration of any transfer of any of its shares.

4 Management agreements

4.1 Parry agrees to enter into a management contract for a one year period with the Company. Chrome will cause Michael Horsfall to enter into a management contract for a one year period with the Company.

4.2 The contracts referred to in clause 4.1 will set out the roles, responsibilities and compensation agreed by the Board the Company. Such compensation will not be less than \$ 7500.00 per month for Michael Horsfall and \$5500.00 per month for Parry and a bonus structure for each to be negotiated based on milestones.

5 Management of the Company

5.1 The parties agree that subject to the terms of this Agreement, they will conduct the management and administration of the Company consistent with the Business Plan and the Governing Principles.

5.2 Each of Chrome and Parry are entitled to appoint one director each of the Company, and PUFV may appoint 2 directors.

5.3 Each director has one vote. If there is a deadlock, the director appointed by PUFV also has a casting vote, except to the extent that the Governing Principles require unanimous approval.

5.4 The board of directors of the Company will work together to develop the Business Plan for the expansion of the Company's business.

5.5 Each of parties agree that:

(1) The Company must not incur any debts if it is not solvent; and

(2) Each of the parties must take all action necessary to appoint a liquidator or other appropriate officer if:

(a) The Company is or is likely to become insolvent; and

- (b) A director's penalty notice or similar document is served on any director in relation to the taxation obligations of the Company and not satisfied or withdrawn within 10 days of the date of the notice.

6 Restraint

- 6.1 Each of the parties agree that they will not directly or indirectly through any legal entity or trust whether on their own account or as an employee or agent of any other person:
 - (1) Compete with the conduct of the business of the Company;
 - (2) Solicit or offer to do business with any of the customers of the Company; or
 - (3) Poach, entice, retain or engage in discussion with any employees of the Company for the purposes of employing them (whether as an employee, consultant or contractor regardless of whether there is any interposed entities or trusts).
- 6.2 Each of the prohibitions in clause 6.1 applies for as long as they are a shareholder of the Company and for a reasonable period after they cease to be a shareholder of the Company.
- 6.3 For the purposes of clause 6.2, the parties agree that a "reasonable time" is 1 year or such lesser time as is deemed reasonable under any law that may otherwise limit the effectiveness of such a restraint.

7 Pre-emptive rights

- 7.1 A shareholder (**Seller**) that intends to sell its shares in the Company to a 3rd party must give notice in writing (**Transfer Notice**) to the Company and the other shareholder (excluding the intended purchaser if that person is a shareholder), setting out full details of:
 - (1) the shares it proposes to sell (**Transfer Shares**);
 - (2) price per Transfer Share (**Price**); and
 - (3) name of the proposed purchaser (**3rd Party Purchaser**) and of any person who controls the 3rd Party Purchaser.
- 7.2 A Transfer Notice constitutes an offer by the Seller to sell the Transfer Shares to the other shareholder at the price stated in the Transfer Notice and free of any Encumbrance. The shareholder may accept this offer by issuing a written notice (**Acceptance Notice**) to the Seller within 10 Business Days.
- 7.3 If the Seller receives an Acceptance Notice, the parties must ensure that the sale of the Transfer Shares specified in the Acceptance Notice is completed within 10 Business Days.
- 7.4 If the Seller does not receive an Acceptance Notice the pre-emption process ends and the Seller may complete the sale of the Transfer Shares to the 3rd Party Purchaser.

8 Tag along rights

- 8.1 This clause 8 adopts the definitions in bold in clause 7.
- 8.2 If a Seller issues a Transfer Notice then the other shareholders have the right (**Tag Along Right**) to require the Seller of the Transfer Shares to cause the purchaser named in the

Transfer Notice to also buy some or all of their shares at the same Price as specified in the Transfer Notice.

- 8.3 To exercise its Tag Along Right a shareholder must, within the 10 Business Days referred to in clause 7, notify the Seller of the number of the shares it will transfer under its Tag Along Right.
- 8.4 If the Seller of the Transfer Shares completes the sale notified in the Transfer Notice, the Seller must ensure that the purchaser of its shares simultaneously completes acquisition of all shares the subject of the exercise of a Tag Along Right providing that the owner of those shares provides a warranty that there are no Encumbrances affecting those shares.

9 Drag along rights

- 9.1 This clause 9 adopts the definitions in bold in clause 7.
- 9.2 If a Seller issues a Transfer Notice for sale of all its shares to a purchaser that is not affiliated with the Seller then the Seller has the right (**Drag Along Right**) to require all other shareholders to sell all their shares to that purchaser on the same terms.
- 9.3 To exercise its Drag Along Right a Seller must give a notice (**Drag Along Notice**) to the other shareholder.
- 9.4 A shareholder who receives a Drag Along Notice must attend Completion and comply with this clause 9.
- 9.5 Having given a Drag Along Notice, if the Seller of the Transfer Shares completes its sale, the Seller must ensure that the purchaser of its Shares simultaneously completes the acquisition of all shares the subject of Drag Along Notice.
- 9.6 A shareholder selling Shares following a Drag Along Notice has no obligations to the Seller of the Transfer Shares or to the purchaser of its Shares, except to provide a transfer of the Transfer Shares. In particular they are not obliged to provide any warranties, other than a warranty that there are no Encumbrances affecting those shares.

10 Negotiating in good faith

- 10.1 The parties will negotiate in good faith to try to reach agreement on the Detailed Terms.
- 10.2 It is the intention of the parties that once the Detailed Terms between the parties are entered into that this Agreement will cease to have any further operation.

11 Confidentiality

- 11.1 The Parties acknowledge that information disclosed to them under this Agreement is proprietary, confidential or a trade secret of the discloser.
- 11.2 Except as stated in this Agreement, the Parties must not and must not permit any of their officers, employees, agents, contractors or related companies to use or to disclose to any person any information disclosed to them under this Agreement without the prior written consent of the disclosing party.
- 11.3 This clause 11 does not apply to any information which:
 - (1) is generally available to the public (other than as a result of the wrongful disclosure by the disclosing party); or

- (2) is required to be disclosed by any law.

12 Goods and services tax

12.1 In this clause 12:

- (1) **GST** means GST as defined in *A New Tax System (Goods and Services Tax) Act 1999* as amended (**GST Act**) or any replacement or other relevant legislation and regulations;
- (2) words or expressions used in this clause which have a particular meaning in the **GST law** (as defined in the GST Act), any applicable legislative determinations and Australian Taxation Office public rulings have the same meaning, unless the context otherwise requires;
- (3) any reference to GST payable by a party includes any corresponding GST payable by the representative member of any GST group of which that party is a member; and
- (4) any reference to an input tax credit entitlement by a party includes any corresponding input tax credit entitlement by the representative member of any GST group of which that party is a member.

12.2 Unless GST is expressly included, the consideration to be paid or provided under any other clause of this Agreement for any supply made under or in connection with this Agreement does not include GST.

12.3 To the extent that any supply made under or in connection with this Agreement is a taxable supply, the GST exclusive consideration otherwise to be paid or provided for that taxable supply is increased by the amount of any GST payable in respect of that taxable supply and that amount must be paid at the same time as the GST exclusive consideration is otherwise to be paid or provided. A party's right to payment under this clause is subject to a valid tax invoice being delivered by the supplier to the recipient of the taxable supply.

12.4 To the extent that 1 party is required to reimburse or indemnify another party for a loss, cost or expense incurred by that other party, that loss, cost or expense does not include any amount in respect of GST for which that other party is entitled to claim an input tax credit.

13 Further assurance

13.1 Each party must promptly at its own cost do all things (including executing and if necessary delivering all documents) necessary or desirable to give full effect to this Agreement.

14 Entire understanding

14.1 This Agreement:

- (1) is the entire agreement and understanding between the parties on everything connected with the subject matter of this Agreement; and
- (2) supersedes any prior agreement or understanding on anything connected with that subject matter.

15 Variation

- 15.1 An amendment or variation to this Agreement is not effective unless it is in writing and signed by the parties.

16 Waiver

- 16.1 A party's failure or delay to exercise a power or right does not operate as a waiver of that power or right.
- 16.2 The exercise of a power or right does not preclude either its exercise in the future or the exercise of any other power or right.
- 16.3 A waiver is not effective unless it is in writing.
- 16.4 Waiver of a power or right is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given.

17 Costs and outlays

- 17.1 Each party must pay its own costs and outlays connected with the negotiation, preparation and execution of this Agreement.

18 Notices

- 18.1 A notice or other communication connected with this Agreement (**Notice**) has no legal effect unless it is in writing.
- 18.2 In addition to any other method of service provided by law, the Notice may be:
- (1) sent by prepaid priority post to the address of the addressee set out in this Agreement or subsequently notified;
 - (2) sent by email to the email address of the addressee notified by the addressee on or about the date of this Agreement, or subsequently; or
 - (3) delivered at the address of the addressee set out in this Agreement or subsequently notified.
- 18.3 If the Notice is sent or delivered in a manner provided by clause 18.2, it must be treated as given to and received by the party to which it is addressed:
- (1) if sent by post, on the 3rd Business Day (at the address to which it is posted) after posting;
 - (2) if sent by email before 5pm on a Business Day at the place of receipt, on the day it is sent and otherwise on the next Business Day at the place of receipt; or
 - (3) if otherwise delivered before 5pm on a Business Day at the place of delivery, upon delivery, and otherwise on the next Business Day at the place of delivery.

19 Governing law and jurisdiction

- 19.1 The law of New South Wales governs this Agreement.

19.2 The parties submit to the non-exclusive jurisdiction of the courts of New South Wales and of the Commonwealth of Australia.

20 Exchange of counterparts by email

20.1 This Agreement may be executed in any number of counterparts. Each counterpart is an original but the counterparts together are one and the same agreement.

20.2 This Agreement is binding on the parties on the exchange of executed counterparts. A copy of an original executed counterpart sent by email:

- (1) must be treated as an original counterpart;
- (2) is sufficient evidence of the execution of the original; and
- (3) may be produced in evidence for all purposes in place of the original.

Schedule 1: Governing Principles

The parties agree that the Company must not do any of the following matters without the unanimous approval of each of the shareholders of the Company:

- (1) Issue, allot, redeem, purchase or grant options over any shares, issue debentures or other securities or re-organise its capital in any way;
- (2) Remunerate, or vary the remuneration of, any director;
- (3) Commence or conduct any new business, or acquire any new business or any material shareholding;
- (4) Enter into any partnership or joint venture with any other person or merge or amalgamate with any person;
- (5) Alter the roles and responsibilities of the parties under clause 4.1;
- (6) Appoint or remove an auditor;
- (7) Divest itself of all or a material part of its business or its assets;
- (8) Voluntarily liquidate, wind up or merge the Company's operations;
- (9) Restructure the capital of the Company;
- (10) Enter into any contract or arrangement outside the ordinary course of its business or with any associate or any of the parties to this Agreement, other than the Licence;
- (11) Amend, vary the operation of, or terminate, any licence to use intellectual property other than in the ordinary course of business;
- (12) Enter into any agreement, arrangement or understanding for a consideration or value in excess of \$10,000;
- (13) Acquire or dispose of any interest in any real property (including any leasehold interest);
- (14) Alter the dividend policy of the Company;
- (15) Borrow any money or obtain any advance, credit or financial accommodation in any form (excluding normal trade credit), where the aggregate of the advance, credit or accommodation equals or exceeds \$10,000;
- (16) Create or allow to exist any security interest over all or a substantial part of its assets, except as created in the ordinary course of the business;
- (17) Lend money to any person (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or waive repayment or forgive any loans, grant credit to any person (except to its customers in the normal course of the business) or waive payment, or give any guarantee, indemnity or security in respect of the obligations of any other person; and
- (18) Provide credit to any person other than on usual commercial terms.

Schedule 2: Business Plan

[insert]

Schedule 3: Term Sheet

TERM SHEET

- Issuer:* PUF Ventures Australia Pty Ltd (the “**Company**” or “**PUFA**”)
- Initial Investment:* PUF Ventures Canada will invest \$ 1 Million USD in PUFA as it’s obligation to the project based on the four Milestones.
- Milestone schedule:* The Company will have four Milestones:
1. Formation and Incorporation of Company
 - Setup of Australian Bank Accounts with foreign clients
 - Registration of Australian Business Number (ABN)
 - Business Systems implementation (domain, email/office, finance)
 - Engage Lawyers, Accountants

Investment \$50,000 USD from PUF Ventures Canada
 2. Agreement with Council/Municipality on land
 - Site Identification, Ballina, Byron Bay, Tweed Heads, Casino
 - Submission of RJIP Grant (submitted early to get on Government radar)
 - complete Site Negotiations, Ballina, Casino
 - Engage Greenhouse expert (Casey H.)

Investment \$150,000 USD from PUF Ventures Canada
 3. Filing of applications to the Office of Drug Control for Cultivation, Production and Manufacturing Licenses.

Investment \$250,000 USD from PUF Ventures Canada
 4. Awarding of license from ODC
 - Payment to Richmond Valley Council for services connection \$100,000

Investment \$550,000 USD from PUF Ventures Canada
- Financing:* PUF Ventures Canada will fund the first \$ 1 Million USD on the above schedule after the first \$ 1 million USD is funded all shareholders will fund pro rata.
- Board of Directors:* The Board of Directors of the Company will be four and PUF Ventures Canada will have the right to select two new directors. The other two Directors will be David Parry and Michael Horsfall.
- Management:* David Parry and Michael Horsfall agree to enter a management contract for a one year period with PUFA. This management contract will include Roles, Responsibilities and compensation agreed by the Board PUFA and will have monthly compensation of AUS\$ 7500.00 per month for Michael Horsfall and AUS \$5500.00 per month, a bonus structure to be

negotiated based on milestones.

This term sheet is confidential and the formal agreement is being completed by Norton Rose Fulbright in Sydney, Australia.

Executed as an agreement.

Signed for and on behalf of **PUF Ventures Australia Pty Ltd** by its authorised representative in the presence of:

Signature of witness

Signature of authorised representative

DAVID BARRON PARRY, Director

Name of witness
(BLOCK LETTERS)

Name of authorised representative
(BLOCK LETTERS)

Address of witness

Signed for and on behalf of **PUF Ventures Inc** by its authorised representative in the presence of:

Signature of witness

Signature of authorised representative

DEREK IVANY, CEO

Name of witness
(BLOCK LETTERS)

Name of authorised representative
(BLOCK LETTERS)

Address of witness

Signed for and on behalf of **Chrome Holdings Pty Ltd** by its authorised representative in the presence of:

Signature of witness

Signature of authorised representative

MICHAEL BRYAN HORSFALL, Director

Name of witness
(BLOCK LETTERS)

Name of authorised representative
(BLOCK LETTERS)

Address of witness

Signed by **David Barron Parry** in the presence of:

Signature of witness

Signature

DAVID BARRON PARRY

Name of witness
(BLOCK LETTERS)

Address of witness