

AMALGAMATION AGREEMENT
among
CANNTAB THERAPEUTICS LIMITED
and
TELFERSCOT RESOURCES INC.
and
2611780 ONTARIO INC.

Dated as of January 12, 2018

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT (this “**Agreement**”) is made effective as of the 12th day of January, 2018.

AMONG:

CANNTAB THERAPEUTICS LIMITED, a company existing under the laws of the Province of Ontario

(“**Canntab**”)

AND:

TELFERSCOT RESOURCES INC., a company incorporated under the laws of Canada

(“**Telferscot**”)

AND:

2611780 Ontario Inc., a company incorporated under the laws of the Province of Ontario

(“**Newco**”)

WHEREAS:

- A. Telferscot is a public company, with its Telferscot Shares listed on the Canadian Securities Exchange under the symbol “TFS”;
- B. Canntab is a privately held company which has developed a proprietary product being an oral sustained release tablet formulation of cannabinoids;
- C. Newco is a wholly-owned subsidiary of Telferscot;
- D. Telferscot, Canntab and Newco propose a business combination whereby Canntab and Newco will amalgamate under Section 174 of the OBCA on the terms described in this Agreement, and will continue as Amalco, a wholly-owned subsidiary of Telferscot;
- E. Telferscot proposes to issue Post-Consolidation Telferscot Shares to the Canntab Shareholders as hereinafter provided in connection with the Amalgamation;
- F. Following completion of the Amalgamation, Telferscot will carry on, through Amalco, the business presently carried on by Canntab;
- G. Canntab and Newco will each require the approval of their respective shareholders for the Amalgamation and this Agreement pursuant to the requirements of the OBCA;

H. The Transaction will constitute a Fundamental Change and a Change of Business of Telferscot, as such terms are defined in CSE Policy 8 and will require the approval of the Telferscot Shareholders pursuant to such policy;

I. As part of the Transaction, Telferscot will: (i) change its name to “Canntab Therapeutics Limited” or such other name as Canntab may determine in its sole discretion; and (ii) consolidate the Telferscot Shares on the basis of 200 Telferscot Shares for each one Post-Consolidation Telferscot Share, each of which will require the approval of the Telferscot Shareholders pursuant to the requirements of the CBCA;

J. Prior to completion of the Transaction, Telferscot shall complete the Spin Out or, if the interim order of the Superior Court of Justice of Ontario that permits the mailing of the materials to Telferscot shareholders in respect of the Spin Out has not been obtained by the Spin Out Deadline, Telferscot shall not proceed with the Spin Out. The Spin Out also requires the approval of the Telferscot Shareholders pursuant to the requirements of the CBCA;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties (as defined herein), the Parties hereby covenant and agree as follows:

**ARTICLE 1
DEFINITIONS, INTERPRETATION AND SCHEDULES**

1.1 Definitions

In this Agreement including the preamble hereof, unless the context otherwise requires, the following words shall have the following meanings:

“**1933 Act**” means the United States *Securities Act of 1933*;

“**1940 Act**” means the United States *Investment Company Act of 1940*;

“**Affiliate**” shall have the meaning ascribed to such term under the OBCA;

“**Agent**” means First Republic Capital Corporation;

“**Agent Warrants**” means the unit purchase warrants of Canntab held by the Agents, each Agent Warrant being exercisable for one unit consisting of one Canntab Share and one Canntab Warrant exercisable at \$1.00 per Agent Warrant until February 21, 2019;

“**Agreement**” means this amalgamation agreement, together with the schedules attached hereto, as amended, restated or supplemented from time to time;

“**Amalco**” means the company resulting from the amalgamation of Canntab and Newco pursuant to the Amalgamation;

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

“**Amalgamation**” means the amalgamation of Canntab and Newco pursuant to Section 174 of the OBCA on the terms and conditions set forth in this Agreement, subject to any amendment thereto in accordance herewith;

“**Articles of Amalco**” means the articles of Amalco in the form to be mutually agreed to by the Parties, acting reasonably;

“**Articles of Amendment**” means the articles of amendment of Telferscot to be filed with the Registrar after the Telferscot Consolidation Resolution and the Telferscot Change of Name Resolution have been passed, giving effect to the Telferscot Consolidation and the Telferscot Change of Name;

“**AUXICO Litigation**” has the meaning set forth in Section 4.1(e);

“**AUXICO Litigation Assignment and Assumption Agreement**” has the meaning set forth in Section 4.1(e);

“**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks located in the City of Toronto, Ontario are open for business;

“**Canntab**” has the meaning ascribed thereto on the first page of this Agreement;

“**Canntab Board**” means the board of directors of Canntab;

“Canntab Financial Statements” has the meaning ascribed thereto in Section 3.2(l);

“Canntab Meeting” means the special meeting of the Canntab Shareholders, and any adjournment or postponement thereof, to be held to approve, among other things, the Canntab Resolution;

“Canntab Options” means Canntab’s outstanding options, each Canntab Option being exercisable for one Canntab Share at \$1.00 per share until February 21, 2022;

“Canntab Resolution” means the special resolution of the Canntab Shareholders approving the Amalgamation and this Agreement, substantially in the form attached hereto as Schedule B;

“Canntab Shareholder Approval” means approval of 66⅔% of the Canntab Shareholders in respect of the Canntab Resolution;

“Canntab Shareholders” means, at any time, the holders of Canntab Shares;

“Canntab Shares” means the authorized common shares in the capital of Canntab;

“Canntab Warrants” means the outstanding Canntab Share purchase warrants, each Canntab Warrant being exercisable for one Canntab Share at \$1.00 per share until February 21, 2019;

“CBCA” means the *Canada Business Corporations Act*;

“Certificate of Amalgamation” means the certificate of amalgamation to be issued by the Director in respect of the Amalgamation in accordance with Section 178(4) of the OBCA;

“Change of Business” has the meaning ascribed to it in CSE Policy 8;

“Claim” means any claim, demand, complaint, action, proceeding, investigation, suit, cause of action, assessment or reassessment, charge, judgment, order, writ, injunction, decree, debt, liability, expense, cost, damage or loss, contingent or otherwise, judicial, administrative or otherwise (including legal fees on a solicitor and his or her own client basis and other professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding);

“Completion Deadline” means the latest date by which the Transaction is to be completed, which date shall be March 29, 2018 or such later date as the Parties may mutually agree;

“Contract” means any note, mortgage, indenture, non-governmental permit or license, franchise, lease or other contract, agreement, commitment or arrangement binding upon Telferscot or Canntab, as the case may be;

“CSE” means the Canadian Securities Exchange;

“Depository” means any trust company, bank or financial institution agreed to in writing between Telferscot and Canntab for the purpose of, among other things, exchanging certificates representing Canntab Shares for certificates representing Telferscot Shares relating to the Amalgamation;

“Directed Selling Efforts” has the meaning ascribed thereto in Regulation S;

“**Director**” means the director appointed under Section 278 of the OBCA;

“**Dissent Rights**” means the rights of dissent of Canntab Shareholders in respect of the Canntab Resolution under Section 185 of the OBCA;

“**Dissenting Shareholder**” means a Canntab Shareholder who exercises Dissent Rights in connection with the Canntab Resolution and complied with the dissent provisions in the OBCA;

“**Effective Date**” means the date shown on the Certificate of Amalgamation;

“**Effective Time**” means the earliest moment on the Effective Date or such other time on the Effective Date as the Parties may agree in writing;

“**Encumbrance**” means any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

“**Environmental Approvals**” means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by any Governmental Entity pursuant to any Environmental Laws;

“**Environmental Laws**” means all applicable Laws, including applicable common law, relating to the protection of the environment and employee and public health and safety, and includes Environmental Approvals;

“**Exchange Agreements**” means the agreements to be entered into by Canntab and each of the holders of Canntab Options, Canntab Warrants and Agent Warrants, in form satisfactory to Telferscot, acting reasonably, pursuant to which holders of Canntab Options, Canntab Warrants, Agent Warrants and Subscription Receipts, as applicable, agree to: (a) be bound by the steps outlined in Section 2.2; and (b) surrender effectively immediately before the Effective Date all Canntab Options, Canntab Warrants and Agent Warrants for cancellation in exchange for equivalent securities of Telferscot;

“**Exchange Ratio**” means Four Post-Consolidation Telferscot Share for each Canntab Share;

“**Financing**” means the private placement financing of Subscription Receipts at a minimum price of \$4.00 per Subscription Receipt for gross proceeds of a minimum of \$5,000,000 or such to be carried on by Canntab where each Subscription Receipt will be exchanged for one Canntab Share immediately prior to the completion of the Amalgamation;

“**Fundamental Change**” has the meaning ascribed to it in the CSE Policy 8;

“**Governmental Entity**” means any applicable:

- (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign;
- (b) subdivision, agent, commission, board or authority of any of the foregoing;

- (c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or
- (d) stock exchange, including the CSE;

“IFRS” means International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as amended from time to time;

“Information Circular” means the joint information circular, and any amendments thereto, to be provided to the Telferscot Shareholders in respect of the Telferscot Resolutions and the Canntab Shareholders in respect of the Canntab Resolution, and such other matters to be considered at the Telferscot Meeting and the Canntab Meeting, respectively, prepared in accordance with the requirements of the CSE and Form 51-102F5 *Information Circular* which will require prospectus level disclosure with respect to Canntab;

“Intellectual Property” means any and all intellectual property (whether foreign or domestic, registered or unregistered) owned by Canntab or used in the operation, conduct or maintenance of Canntab’s business, as it is currently and has historically been operated, conducted or maintained, including, without limitation, (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), and all patents, patent applications and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (b) all trade-marks, trade-names, trade dress, logos, business names, corporate names, domain names, uniform resource locators (URL’s) and the internet websites related thereto, and including all goodwill associated therewith and all applications, registrations and renewals in connection therewith; (c) all copyrightable works, all copyrights and all applications, registrations and renewals in connection therewith; (d) all industrial designs and all applications, registrations and renewals in connection therewith; (e) all proprietary, technical or confidential information, including all trade secrets, processes, procedures, know-how, show-how, formulae, methods, data, compilations, databases and the information contained therein, together with all business and financial information relating to Canntab; and (f) all computer software (including all source code, object code and related documentation), together with: (i) all copies and tangible embodiments of the foregoing (in whatever form or medium); (ii) all improvements, modifications, translations, adaptations, refinements, derivations and combinations thereof; and (iii) all Intellectual Property Rights related thereto;

“Intellectual Property Rights” means any right or protection existing from time to time in a specific jurisdiction, whether registered or not, under any patent law or other invention or discovery law, copyright law, performance or moral rights law, trade-secret law, confidential information law, trade-mark law, trade-name law, unfair competition law or other similar laws and includes legislation by competent governmental authorities and judicial decisions under common law or equity;

“Laws” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, statutory body or self-regulatory authority, and the term “applicable” with respect to such Laws and in the

context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business, undertaking, property or securities;

“**LOI**” means the non-binding letter of intent dated November 23, 2017 between Canntab and Telferscot, as amended;

“**Mailing Date**” means the date that the Information Circular is mailed to the Telferscot Shareholders and the Canntab Shareholders;

“**Material Adverse Change**” means any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or would reasonably be expected to have, a Material Adverse Effect on Telferscot or Canntab, as applicable, on a consolidated basis;

“**Material Adverse Effect**” means any change, effect, event, occurrence or state of facts that, individually or in the aggregate, with other such changes, effects, events, occurrences or states of facts, is or would reasonably be expected to be material and adverse to the business, properties, operations, results of operations or financial condition of Telferscot or Canntab on a consolidated basis, except any change, effect, event, occurrence or state of facts resulting from or relating to:

- (a) the announcement of the execution of this Agreement or any transactions contemplated herein, or communication by the applicable Party of its plans or intentions with respect to the other Party and/or any of its subsidiaries;
- (b) changes in the United States and Canadian economies in general or the United States and Canadian capital or currency markets in general;
- (c) the threat, commencement, occurrence or continuation of any war, armed hostilities, acts of environmental groups, civil strife, or acts of terrorism;
- (d) any change in applicable Laws or in the interpretation thereof by any Governmental Entity;
- (e) any change in IFRS;
- (f) any natural disaster;
- (g) any change relating to foreign currency exchange rates; or
- (h) changes affecting the Party’s industry generally,

provided that, in the case of any changes referred to in clauses (b) to (h) above, such changes do not have a materially disproportionate effect on the applicable Party relative to comparable companies;

“**Material Contracts**” means all Contracts or other obligations or rights (and all amendments, modifications, side letters and supplements thereto to which Telferscot or Canntab, as applicable, is a party, affecting the obligations of any party thereunder) to which Telferscot or

Canntab, as applicable, is a party or by which any of their respective properties or assets are bound that are material to the business, properties or assets of Telferscot or Canntab taken, as applicable, as a whole, including to the extent any of the following are material to the business, properties or assets of Telferscot or Canntab, as applicable, taken as a whole, all:

- (a) employment, severance, personal services, consulting, non-competition or indemnification contracts (including any Contract involving employees);
- (b) Contracts granting a right of first refusal or first negotiation;
- (c) partnership or joint venture agreements;
- (d) Contracts for the acquisition, sale or lease of material properties or assets, by purchase or sale of assets or shares or otherwise;
- (e) Contracts with any Governmental Entity;
- (f) loan or credit agreements, mortgages, indentures or other Contracts or instruments evidencing indebtedness for borrowed money by Telferscot or Canntab, as the case may be, or any such agreement pursuant to which indebtedness for borrowed money may be incurred;
- (g) Contracts that purport to limit, curtail or restrict the ability of Telferscot or Canntab, as the case may be, to compete in any geographic area or line of business;
- (h) commitments and agreements to enter into any of the foregoing; and
- (i) all Contracts that provide for annual payments to or from Telferscot or Canntab, as the case may be, in excess of \$25,000 per annum;

“**Newco**” has the meaning ascribed thereto on the first page of this Agreement;

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

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**Party**” means, as the context requires, either Canntab, Telferscot or Newco, and “**Parties**” means two or more of them, as applicable;

“**Person**” means any individual, firm, partnership, joint venture, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

Post-Consolidation Telferscot Shares means the common shares of Telferscot following the completion of the Telferscot Consolidation;

“**Regulation D**” means Regulation D adopted by the SEC under the 1933 Act;

“**Regulation S**” means Regulation S adopted by the SEC under the 1933 Act;

“**SEC**” means the United States Securities and Exchange Commission;

“Securities Authorities” means the securities commissions and/or other securities regulatory authorities in the provinces and territories of Canada, and any stock exchanges or other self-regulatory agencies having authority over Telferscot and Canntab, including the CSE;

“SEDAR” means the Canadian System for Electronic Document Analysis and Retrieval;

“Spin Out” means the transaction to be carried out by Telferscot described in Schedule C attached hereto whereby Telferscot shall, among other things, spin out the Auxico Litigation into a new company (“Auxico Spinco”) by way of a plan of arrangement under section 192 of the CBCA;

“Spin Out Deadline” means February 9, 2018, which may be extended by either party to no later than February 23, 2018;

“Subscription Receipts” means the subscription receipts for Canntab Shares, each such Subscription Receipt being exercisable to receive one Canntab Share and such other securities, as may be agreed by Telferscot, for no additional consideration and evidencing rights provided in the Subscription Receipt Agreement in respect of the Subscription Receipts;

“Subscription Receipt Agreement” means the agreement to be entered into between Canntab, the Agents and the escrow agent governing the terms of the Subscription Receipts;

“Substantial U.S. Market Interest” means substantial U.S. market interest as that term is defined in Regulation S;

“Tax” and **“Taxes”** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan contributions, excise, severance, social security, workers’ compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

“Tax Act” means the *Income Tax Act* (Canada);

“Tax Returns” means all returns, schedules, elections, declarations, reports, information returns, notices, forms, statements and other documents made, prepared or filed with any taxing authority or required to be made, prepared or filed with any taxing authority relating to Taxes;

“Telferscot” has the meaning ascribed thereto on the first page of this Agreement;

“Telferscot Ancillary Resolutions” means the ordinary resolutions of the Telferscot Shareholders authorizing the election of directors and the other ancillary matters, substantially in the form set forth in Schedule A;

“Telferscot Board” means the board of directors of Telferscot;

“Telferscot Change of Name” means the change of name of Telferscot to “Canntab Therapeutics Limited”;

“Telferscot Change of Name Resolution” means the special resolution of the Telferscot Shareholders authorizing the Telferscot Change of Name, substantially in the form set forth in Schedule A;

“Telferscot Consolidation” means the consolidation of the outstanding Telferscot Shares on the basis of 200 Telferscot Shares for each 1 Post-Consolidated Telferscot Share;

“Telferscot Consolidation Resolution” means the special resolution of the Telferscot Shareholders authorizing the Telferscot Consolidation;

“Telferscot Financial Statements” has the meaning ascribed thereto in Section 3.1(k) of this Agreement;

“Telferscot Meeting” means the annual and special meeting of the Telferscot Shareholders, and any adjournments or postponements thereof, to be held to approve, among other things, the Telferscot Resolutions;

“Telferscot Options” means Telferscot’s 10,150,000 outstanding options, each Telferscot Option being exercisable for one Telferscot Share at \$0.00714 until October 5, 2021;

“Telferscot Public Documents” means the public documents filed by Telferscot on SEDAR under Telferscot’s SEDAR profile;

“Telferscot Resolutions” means together, the Telferscot Consolidation Resolution, the Telferscot Change of Name Resolution, the Telferscot Ancillary Resolutions and the Telferscot RTO Resolution, substantially in the forms attached hereto as Schedule A;

“Telferscot RTO Resolution” means the ordinary resolution of the Telferscot Shareholders approving the Amalgamation and this Agreement, substantially in the form set forth in Schedule A;

“Telferscot Shareholder Approval” means the approval of the Telferscot Shareholders in respect of the Telferscot Resolutions;

“Telferscot Shareholders” means, at any time, the holders of outstanding Telferscot Shares;

“Telferscot Shares” means the authorized common shares in the capital of Telferscot following the completion of the Spin Out;

“Transaction” means the Amalgamation and all related transactions incidental thereto as contemplated by this Agreement, which are collectively intended to constitute a Fundamental Change and Change of Business of Telferscot in accordance with CSE policies;

“United States” or **“U.S.”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

In addition, words and phrases used herein and defined in the OBCA shall have the same meaning herein as in the OBCA unless the context otherwise requires.

1.2 Headings, etc.

- (a) The preamble forms an integral part hereof and is not mere recitals.
- (b) The division of this Agreement into articles, sections and subsections and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section or other portion hereof and include any agreement, schedule or instrument supplementary or ancillary hereto or thereto.

1.3 Number and Gender

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa and words importing the use of either gender shall include both genders and neuter.

1.4 Date for any Action

If the date on which any action is required to be taken hereunder by any Party is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.5 Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.6 Currency

Unless otherwise stated, all references in this Agreement to dollar amounts are expressed in Canadian currency.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Laws, the Parties waive any provision of Law that renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The Parties will engage in good faith negotiations to replace any provision hereof or any part thereof that is declared invalid or unenforceable with a valid and enforceable provision or part thereof,

the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof that it replaces.

1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under, and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with, IFRS.

1.9 Knowledge

Where the phrase “to the knowledge of” is used in respect of any Party, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the actual knowledge of management of such Party after appropriate inquiries and investigations.

1.10 Meaning of “Ordinary and Regular Course of Business”

In this Agreement the phrase “in the ordinary and regular course of business” shall mean and refer to those activities that are normally conducted by corporations engaged in the businesses of Canntab or Telferscot, as applicable.

1.11 Schedules

The following schedules are attached to, and are deemed to be incorporated into and form part of, this Agreement:

- Schedule A – Forms of Telferscot Resolutions
- Schedule B – Form of Canntab Resolution
- Schedule C – Summary of the Spin Out

ARTICLE 2 THE AMALGAMATION

2.1 Terms of Amalgamation

Telferscot, Newco and Canntab hereby covenant and agree to implement the Transaction in accordance with the terms and subject to the conditions of this Agreement, as follows:

- (a) as soon as reasonably practicable following the execution and delivery of this Agreement: (i) Telferscot shall call and hold the Telferscot Meeting for the purpose of approving the Telferscot Resolutions and the Spin Out; (ii) Canntab shall call and hold the Canntab Meeting for the purpose of approving the Canntab Resolution; and (iii) Telferscot and Canntab shall jointly prepare and mail the Information Circular to the Telferscot Shareholders and the Canntab Shareholders;
- (b) following approval of the Canntab Resolution by the Canntab Shareholders and the approval of the Telferscot Resolutions by the Telferscot Shareholders, and prior to the filing of the Articles of Amalco in accordance with Section 2.1(c)), Telferscot shall complete and file Articles of Amendment, in the prescribed form, giving effect to the

Telferscot Consolidation and the Telferscot Change of Name upon and subject to the terms of this Agreement;

- (c) following approval of the Canntab Resolution by the Canntab Shareholders and the Telferscot Resolutions by the Telferscot Shareholders, in accordance with the requirements of the OBCA and CBCA, as applicable, Newco and Canntab shall jointly complete and file the Articles of Amalgamation, in duplicate, substantially in the form agreed to by the Parties, acting reasonably, with the Director, together with such other documents as may be required under the OBCA, giving effect to the Amalgamation;
- (d) at the Effective Time, Newco and Canntab shall amalgamate and continue as one company, being Amalco, pursuant to the provisions of Section 174 of the OBCA;
- (e) at the Effective Time:
 - (i) all of the Canntab Shares outstanding immediately prior to the Effective Time (except for Canntab Shares held by Dissenting Shareholders) shall be cancelled, and holders of Canntab Shares outstanding immediately prior to the Effective Time shall receive, subject to subsection 2.1(h) hereof, in exchange for their Canntab Shares so cancelled, that number of Post-Consolidation Telferscot Shares equal to the product of:
 - (A) the number of Canntab Shares so cancelled; and
 - (B) the Exchange Ratio,
 - (ii) neither Canntab nor Newco shall receive any repayment of capital in respect of any Canntab Shares held by them that are cancelled pursuant to this subsection 2.1(e);
 - (iii) all of the common shares of Newco outstanding immediately prior to the Effective Time shall be cancelled and replaced with an equal number of common shares of Amalco issued by Amalco; and
 - (iv) as consideration for the issuance of Post-Consolidation Telferscot Shares pursuant to the Amalgamation, Amalco shall issue to Telferscot one common share of Amalco for each Post-Consolidation Telferscot Share issued;
- (f) Canntab Shares which are held by a Dissenting Shareholder shall not be exchanged for Telferscot Shares. However, if a Dissenting Shareholder fails to perfect or effectively withdraws its claim for Dissent Rights under the OBCA or forfeits its right to make a claim under the OBCA, or if its rights as a shareholder of Canntab are otherwise reinstated, such Canntab Shares shall be deemed to have been exchanged as of the Effective Date for Post-Consolidation Telferscot Shares as prescribed in Section 2.1(e);
- (g) as a result of the foregoing:
 - (i) in accordance with Section 179 of the OBCA, among other things, the property, rights, privileges and franchises of each of Canntab and Newco will continue to be the property, rights, privileges and franchises of Amalco, and Amalco will continue to be liable for the obligations of each of Canntab and Newco; and

- (ii) Amalco will be a wholly-owned subsidiary of Telferscot;
- (h) no fractional Post-Consolidation Telferscot Shares will be issued under the Amalgamation. Where the aggregate number of Telferscot Shares to be issued to any former Canntab Shareholders under the Amalgamation would result in a fraction of an Telferscot Share being issuable, the number of Post-Consolidation Telferscot Shares to be issued to such holder shall be rounded down to the next whole number, and no cash or other consideration shall be paid or payable in lieu of such fraction of a Post-Consolidation Telferscot Share;
- (i) the by-laws of Amalco shall be the by-laws of Newco and may be viewed at the registered office set forth in Section 2.7 hereof;
- (j) the Post-Consolidation Telferscot Shares to be delivered pursuant to the Amalgamation shall have been deposited with the Depositary together with an irrevocable direction authorizing and directing the Depositary to deliver Telferscot Shares pursuant to the Amalgamation, to the Canntab Shareholders who are entitled to receive such consideration in accordance with Section 2.1(e)(i) and upon completion of the Amalgamation.

2.2 Outstanding Canntab Options, Canntab Warrants and Agent Warrants

At the Effective Time:

- (a) each Canntab Warrant which is outstanding prior to the Effective Time shall be cancelled and its holder shall receive in exchange therefor four Post-Consolidation Telferscot Share purchase warrants, having the same terms and conditions, including the term to expiry, conditions to and manner of exercise, as the Canntab Warrant for which it was exchanged, subject to an adjustment to the exercise price based on the Exchange Ratio;
- (b) each Agent Warrant which is outstanding prior to the Effective Time shall be cancelled and its holder shall receive in exchange therefor four unit purchase warrants of Telferscot having the same terms and conditions, including the term to expiry, conditions to and manner of exercise, as the Agent Warrant for which it was exchanged, subject to an adjustment to the exercise price based on the Exchange Ratio; and
- (c) each Canntab Option which is outstanding prior to the Effective Time shall be cancelled and in its place its holder shall receive in exchange therefor four Post-Consolidation Telferscot Share purchase options, having the same terms and conditions as the cancelled Canntab Options, including the term to expiry, vesting conditions and manner of exercising, subject to an adjustment to the exercise price based on the Exchange Ratio.

2.3 Effective Date

The Amalgamation shall be completed on the Effective Date and shall be effective at the Effective Time.

2.4 Closing

Unless this Agreement is terminated pursuant to the provisions hereof, Canntab, Newco and Telferscot shall meet at the offices of Garfinkle Biderman LLP, 1 Adelaide Street East, Suite 801, Toronto, Ontario at 10:00 a.m., Toronto time, on the Business Day prior to the Effective Date, or at such other time, date or place as they may mutually agree upon, and each of them shall deliver to the other Parties:

- (a) the documents required or contemplated to be delivered by it hereunder in order to complete, or necessary or reasonably requested to be delivered by it by the other Parties in order to effect, the Transaction, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the Amalgamation becoming effective; and
- (b) written confirmation as to the satisfaction or waiver of all of the conditions in its favour contained in Article 5 hereof, as applicable.

2.5 Effecting the Amalgamation

Subject to the rights of termination contained in Article 6, upon both the Telferscot Shareholder Approval and the Canntab Shareholder Approval being obtained, and the other conditions contained in Article 5 being complied with or waived, Canntab and Newco shall file with the Director the Articles of Amalco, the statements of each of Canntab and Newco prescribed under Section 178(2) of the OBCA and such other documents as may be required in order to effect the Amalgamation, within two Business Days, or such other date as the Parties may agree, of the later of the Telferscot Shareholder Approval or the Canntab Shareholder Approval, as applicable, being obtained.

2.6 Name of Amalco

The Parties agree that the name of Amalco shall be "Canntab Therapeutics Subsidiary Limited".

2.7 Registered Office of Amalco

The Parties agree that the address of the registered and records office of Amalco shall be 223 Riviera Drive, Markham, Ontario, L3R 5J6.

2.8 Authorized Capital of Amalco

The Parties agree that Amalco shall be authorized to issue an unlimited number of common shares (being the Amalco Shares) and an unlimited number of preferred shares. At the Effective Time, the capital account in the records of Amalco for the Amalco Shares shall be equal to the capital attributed to the Canntab Shares (other than any Canntab Shares held by Telferscot or Newco) and the Newco Shares.

2.9 Initial Directors of Amalco

The Parties agree that the first directors of Amalco shall be Richard Goldstein, Barry Polisuk, Jeffrey Renwick, Vitor Fonseca and Sheldon Inwentash.

2.10 Articles of Amalco

The Parties agree that the Articles of Amalco shall be signed by one (1) director of Amalco referred to in Section 2.9 hereof.

2.11 Treatment of Restricted Securities under the U.S. Securities Act

The Parties agree that the Post-Consolidation Telferscot Shares issued to the former Canntab Shareholders resident in or subject to the laws of the United States in connection with the Transaction will be “restricted securities” within the meaning of Rule 144 of the 1933 Act. Each certificate representing the Post-Consolidation Telferscot Shares issued to holders resident in or subject to the laws of the United States will bear a legend in substantially the form that follows:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”) OR UNDER ANY STATE SECURITIES LAWS AND ARE “RESTRICTED SECURITIES” AS THAT TERM IS DEFINED IN RULE 144 UNDER THE 1933 ACT. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF [CANNTAB THERAPEUTICS LIMITED] (THE “ISSUER”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE 1933 ACT AND IN COMPLIANCE WITH APPLICABLE UNITED STATES STATE LAWS AND REGULATIONS AND APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE SECURITIES LAWS, OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER TO SUCH EFFECT.”

Canntab agrees that it will obtain from each Canntab Shareholder resident in the United States a certificate that such shareholder is an “accredited investor” as such term is defined in Regulation D.

2.12 Consultation

Canntab and Telferscot will consult with each other in issuing any press release or otherwise making any public statement with respect to this Agreement or the Transaction and in making any filing with any Governmental Entity or Securities Authority with respect thereto. Each of Canntab and Telferscot shall use its commercially reasonable efforts to enable the other of them to review and comment on all such press releases and filings prior to the release or filing, respectively, thereof, provided, however, that the obligations herein will not prevent a Party from making, after consultation with the other Party, such disclosure as is required by applicable Laws or the rules and policies of any applicable stock exchange.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Telferscot

Telferscot hereby represents and warrants to Canntab and hereby acknowledges that Canntab is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Transaction, as follows:

- (a) Organization. Telferscot has been incorporated and validly exists under the laws of the jurisdiction of its incorporation and is in good standing under applicable corporate laws and has full corporate and legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Telferscot is registered, licensed or otherwise qualified as a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Telferscot.

Capitalization. Telferscot is authorized to issue an unlimited number of Telferscot Shares and an unlimited number of first preferred shares of which 114,856,961 Telferscot Shares and nil first preferred shares are issued and outstanding, prior to giving effect to the Transaction and the Telferscot Consolidation. There are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Telferscot to issue or sell any Telferscot Shares or any securities or obligations of any kind convertible into or exercisable or exchangeable for any Telferscot Shares other than the Telferscot Options, any securities required to be issued to effect the Spin Out which will be cancelled prior to the Amalgamation and as otherwise contemplated herein. All outstanding Telferscot Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Telferscot. There are no outstanding contractual obligations of Telferscot to repurchase, redeem or otherwise acquire any outstanding Telferscot Shares or with respect to the voting or disposition of any outstanding Telferscot Shares.

- (b) Subsidiaries. Telferscot has no subsidiaries (other than Newco) and other than is necessary to effect the Spin Out which entities will cease to be subsidiaries on the completion of the Spin Out and does not hold any shares or securities of any other entity and is not affiliated with, nor is it a holding corporation of, any other body corporate nor is Telferscot a partner in any partnership. Newco was formed solely for the purposes of effecting the Amalgamation and has never conducted any business activities.

- (c) Authority and Conflict. Telferscot has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Telferscot as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Telferscot and the completion by Telferscot of the transactions contemplated hereby have been authorized by the Telferscot Board and, subject to obtaining the Telferscot Shareholder Approval in the manner contemplated herein, no other corporate proceedings on the part of Telferscot are

necessary to authorize this Agreement or the completion by Telferscot of the transactions contemplated hereby other than the filing of the Articles of Amendment and the filing of the Articles of Amalco with the Director. This Agreement has been executed and delivered by Telferscot and constitutes a legal, valid and binding obligation of Telferscot, enforceable against Telferscot in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Telferscot of this Agreement and the performance by Telferscot of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:

- (i) result in a violation, contravention or breach or constitute a default under, or entitle any third party to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:
 - (A) the articles of incorporation and by-laws of Telferscot;
 - (B) any applicable Law or rule or policy of the CSE (except that the approval of the CSE, which is required for the completion by Telferscot of the transactions contemplated hereby, will be applied for by Telferscot but has not been obtained as of the date hereof); or
 - (C) any Contract to which Telferscot is bound or is subject to or of which Telferscot is the beneficiary,

in each case, which would, individually or in the aggregate, have a Material Adverse Effect on Telferscot;

- (ii) cause any indebtedness owing by Telferscot to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Telferscot;
- (iii) result in the imposition of any Encumbrance upon any of the property or assets of Telferscot or give any Person the right to acquire any of Telferscot's assets, or restrict, hinder, impair or limit the ability of Telferscot to conduct the business of Telferscot as and where it is now being conducted which would, individually or in the aggregate, have a Material Adverse Effect on Telferscot;
- (iv) result in or accelerate the time for payment or vesting of, or increase the amount of any severance, unemployment compensation, "golden parachute", change of control provision, bonus, termination payments, retention bonus or otherwise, becoming due to any director or officer of Telferscot or increase any benefits otherwise payable under any pension or benefits plan of Telferscot or result in the acceleration of the time of payment or vesting of any such benefits; or
- (v) result in the revocation, suspension, cancellation, variation or non-renewal of any claims, concessions, licenses, leases or other instruments, conferring rights in respect of the Telferscot Assets.

- (d) Consents and Approvals. No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Telferscot in connection with the execution and delivery of this Agreement or the consummation by Telferscot of the transactions contemplated hereby other than:
- (i) the Telferscot Shareholder Approval;
 - (ii) filings required under the CBCA and the OBCA;
 - (iii) filings with and approvals required by the Securities Authorities; and
 - (iv) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Telferscot.
- (e) Directors' Approvals. The Telferscot Board has unanimously:
- (i) determined that the Transaction is in the best interests of Telferscot;
 - (ii) determined to recommend that the Telferscot Shareholders vote in favour of the Telferscot Resolutions; and
 - (iii) authorized the entering into of this Agreement, and the performance of Telferscot's obligations hereunder.
- (f) Contracts. Each of the Material Contracts to which Telferscot is a party constitutes a valid and legally binding obligation of Telferscot, as applicable, enforceable in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles).
- (g) Waivers and Consents. There are no waivers, consents, notices or approvals required to complete the transactions contemplated under this Agreement from other parties to the Material Contracts of Telferscot.
- (h) No Defaults. Telferscot is not in default under, and, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Telferscot under, any Contract or other instrument that is material to the conduct of the business of Telferscot to which either of them is a party or by which either of them is bound or subject to that would, individually or in the aggregate, have a Material Adverse Effect on Telferscot. No party to any Contract of Telferscot has given written notice to Telferscot of, or made a Claim against Telferscot with respect to, any breach or default thereunder, in any such case in which such breach or default constitutes a Material Adverse Effect on Telferscot.
- (i) Absence of Changes. Except as disclosed in the Telferscot Public Documents, since Sept. 30, 2017:
- (i) Telferscot has conducted its business only in the ordinary and regular course of business consistent with past practice;

- (ii) Telferscot has not incurred or suffered a Material Adverse Change;
 - (iii) other than the proposed transactions contemplated by the Spin Out and in Section 4.1(e), there has not been any acquisition or sale by Telferscot of any material property or assets thereof;
 - (iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Telferscot of any debt for borrowed money, any creation or assumption by Telferscot of any Encumbrance, any making by Telferscot of any loan, advance or capital contribution to, or investment in, any other Person, or any entering into, amendment of, relinquishment, termination or non-renewal by Telferscot of any Contract or other right or obligation that would, individually or in the aggregate, have a Material Adverse Effect on Telferscot;
 - (v) Telferscot has not declared or paid any dividends or made any other distribution in respect of any of the Telferscot Shares;
 - (vi) other than the proposed Telferscot Consolidation and as required to effect the Spin Out, Telferscot has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Telferscot Shares;
 - (vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable by Telferscot to any of its directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay, or any increase or modification of any bonus, pension, insurance or benefit arrangement made to, for or with any of such directors, officers, employees or consultants;
 - (viii) Telferscot has not effected any material change in its accounting methods, principles or practices, other than as disclosed in the Telferscot Financial Statements; and
 - (ix) Telferscot has not adopted or amended any collective bargaining agreement, bonus, pension, profit sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.
- (j) Employment Agreements. Telferscot:
- (i) is not a party to any written or oral policy, agreement, obligation or understanding providing for retention bonuses, severance or termination payments to, or any employment or consulting agreement with, any director or officer of Telferscot that would be triggered by Telferscot's entering into this Agreement or the completion of the Transaction;
 - (ii) has no employees or consultants whose employment or contract with Telferscot cannot be terminated by Telferscot in accordance with the provisions of such employment or consultant contract following the completion of the Amalgamation;
 - (iii) is not a party to any collective bargaining agreement;

- (iv) is not, to the knowledge of Telferscot, subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement; or
 - (v) is not subject to any current, or, to the knowledge of Telferscot, pending or threatened strike or lockout.
- (k) Financial Matters. Each of the audited annual comparative financial statements of Telferscot for the years ended December 31, 2016 and 2015, the unaudited financial statements of Telferscot for the three and nine month periods ended September 30, 2017 and the respective notes thereto (collectively, the “**Telferscot Financial Statements**”) were prepared in accordance with IFRS consistently applied, and fairly present in all material respects the financial condition of Telferscot at the respective dates indicated and the results of operations of Telferscot for the periods covered. Except as disclosed in the Telferscot Financial Statements, as of the date hereof, Telferscot does not have any liability or obligation (including, without limitation, liabilities or obligations to fund any operations or work or production program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, or any related party transactions or off-balance sheet transactions not reflected in the Telferscot Financial Statements, except liabilities and obligations incurred in the ordinary and regular course of business (including the business of operating, developing, constructing and exploring Telferscot’s projects) since September 30, 2017, which liabilities or obligations would not reasonably be expected to have a Material Adverse Effect on Telferscot.
- (l) Books and Records. The corporate records and minute books of Telferscot have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Telferscot. Financial books and records and accounts of Telferscot in all material respects:
- (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice;
 - (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Telferscot; and
 - (iii) accurately and fairly reflect the basis for the Telferscot Financial Statements.
- (m) Litigation. Except for the AUXICO Litigation, there is no Claim pending or in progress or, to the knowledge of Telferscot, threatened against or relating to Telferscot, or affecting any of its properties or assets, before any Governmental Entity which, individually or in the aggregate, has had, or could reasonably be expected to have, a Material Adverse Effect on Telferscot, and Telferscot is not aware of any existing ground on which any such Claim might be commenced with any reasonable likelihood of success. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Telferscot, threatened against or relating to Telferscot before any Governmental Entity. Neither Telferscot nor any of its properties or assets are subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict the right or ability of Telferscot to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would

materially impede the consummation of the transactions contemplated by this Agreement, except to the extent any such matter would not, individually or in the aggregate, have a Material Adverse Effect on Telferscot.

- (n) Expropriation. No property or asset of Telferscot has been taken or expropriated by any Governmental Entity and no notice or proceeding in respect of any such expropriation has been given or commenced or, to the knowledge of Telferscot, is there any intent or proposal to give any such notice or commence any such proceeding.
- (o) Assets. Telferscot has good and marketable title to its assets free and clear of any Encumbrances.
- (p) Insurance. Telferscot maintains policies of insurance naming Telferscot as insured in amounts and in respect of such risks as are normal and usual for companies of a similar size and business and such policies are in full force and effect as of the date hereof and shall not be cancelled or otherwise terminated as a result of the Transaction.
- (q) Environmental. To the knowledge of Telferscot:
 - (i) Telferscot is in compliance in all material respects with Environmental Laws;
 - (ii) Telferscot has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
 - (iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes which have not been rectified or are in the process of being rectified on any of the real property owned or leased by Telferscot or under its control;
 - (iv) there have been no releases, deposits or discharges, in violation of Environmental Laws, of any hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Telferscot;
 - (v) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Telferscot;
 - (vi) Telferscot has not failed to report to the proper Governmental Entity the occurrence of any event which is required to be so reported by any Environmental Laws; and
 - (vii) there is no Claim pending or in progress or, threatened against or relating to Telferscot, which may affect Telferscot or any of the properties or assets of Telferscot relating to or alleging any violation of Environmental Laws.
- (r) Tax Matters. Except as has been disclosed by Telferscot to Canntab in writing or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Telferscot:

- (i) Telferscot has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity, and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon;
- (ii) Telferscot has:
 - (A) duly and timely paid all Taxes due and payable by it including all property, production, severance and similar taxes and assessments based on, or measured by, the ownership of the petroleum and natural gas interest of Telferscot or the production of petroleum substances from the petroleum and natural gas interest of Telferscot, or the receipt of proceeds from them;
 - (B) duly and timely withheld all Taxes and other amounts required by applicable Laws to be withheld by it, and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by applicable Laws to be remitted by it; and
 - (C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by applicable Laws to be collected by it, and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by applicable Laws to be remitted by it;
- (iii) the charges, accruals and reserves for Taxes reflected on the Telferscot Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of Telferscot, adequate under IFRS to cover Taxes with respect to Telferscot accruing through the date hereof;
- (iv) there are no Claims now pending or, to the knowledge of Telferscot, threatened against Telferscot that propose to assess Taxes in addition to those reported in the Tax Returns; and
- (v) no waiver of any statutory limitation period with respect to Taxes has been given or requested with respect to Telferscot.
- (s) Pension and Employee Benefits. Telferscot has complied, in all material respects, with all of the terms of the pension and other employee compensation and benefit obligations of Telferscot, including the provisions of any collective agreements, funding and investment contracts or obligations applicable thereto, arising under or relating to each of the pension or retirement income plans or other employee compensation or benefit plans, agreements, policies, programs, arrangements or practices, whether written or oral, which are maintained by or binding upon Telferscot other than such non-compliance that would not reasonably be expected to have a Material Adverse Effect on Telferscot.
- (t) Reporting Status. Telferscot is a reporting issuer in good standing in the provinces of British Columbia , Alberta, Manitoba and Ontario. The Telferscot Shares are listed on

the CSE and Telferscot is in material compliance with the rules and regulations of the CSE.

(u) Reports.

(i) To the knowledge of Telferscot, Telferscot has filed with the Securities Authorities a true and complete copy of all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by it, including the Telferscot Public Documents.

(ii) Telferscot has not filed any confidential material change or other report or other document with any Securities Authorities which at the date hereof remains confidential.

(iii) Each of the Telferscot Public Documents, at the time filed or, if amended, as of the date of such amendment:

(A) did not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) and did not contain any untrue statement of any material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

(B) complied in all material respects with the requirements of applicable securities Laws and the rules, policies and instruments of all Securities Authorities, except where such non-compliance has not had, or would not reasonably be expected to have, a Material Adverse Effect on Telferscot.

(v) No Cease Trade. Telferscot is not subject to any cease trade or other order of any applicable Securities Authority and, to the knowledge of Telferscot, no investigation or other proceedings involving Telferscot that may operate to prevent or restrict trading of any securities of Telferscot are currently in progress or pending before any applicable Securities Authority.

(w) Compliance with Laws. Telferscot has complied with and is not in violation of any applicable Laws, other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Telferscot.

(x) No Option on Assets. No Person has any agreement or option, or any right or privilege capable of becoming an agreement or option, for the purchase from Telferscot of any of the material assets of Telferscot.

(y) Certain Contracts. Telferscot is not a party to or bound by any non-competition Contract or any other Contract, obligation, judgment, injunction, order or decree that purports to:

(i) limit the manner or the localities in which all or any material portion of the business of Telferscot are conducted;

(ii) limit any business practice of Telferscot in any material respect; or

- (iii) restrict any acquisition or disposition of any property or assets by Telferscot in any material respect.
- (z) No Broker's Commission. Telferscot has not entered into any Contract that would entitle any Person to any valid claim against it for a broker's commission, finder's fee or any like payment in respect of the Transaction or any other matter contemplated by this Agreement.
- (aa) Vote Required. The only votes of the holders of any class or series of securities of Telferscot necessary to approve this Agreement, the Transaction and the transactions contemplated hereby is the Telferscot Shareholder Approval.
- (bb) U.S. Securities Law Matters.
 - (i) Telferscot is a "foreign issuer" within the meaning of Regulation S and reasonably believes that there is no Substantial U.S. Market Interest in the Telferscot Shares.
 - (ii) Telferscot is not now, and is not registered, or required to be registered, as an "investment company" as defined in the 1940 Act.
 - (iii) Except with respect to offers and sales to Accredited Investors who are in the United States in reliance upon the exemption from the registration requirements of the 1933 Act provided by Rule 506 of Regulation D thereunder, neither Telferscot nor any of its affiliates, nor any person acting on its or their behalf, has made or will make:
 - (A) any offer to sell, or any solicitation of an offer to buy, any Telferscot Shares to any person in the United States; or
 - (B) any sale of Telferscot Shares unless, at the time the buy order was or will have been originated, the purchaser is (I) outside the United States or (II) Telferscot, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States.
 - (iv) Neither Telferscot nor any of its affiliates or any person acting on its or their behalf has made or will make any Directed Selling Efforts in the United States with respect to the Telferscot Shares, or has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D), including advertisements, articles, notices or other communications published in any newspaper, magazine, or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising in connection with the offer or exchange of the Telferscot Shares in the United States.
- (cc) No Shareholdings in Canntab. Telferscot does not, legally or beneficially, own, directly or indirectly, any securities of Canntab and does not have any right, agreement or obligation to purchase any securities of Canntab or any securities or obligations of any kind convertible into or exchangeable for any securities of Canntab.

- (dd) Restrictions on Business Activities. There is no agreement, judgment, injunction, order or decree binding upon Telferscot that has, or could be reasonably expected to have, the effect of prohibiting, restricting or materially impairing: (i) any business practice of Telferscot; (ii) any acquisition of property by Telferscot; or (iii) the conduct of business by Telferscot as currently conducted.
- (ee) Solvency of Telferscot. There are reasonable grounds for believing that Telferscot is able to pay its liabilities as they become due and, at the Effective Time, will be able to pay its liabilities as they become due.
- (ff) Creditors of Telferscot. Telferscot has reasonable grounds for believing that no creditor of Telferscot will be prejudiced by the Amalgamation.
- (gg) Right to Use Personal Information. All personal information in the possession of Telferscot has been collected, used and disclosed in compliance with all applicable privacy Laws in those jurisdictions in which Telferscot conducts, or Telferscot is deemed by operation of law in those jurisdictions to conduct, its business. Telferscot has disclosed to Canntab all Contracts and facts concerning the collection, use, retention, destruction and disclosure of personal information, and there are no other Contracts or facts which, on completion of the Transaction, would restrict or interfere with the use of any personal information by Canntab in the operation of its business as conducted by Telferscot before the Effective Time. There are no Claims pending or, to the knowledge of Telferscot, threatened, with respect to Telferscot's collection, use or disclosure of personal information.

3.2 Representations and Warranties of Canntab

Canntab hereby represents and warrants to Telferscot, and hereby acknowledges that Telferscot is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Transaction, as follows:

- (a) Organization. Canntab has been continued and validly exists under the laws of the jurisdiction of its incorporation and is in good standing under applicable corporate laws and has full corporate and legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Canntab is registered, licensed or otherwise qualified in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Canntab.
- (b) Capitalization. As of the date hereof: (i) the authorized share capital of Canntab consists of an unlimited number of Canntab Shares and an unlimited number of preferred shares, issuable in series, of which 4,713,000 Canntab Shares and nil preferred shares are issued and outstanding; (ii) 470,000 Canntab Shares are issuable pursuant to the exercise of outstanding Canntab Options; (iii) 300,000 Canntab Shares are issuable pursuant to the exercise of outstanding Canntab Warrants; (iv) 80,200 Canntab Shares are issuable pursuant to the exercise of outstanding Agent Warrants, including the exercise of the Canntab Warrants issuable pursuant to the exercise of outstanding Agent Warrants; and (v) 1,251,914 Subscription Receipts.

Except as set forth above, and except as contemplated by this Agreement, as of the date hereof, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Canntab to issue or sell any Canntab Shares or any securities or obligations of any kind convertible into or exercisable or exchangeable for any Canntab Shares. All outstanding Canntab Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Canntab. There are no outstanding contractual obligations of Canntab to repurchase, redeem or otherwise acquire any outstanding Canntab Shares or with respect to the voting or disposition of any outstanding Canntab Shares.

- (c) Subsidiaries. Canntab has no subsidiaries and does not hold any shares or securities of any other entity and is not Affiliated with, nor is it a holding corporation of, any other body corporate.
- (d) Authority and Conflict. Canntab has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Canntab as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Canntab and the completion by Canntab of the transactions contemplated by this Agreement have been authorized by the Canntab Board, and subject to obtaining the Canntab Shareholder Approval in the manner contemplated herein, no other corporate proceedings on the part of Canntab are necessary to authorize this Agreement or the completion by Canntab of the transactions contemplated hereby, other than approval by Securities Authorities. This Agreement has been executed and delivered by Canntab and constitutes a legal, valid and binding obligation of Canntab, enforceable against Canntab in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Canntab of this Agreement and the performance by it of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:
 - (i) result in a violation, contravention or breach, or constitute a default under, or entitle any third party to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:
 - (A) the articles of continuance, articles of amendment and by-laws of Canntab,
 - (B) any applicable Law or rule or policy of the CSE (except that the approval of the CSE, which is required for the completion by Canntab of the transactions contemplated hereby, will be applied for by Canntab but has not been obtained as of the date hereof); or
 - (C) any Contract to which Canntab is bound or is subject to or of which Canntab is the beneficiary,

in each case, which would, individually or in the aggregate, have a Material Adverse Effect on Canntab;

- (ii) cause any indebtedness owing by Canntab or the to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Canntab;
 - (iii) result in the imposition of any Encumbrance upon any of the property or assets of Canntab, or give any Person the right to acquire any of Canntab' assets, or restrict, hinder, impair or limit the ability of Canntab to conduct the business of Canntab as and where it is now being conducted, which would, individually or in the aggregate, have a Material Adverse Effect on Canntab;
 - (iv) result in or accelerate the time for payment or vesting of, or increase the amount of any severance, unemployment compensation, "golden parachute", change of control provision, bonus, termination payments, retention bonus or otherwise, becoming due to any director or officer of Canntab or increase any benefits otherwise payable under any pension or benefits plan of Canntab or result in the acceleration of the time of payment or vesting of any such benefits; or
 - (v) result in the revocation, suspension, cancellation, variation or non-renewal of any claims, concessions, licenses, leases or other instruments, conferring rights in respect of the material properties in which Canntab has an interest.
- (e) Consents and Approvals. No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Canntab in connection with the execution and delivery of this Agreement or the consummation by Canntab of the transactions contemplated hereby other than:
- (i) the Canntab Shareholder Approval;
 - (ii) filings required under the OBCA;
 - (iii) filings with and approvals required by the Securities Authorities; and
 - (iv) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Canntab.
- (f) Directors' Approvals. The Canntab Board has unanimously:
- (i) determined that the Transaction is in the best interests of Canntab;
 - (ii) determined to recommend that the Canntab Shareholders vote in favour of the Canntab Resolution; and
 - (iii) authorized the entering into of this Agreement, and the performance of Canntab's obligations hereunder.
- (g) Contracts. Each of the Material Contracts to which Canntab is a party, including (i) the Exclusive License Agreement dated December 1, 2016 between Canntab and CMAX

Technologies Inc., and (ii) Collaboration and License Agreement between Canntab and Emblem Cannabis Corporation dated October 3, 2017, constitutes a valid and legally binding obligation of Canntab enforceable in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles).

- (h) Waivers and Consents. There are no waivers, consents, notices or approvals required to complete the transactions contemplated under this Agreement from other parties to the Material Contracts of Canntab.
- (i) No Defaults. Canntab is not in default under, and, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Canntab under any Contract or other instrument that is material to the conduct of the business of Canntab to which it is a party or by which it is bound or subject to that would, individually or in the aggregate, have a Material Adverse Effect on Canntab. No party to any Contract of Canntab has given written notice to Canntab of, or made a claim against Canntab with respect to, any breach or default thereunder, in any such case in which such breach or default constitutes a Material Adverse Effect on Canntab.
- (j) Absence of Changes. Since May 31, 2017:
 - (i) Canntab has conducted its business only in the ordinary and regular course of business consistent with past practice;
 - (ii) Canntab has not incurred or suffered a Material Adverse Change;
 - (iii) there has not been any acquisition or sale by Canntab of any material property or assets thereof;
 - (iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Canntab of any debt for borrowed money, any creation or assumption by Canntab of any Encumbrance, any making by Canntab of any loan, advance or capital contribution to or investment in any other Person, or any entering into, amendment of, relinquishment, termination or non-renewal by Canntab, of any Contract or other right or obligation that would, individually or in the aggregate, have a Material Adverse Effect on Canntab;
 - (v) Canntab has not declared or paid any dividends or made any other distribution in respect of any of the Canntab Shares;
 - (vi) Canntab has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Canntab Shares;
 - (vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable by Canntab to any of its directors, officers, employees or consultants, or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay, or any increase or modification of any bonus, pension, insurance or benefit arrangement (including, without

limitation, the granting of Canntab Options) made to, for or with any of such directors, officers, employees or consultants;

- (viii) Canntab has not effected any material change in its accounting methods, principles or practices, other than as disclosed in the Canntab Financial Statements; and
 - (ix) Canntab has not adopted or amended any collective bargaining agreement, bonus, pension, profit-sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.
- (k) Employment Agreements. Except as disclosed for Telferscot
- (i) is not a party to any written or oral policy, agreement, obligation or understanding providing for retention bonuses, severance or termination payments to, or any employment or consulting agreement with, any director or officer of Canntab that would be triggered by Canntab's entering into this Agreement or the completion of the Transaction;
 - (ii) has no employee or consultant whose employment or contract with Canntab cannot be terminated by Canntab in accordance with the provisions of such employment or consultant contract following the completion of the Amalgamation;
 - (iii) is not a party to any collective bargaining agreement;
 - (iv) is, to the knowledge of Canntab, not subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement; or
 - (v) is not subject to any current, or to the knowledge of Canntab, pending or threatened strike or lockout.
- (l) Financial Matters. Each of the audited financial statements of Canntab for the year ended May 31, 2017, the unaudited condensed financial statements of Telferscot for the three and six month periods ended November 30, 2017, and the respective notes thereto (collectively, the "**Canntab Financial Statements**") were prepared in accordance with IFRS consistently applied, and fairly present in all material respects the consolidated financial condition of Canntab at the respective dates indicated and the results of operations of Canntab for the periods covered on a consolidated basis. Except as disclosed in the Canntab Financial Statements, as of the date hereof, Canntab does not have any liability or obligation (including, without limitation, liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, or any related party transactions or off-balance sheet transactions not reflected in the Canntab Financial Statements, except liabilities and obligations incurred in the ordinary and regular course of business since November 30, 2017, which liabilities or obligations would not reasonably be expected to have a Material Adverse Effect on Canntab.
- (m) Books and Records. The corporate records and minute books of Canntab have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a

Material Adverse Effect on Canntab. Financial books and records and accounts of Canntab, in all material respects:

- (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice;
 - (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Canntab; and
 - (iii) accurately and fairly reflect the basis for the Canntab Financial Statements.
- (n) Litigation. There is no Claim pending or in progress or, to the knowledge of Canntab, threatened against or relating to Canntab or affecting any of their respective properties or assets before any Governmental Entity which, individually or in the aggregate, has, or could reasonably be expected to have, a Material Adverse Effect on Canntab, and Canntab is not aware of any existing ground on which any such Claim might be commenced with any reasonable likelihood of success. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Canntab, threatened against or relating to Canntab before any Governmental Entity. Neither Canntab nor any of its properties or assets are subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of Canntab to conduct their respective business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the transactions contemplated by this Agreement, except to the extent any such matter would not, individually or in the aggregate, have a Material Adverse Effect on Canntab.
- (o) Assets, Property and Licences.
- (i) Canntab has good and marketable title to its assets free and clear of any Encumbrances;
 - (ii) all machinery and equipment owned or used by Canntab have been properly maintained and are in good working order for the purposes of on-going operation, subject to ordinary wear and tear for machinery and equipment of comparable age;
 - (iii) all of the inventories of Canntab are of merchantable quality and reasonably fit for their usual purpose. The inventory does not include any items which are below standard quality or of a quality or quantity which results in such items not being usable in the ordinary course of business. The inventory levels have been maintained at levels sufficient for the continuation of Canntab's business in the ordinary course. All inventory has been determined, valued and recorded in accordance with IFRS;
 - (iv) with respect to the leased real property: (A) Canntab has good and marketable leasehold title to all material leased real property; (B) each of the material leases is valid, legally binding, enforceable in accordance with its terms and in full force and effect unamended by oral or written agreement except as disclosed in writing; (C) Canntab is not in material breach of or material default under any of the material leases; and (D) all rental and other payments and other material

obligations required to be paid and performed by Canntab pursuant to the leases have been duly paid and performed;

- (v) Canntab does not have any subsidiaries or any agreements, options or commitments to acquire any securities of any corporation or to acquire or lease any real property or assets other than, in the latter case, those assets that are to be used in the usual and ordinary course of business;
 - (vi) Canntab is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other similar association of any kind and is not a party to any agreement under which it agrees to carry on any part of a business or any other activity in such manner or by which it agrees to share any revenue or profit with any other Person; and
 - (vii) all of the permits, certificates, certificates of authorization, approvals, orders, licenses or other authorizations of Canntab are valid and subsisting. Canntab is in compliance with all terms and conditions of all such authorizations. There are no proceedings in progress pending or threatened, that could result in the revocation, cancellation or suspension of any such authorizations.
- (p) Intellectual Property.
- (i) Canntab directly owns and has the exclusive legal and beneficial right, title and interest in and to the Intellectual Property in its own name, free and clear of any Encumbrances, and, other than as disclosed in writing by Canntab to Telferscot, none of the Intellectual Property has been licensed from or to a third party;
 - (ii) Canntab directly or indirectly owns or possesses the right to use all of the Intellectual Property necessary for the current operation, conduct and maintenance of Canntab's business as such business is currently and has historically been operated, conducted or maintained and each item of the Intellectual Property will be owned or available for use by Canntab on identical terms and conditions immediately after, and after giving effect to, the Transaction without the need for any further right, license, permission or consent in respect thereof and the consummation of the Transaction contemplated herein will not impair, alter or limit in any way such ownership or rights;
 - (iii) except pursuant to the Material Contracts, there are no royalty payments, license fees or other sums payable to or by Canntab in respect of the Intellectual Property, or to maintain or renew any registrations or applications for registration in relation thereto;
 - (iv) Canntab has the exclusive right to use and otherwise exploit the Intellectual Property in all jurisdictions in which it is currently or has historically been used or otherwise exploited and there are no prohibitions or restrictions on the use or other exploitation by Canntab of the Intellectual Property;
 - (v) complete and correct copies of all material licenses, agreements or arrangements to which Canntab is a party, whether as licensor, licensee or otherwise, and whether written or oral, with respect to the Intellectual Property have been provided or made available to Telferscot prior to the date hereof;

- (vi) Canntab has not received any written notice from any Person, nor acted in any manner that would give rise to a Claim that: (A) the past or present conduct by Canntab or the use of the Intellectual Property has resulted or shall result in the infringement or violation of any intellectual property owned by any person; or (B) challenging the validity or ownership of the Intellectual Property;
 - (vii) to the knowledge of Canntab, the Intellectual Property is not being and has not been infringed, violated or misappropriated by any other Person; and
 - (viii) Canntab reasonably believes that all commercially reasonable steps, given the nature and value of the applicable Intellectual Property, have been taken to protect and maintain the Intellectual Property (including any trade secrets or confidential information therein).
- (q) Insurance. Canntab maintains policies of insurance in amounts and in respect of such risks as are normal and usual for companies of a similar size and business and such policies are in full force and effect as of the date hereof.
- (r) Environmental. To the knowledge of Canntab:
- (i) Canntab is in compliance in all material respects with Environmental Laws;
 - (ii) Canntab has operated their respective businesses at all times and have received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
 - (iii) there is no material Claim which may affect either Canntab or any of the properties or assets of Canntab relating to or alleging any violation of Environmental Laws; and
 - (iv) Canntab holds all permits, certificates, certificates of authorization, approvals, orders, licenses or other authorizations required under any Environmental Laws in connection with the operation of its businesses as presently conducted and the ownership and use of its assets, other than those which the failure to hold would not reasonably be expected to have a Material Adverse Effect on Canntab, and neither Canntab nor any of its assets is the subject of any investigation, evaluation, audit or review not in the ordinary and regular course of business by any Governmental Entity to determine whether any violation of Environmental Laws has occurred or is occurring, and Canntab is subject to any known environmental liabilities.
- (s) Tax Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Canntab:
- (i) Canntab has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon;
 - (ii) Canntab has:

- (A) duly and timely paid all Taxes due and payable by it;
 - (B) duly and timely withheld all Taxes and other amounts required by applicable Laws to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by applicable Laws to be remitted by it; and
 - (C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by applicable Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by applicable Laws to be remitted by it;
- (iii) the charges, accruals and reserves for Taxes reflected on the Canntab Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of Canntab, adequate under IFRS, as applicable, to cover Taxes with respect to Canntab accruing through the date hereof;
 - (iv) there are no Claims now pending or, to the knowledge of Canntab, threatened against Canntab that propose to assess Taxes in addition to those reported in the Tax Returns; and
 - (v) no waiver of any statutory limitation period with respect to Taxes has been given or requested with respect to Canntab.
- (t) Pension and Employee Benefits. Canntab has complied, in all material respects, with all of the terms of the pension and other employee compensation and benefit obligations of Canntab including the provisions of any collective agreements, funding and investment contracts or obligations applicable thereto, arising under or relating to each of the pension or retirement income plans or other employee compensation or benefit plans, agreements, policies, programs, arrangements or practices, whether written or oral, which are maintained by or binding upon Canntab, other than such non-compliance that would not reasonably be expected to have a Material Adverse Effect on Canntab.
 - (u) Compliance with Laws. Canntab has complied with, and is not in violation of, any applicable Laws other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Canntab.
 - (v) No Option on Assets. No Person has any agreement or option, or any right or privilege capable of becoming an agreement or option, for the purchase from Canntab of any of the material assets of Canntab.
 - (w) Private Issuer. Canntab is not a reporting issuer in any jurisdiction in Canada and there is no published market in respect of the Canntab Shares.
 - (x) Certain Contracts. Canntab is not a party to or bound by any non-competition Contract or any other Contract, obligation, judgment, injunction, order or decree that purports to:
 - (i) limit the manner or the localities in which all or any material portion of the business of Canntab is conducted;

- (ii) limit any business practice of Canntab in any material respect; or
 - (iii) restrict any acquisition or disposition of any property by Canntab in any material respect.
- (y) No Broker's Commission. Save and except for an introducers fee of 10% of the value of the Transaction up to a maximum of \$50,000 plus HST, Canntab has not entered into any Contract that would entitle any Person to any valid claim against Canntab for a broker's commission, finder's fee or any like payment in respect of the Transaction or any other matter contemplated by this Agreement, except that Canntab may prior to closing of the Transaction enter into an engagement letter providing for the broker's commission payable by Canntab to the Agents in connection with the Financing in the aggregate amount agreed to between Telferscot and Canntab.
- (z) Vote Required. The only votes of the holders of any class or series of securities of Canntab necessary to approve this Agreement, the Transaction and the transactions contemplated hereby is the Canntab Shareholder Approval.
- (aa) U.S. Securities Law Matters.
- (i) Canntab is a "foreign issuer" within the meaning of Regulation S and reasonably believes that there is no Substantial U.S. Market Interest in the Canntab Shares.
 - (ii) Canntab is not now, and is not registered, or required to be registered, as an "investment company" as defined in the 1940 Act.
 - (iii) Except with respect to offers and sales to Accredited Investors who are in the United States in reliance upon the exemption from the registration requirements of the 1933 Act provided by Rule 506 of Regulation D thereunder, neither Canntab nor any of its affiliates, nor any person acting on its or their behalf, has made or will make:
 - (A) any offer to sell, or any solicitation of an offer to buy, any Canntab Shares to any person in the United States; or
 - (B) any sale of Canntab Shares unless, at the time the buy order was or will have been originated, the purchaser is (I) outside the United States or (II) Canntab, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States.
 - (iv) None of Canntab, any of its affiliates nor any person acting on its or their behalf has made or will make any Directed Selling Efforts in the United States with respect to the Canntab Shares, or has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D), including advertisements, articles, notices or other communications published in any newspaper, magazine, or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising in connection with the offer or exchange of the Canntab Shares in the United States.

- (bb) No Shareholdings in Telferscot. Canntab does not, legally or beneficially, own, directly or indirectly, any securities of Telferscot and does not have any right, agreement or obligation to purchase any securities of Telferscot or any securities or obligations of any kind convertible into or exchangeable for any securities of Telferscot, except as otherwise set out in this Agreement.
- (cc) Restrictions on Business Activities. There is no agreement, judgment, injunction, order or decree binding upon Canntab or that has or could be reasonably expected to have the effect of prohibiting, restricting or materially impairing any business practice of Canntab, any acquisition of property by Canntab, or the conduct of business by Canntab as currently conducted.
- (dd) Solvency of Canntab. There are reasonable grounds for believing that Canntab is able to pay its liabilities as they become due and, at the Effective Time, will be able to pay its liabilities as they become due.
- (ee) Creditors of Canntab. Canntab has reasonable grounds for believing that no creditor of Canntab will be prejudiced by the Amalgamation.
- (ff) Right to Use Personal Information. All personal information in the possession of Canntab has been collected, used and disclosed in compliance with all applicable privacy Laws in those jurisdictions in which Canntab conducts, or Canntab is deemed by operation of law in those jurisdictions to conduct, its business. Canntab has disclosed to Telferscot all Contracts and facts concerning the collection, use, retention, destruction and disclosure of personal information, and there are no other Contracts or facts which, on completion of the Transaction, would restrict or interfere with the use of any personal information by Canntab in the operation of its business as conducted before the Effective Time. There are no Claims pending or, to the knowledge of Canntab, threatened, with respect to Canntab's collection, use or disclosure of personal information.

3.3 Survival of Representations and Warranties

The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished at the Effective Time.

ARTICLE 4 COVENANTS

4.1 Covenants of Telferscot

Telferscot hereby covenants and agrees with Canntab as follows:

- (a) Telferscot Meeting. As promptly as practicable after the date hereof, Telferscot shall, in accordance with the applicable provisions of the CBCA and its charter documents, duly call, give notice of, convene and hold the Telferscot Meeting.
- (b) Copy of Documents. Telferscot shall furnish promptly to Canntab a copy of any dealings or communications with any Governmental Entity or Securities Authority in connection with, or in any way affecting, the transactions contemplated by this Agreement.

- (c) Certain Actions Prohibited. Other than in contemplation of, or as required to give effect to, the transactions contemplated by this Agreement, or as otherwise permitted pursuant to this Agreement, Telferscot shall not, without the prior written consent of Canntab, which consent shall not be unreasonably withheld or delayed, directly or indirectly do or permit to occur any of the following prior to the Effective Date:
- (i) issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on, or agree to issue, sell, grant, pledge, lease, dispose of, or encumber or create any Encumbrance on, any shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares of, Telferscot, other than the Telferscot Shares issuable in connection with the Amalgamation and the Spin Out;
 - (ii) incur or commit to incur any debt, except in the ordinary and regular course of business, to finance its working capital requirements or as otherwise contemplated in connection with the transactions contemplated in this Agreement;
 - (iii) declare or pay any dividends or distribute any of its properties or assets to the Telferscot Shareholders other than in respect of the Spin Out;
 - (iv) enter into any Material Contracts without the consent of Canntab, other than in connection with the Transaction, the Spin Out or as otherwise contemplated herein;
 - (v) alter or amend its articles or by-laws, other than as may be required in connection with the transactions contemplated herein, including the Telferscot Consolidation and the Telferscot Change of Name as well as the Spin Out;
 - (vi) engage in any business enterprise or other activity different from that carried on or contemplated by it as of the date hereof;
 - (vii) other than in the ordinary and regular course of business or in connection with the Spin Out and the transactions contemplated in Section (e), sell, pledge, lease, dispose of, grant any interest in, encumber, or agree to sell, pledge, lease, dispose of, grant any interest in or encumber, any of its assets, except where to do so would not have a Material Adverse Effect on Telferscot;
 - (viii) redeem, purchase or offer to purchase any of the Telferscot Shares or any of its other securities except as required to effect the Spin Out; or
 - (ix) acquire, directly or indirectly, any assets, including but not limited to securities of other companies, other than in the ordinary and regular course of business other than as part of the Spin Out.
- (d) Certain Actions. Telferscot shall:
- (i) not take any action, or refrain from taking any action or permit any action to be taken or not taken (subject to a commercially reasonable efforts qualification) inconsistent with the provisions of this Agreement, or that would reasonably be expected to materially impede the completion of the transactions contemplated

hereby or would render, or that could reasonably be expected to render, any representation or warranty made by Telferscot in this Agreement untrue or inaccurate in any material respect at any time on or before the Effective Date if then made, or that would or could have a Material Adverse Effect on Telferscot; and

- (ii) promptly notify Canntab of:
 - (A) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of the business or in the conduct of the business of Telferscot;
 - (B) any material Governmental Entity or third person notices, complaints, investigations or hearings (or communications indicating that the same may be contemplated);
 - (C) any breach by Telferscot of any covenant or agreement contained in this Agreement; and
 - (D) any event occurring subsequent to the date hereof that would render any representation or warranty of Telferscot contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.

- (e) AUXICO Litigation. Concurrent with the closing of the Transaction: (i) Telferscot shall assign all of its rights and interests in all Claims made by Telferscot in the existing litigation with AUXICO (the “**AUXICO Litigation**”) to Auxico Spinco or a third party acceptable to Canntab; and (ii) Auxico Spinco or the third party, as applicable, shall assume and agree to indemnify Canntab from and against any and all damages, losses or expenses which Canntab may suffer or incur with respect to the Auxico Litigation and all future costs associated therewith by an assignment and assumption agreement, in a form acceptable to the Parties, acting reasonably (the “**AUXICO Litigation Assignment and Assumption Agreement**”);

- (f) Satisfaction of Conditions. Telferscot shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:
 - (i) obtain the Telferscot Shareholder Approval in accordance with the provisions of the CSE and the CBCA and the requirements of any applicable regulatory authority;
 - (ii) obtain all other consents, approvals and authorizations as are required to be obtained by Telferscot under any applicable Laws or from any Governmental Entity or Security Authority that would, if not obtained, materially impede the completion of the transactions contemplated by this Agreement or have a Material Adverse Effect on Telferscot;

- (iii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities or Securities Authorities required to be effected by it in connection with the transactions contemplated by this Agreement and participate and appear in any proceedings of any Party hereto before any Governmental Entity;
 - (iv) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement or the transactions contemplated hereby or seeking to enjoin or delay, or otherwise adversely affecting the ability of the Parties to consummate, the transactions contemplated hereby, subject to the Telferscot Board determining in good faith after receiving advice from outside legal counsel (which may include written opinions or advice) that taking such action would be inconsistent with the fiduciary duties of such directors under applicable Laws, and provided that, immediately upon receipt of such advice, Telferscot advises Canntab in writing that it has received such advice and provides written details thereof to Canntab;
 - (v) fulfill all conditions and satisfy all provisions of this Agreement required to be fulfilled or satisfied by Telferscot; and
 - (vi) co-operate with Canntab in connection with the performance by it of its obligations hereunder, provided however that the foregoing shall not be construed to obligate Telferscot to pay or cause to be paid any monies to cause such performance to occur, other than as contemplated in this Agreement.
- (g) Keep Fully Informed. Subject to applicable Laws, Telferscot shall use commercially reasonable efforts to conduct itself so as to keep Canntab fully informed as to the material decisions or actions required to be made with respect to the operation of its business.
- (h) Co-operation. Telferscot shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.
- (i) Representations. Telferscot shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of Telferscot contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.
- (j) Closing Documents. Telferscot shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, resolutions, opinions and other closing documents as may be required by Canntab, all in form satisfactory to Canntab, acting reasonably.
- (k) Newco. In its capacity as the sole shareholder of Newco, Telferscot shall:
- (i) take all such action as is necessary or desirable to cause Newco to satisfy its obligations hereunder, including without limitation, passing a resolution approving the Transaction, on or prior to the Effective Date, or such other date as may be agreed to by Telferscot and Canntab, acting reasonably; and

- (ii) prior to the Effective Date, not cause or permit Newco to issue any securities or enter into any agreements to issue or grant options, warrants or rights to purchase any of its securities except for the issuance of a nominal number of Newco Shares to Telferscot, or carry on any business, enter into any transaction or effect any corporate act whatsoever, other than as contemplated herein or as reasonably necessary to carry out the Amalgamation, unless previously consented to in writing by Canntab; and
 - (iii) after the Effective Date, cause Amalco to satisfy any obligations which Amalco may have to a Canntab Shareholder who exercises Dissent Rights.
- (l) Shares. Telferscot will issue, at the Effective Time, Post-Consolidated Telferscot Shares, in accordance with the terms hereof, to those Canntab Shareholders who are entitled to receive Post-Consolidation Telferscot Shares pursuant to the Transaction.
- (m) Listing of Shares. Until the earlier of: (i) the Effective Time; and (ii) the termination of this Agreement in accordance with Section 6.2, Telferscot shall use its commercially reasonable efforts to:
- (i) ensure that the Telferscot Shares are continuously listed and posted for trading on the CSE;
 - (ii) providing such information on the historical operations of Telferscot necessary to permit Canntab to complete the documents required pursuant to Section 4.2(k); and
 - (iii) obtain conditional approval of the CSE for listing the Post-Consolidation Telferscot Shares to be issued: (A) to Canntab Shareholders pursuant to and in accordance with the terms of this Agreement; and (B) upon the conversion of the Subscription Receipts pursuant to and in accordance with the terms of the Subscription Receipt Agreement.
- (n) Telferscot Directors and Officers. Prior to the completion of the Amalgamation, the Telferscot Board shall procure duly executed resignations and mutual releases, in form and substance satisfactory to Canntab, acting reasonably, from each director and officer of Telferscot who will no longer be serving in such capacity or capacities following completion of the Transaction such that, upon the Effective Date, the directors and officers of Telferscot will be as follows:

Name	Position
Richard Goldstein	Director, Chief Financial Officer and Secretary
Vitor Fonseca	Director
Barry M. Polisuk	Director and Chairman
Jeffrey Ward Renwick	Director and Chief Executive Officer
Sheldon Inwentash	Director

- (o) Name. Telferscot shall change its name to “Canntab Therapeutics Limited” as of the Effective Date.

4.2 Covenants of Canntab

Canntab hereby covenants and agrees with Telferscot as follows:

- (a) Canntab Meeting. As promptly as practicable after the date hereof, Canntab shall, in accordance with the applicable provisions of the OBCA and its charter documents, duly call, give notice of, convene and hold the Canntab Meeting.
- (b) Canntab Options, Canntab Warrants and Agent Warrants. Canntab shall use its reasonable commercial efforts to ensure that the holders of all of the Canntab Options, Canntab Warrants and Agent Warrants surrender the certificates representing such securities, which will be exchanged for equivalent securities of Telferscot pursuant to the Transaction along with duly completed Exchange Agreements. Canntab shall use its reasonable commercial efforts to ensure that holders of all Subscription Receipts also enter into Exchange Agreements.
- (c) Copy of Documents. Canntab shall furnish promptly to Telferscot a copy of any filing under any applicable Laws and any dealings or communications with any Governmental Entity or Securities Authority in connection with, or in any way affecting, the transactions contemplated by this Agreement.
- (d) Financing. Canntab shall use its reasonable commercial efforts to close the funding of the Financing by December 31, 2017, on such terms and conditions acceptable to Telferscot and to close the Financing concurrent with the closing of the Transaction.
- (e) Certain Actions Prohibited. Other than in contemplation of, or as required to give effect to, the transactions contemplated by this Agreement, or as otherwise permitted pursuant to this Agreement, Canntab shall not, without the prior written consent of Telferscot, which consent shall not be unreasonably withheld or delayed, directly or indirectly do or permit to occur any of the following prior to the Effective Date:
 - (i) issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on, or agree to issue, sell, grant, pledge, lease, dispose of, or encumber or create any Encumbrance on, any shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares of, Canntab, other than in connection with the Financing;
 - (ii) incur or commit to incur any debt, except in the ordinary and regular course of business, or to finance its working capital requirements, or as otherwise contemplated herein in connection with the transactions contemplated by this Agreement;
 - (iii) declare or pay any dividends or distribute any of its properties or assets to the Canntab Shareholders;
 - (iv) enter into Material Contracts without the consent of Telferscot, other than in connection with the Transaction or as otherwise contemplated herein;

- (v) alter or amend its articles or by-laws, other than as may be required in connection with the transactions contemplated herein, including the Amalgamation;
 - (vi) engage in any business enterprise or other activity different from that carried on or contemplated by it as of the date hereof;
 - (vii) other than in the ordinary and regular course of business, sell, pledge, lease, dispose of, grant any interest in, encumber, or agree to sell, pledge, lease, dispose of, grant any interest in or encumber, any of its assets except where to do so would not have a Material Adverse Effect on Canntab;
 - (viii) redeem, purchase or offer to purchase any of the Canntab Shares, Canntab Options, Canntab Warrants, Agent Warrants or any of its other securities; or
 - (ix) acquire, directly or indirectly, any assets, including but not limited to securities of other companies, other than in the ordinary and regular course of business.
- (f) Certain Actions. Canntab shall:
- (i) not take any action, or refrain from taking any action or permit any action to be taken or not taken (subject to a commercially reasonable efforts qualification), inconsistent with the provisions of this Agreement or that would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by Canntab in this Agreement untrue or inaccurate in any material respect at any time on or before the Effective Date if then made or that would or could have a Material Adverse Effect on Canntab; and
 - (ii) promptly notify Telferscot of:
 - (A) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of the business or in the conduct of the business of Canntab;
 - (B) any material Governmental Entity or third person notices, complaints, investigations or hearings (or communications indicating that the same may be contemplated);
 - (C) any breach by Canntab of any covenant or agreement contained in this Agreement; and
 - (D) any event occurring subsequent to the date hereof that would render any representation or warranty of Canntab contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.
- (g) Satisfaction of Conditions. Canntab shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all of the conditions precedent to its obligations to the

extent the same is within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:

- (i) obtain the Canntab Shareholder Approval in accordance with the OBCA and the requirements of any applicable regulatory authority;
 - (ii) obtain all other consents, approvals and authorizations as are required to be obtained by Canntab under any applicable Laws or from any Governmental Entity or Security Authority that would, if not obtained, materially impede the completion of the transactions contemplated by this Agreement or have a Material Adverse Effect on Canntab;
 - (iii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities or Securities Authorities required to be effected by it in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any Party hereto before any Governmental Entity;
 - (iv) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement or the transactions contemplated hereby, or seeking to enjoin or delay, or otherwise adversely affecting the ability of the Parties to consummate, the transactions contemplated hereby, subject to the Canntab Board determining in good faith after receiving advice from outside legal counsel (which may include written opinions or advice) that taking such action would be inconsistent with the fiduciary duties of such directors under applicable Laws, and provided that, immediately upon receipt of such advice, Canntab advises Telferscot in writing that it has received such advice and provides written details thereof to Telferscot;
 - (v) fulfill all conditions and satisfy all provisions of this Agreement required to be fulfilled or satisfied by Canntab; and
 - (vi) co-operate with Telferscot in connection with the performance by Telferscot of its obligations hereunder, provided however that the foregoing shall not be construed to obligate Canntab to pay or cause to be paid any monies to cause such performance to occur, other than as contemplated in this Agreement.
- (h) Keep Fully Informed. Subject to applicable Laws, Canntab shall use commercially reasonable efforts to conduct itself so as to keep Telferscot fully informed as to the material decisions or actions required to be made with respect to the operation of its business.
- (i) Co-operation. Canntab shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.

- (j) Representations. Canntab shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of Canntab contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.
- (k) Listing Statement. Until the earlier of: (i) the Effective Time; and (ii) the termination of this Agreement in accordance with Section 6.2, Canntab shall use its commercially reasonable efforts to prepare all documents necessary for submission to the CSE to facilitate Telferscot obtaining conditional approval of the CSE for listing the Post-Consolidation Telferscot Shares to be issued: (A) to Canntab Shareholders pursuant to and in accordance with the terms of this Agreement; and (B) upon the conversion of the Subscription Receipts pursuant to and in accordance with the terms of the Subscription Receipt Agreement.
- (l) Closing Documents. Canntab shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, opinions, resolutions and other closing documents as may be required by Telferscot, all in form satisfactory to Telferscot, acting reasonably.

4.3 Mutual Covenants of Canntab and Telferscot

- (a) Information Circular.
 - (i) Each of Canntab and Telferscot shall use all commercially reasonable efforts to prepare, as promptly as practicable after the date of this Agreement, the Information Circular, together with any other documents required under securities Laws in connection with the Canntab Meeting and the Telferscot Meeting.
 - (ii) The Information Circular shall include, inter alia, the unanimous recommendation of the Canntab Board that the Canntab Shareholders vote in favour of approval of the Canntab Resolution, subject to any required abstentions, and the unanimous recommendation of the Telferscot Board that the Telferscot Shareholders vote in favour of approval of the Telferscot Resolutions.
 - (iii) Telferscot covenants that the Information Circular will comply as to form in all material respects with securities Laws and that none of the information to be supplied by Telferscot for inclusion or incorporation by reference in the Information Circular will at the time of the mailing of the Information Circular contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to Telferscot, its officers and directors or Newco shall occur that is required to be described in the Information Circular, Telferscot shall give prompt notice to Canntab of such event.
 - (iv) Canntab covenants that the Information Circular will comply as to form in all material respects with securities Laws and that none of the information to be supplied by Canntab for inclusion or incorporation by reference in the Information Circular will at the time of the mailing of the Information Circular contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of

the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to Canntab or its officers and directors shall occur that is required to be described in the Information Circular, Canntab shall give prompt notice to Telferscot of such event.

(v) The Information Circular shall contain language notifying each Canntab Shareholder resident in or otherwise subject to the laws of the United States of the following:

(A) the Post-Consolidation Telferscot Shares issued in connection with the Amalgamation are or will be “restricted securities” as defined in Rule 144 under the 1933 Act, and the holders may dispose of the Post-Consolidation Telferscot Shares only pursuant to an effective registration statement under the 1933 Act or an exemption from the registration requirements of the 1933 Act. Telferscot is not obligated to file and has no present intention of filing with the SEC or with any state securities administrator any registration statement in respect of resales of the Post-Consolidation Telferscot Shares in the United States. Accordingly, holders of the Post-Consolidation Telferscot Shares may be required to hold the Post-Consolidation Telferscot Shares indefinitely; and

(B) Telferscot:

I. is not obligated to remain a “foreign issuer” within the meaning of Regulation S under the 1933 Act,

II. may not, at the time the Post-Consolidation Telferscot Shares are resold or otherwise transferred by it or at any other time, be a foreign issuer, and

III. may engage in one or more transactions that could cause Telferscot not to be a foreign issuer, and if Telferscot is not a foreign issuer at the time of any sale or other transfer of the Post-Consolidation Telferscot Shares pursuant to Rule 904 of Regulation S under the 1933 Act, a holder of the Canntab Shares may be required to hold the Post-Consolidation Telferscot Shares indefinitely.

(vi) In a timely and expeditious manner, each of Telferscot and Canntab shall provide the other with information as requested, acting reasonably, in order to prepare any amendments or supplements to the Information Circular (which amendments or supplements shall be in a form satisfactory to each of the Parties, acting reasonably).

(b) Completion of Transaction.

(i) Each of the Parties agrees that, it shall complete the Transaction as soon as practicable following receipt of the later of the Telferscot Shareholder Approval or the Canntab Shareholder Approval.

- (ii) Each of the Parties shall comply with the policies of the CSE and, if required by the CSE in connection with the approval of the Transaction, the Parties will obtain sponsorship of the Transaction under CSE Policy 8..
- (iii) The Telferscot Board shall approve resolutions, to be effective as of the Effective Time, to:
 - (A) accept the resignations of the directors and officers of Telferscot that will no longer be serving in such capacity following the completion of the Transaction;
 - (B) change the composition of the Telferscot Board such that it will be comprised of the individuals listed in Section 4.1(n); and
 - (C) appoint the officers listed in Section 4.1(n).
- (c) Confidential Information. Each of Canntab and Telferscot agrees that any information as to the other Party's financial condition, business, properties, title, assets and affairs (including any material contracts) received from the other Party as part of its due diligence investigations in connection with the transactions contemplated in this Agreement, including information which, at the time of receipt had not become generally available to the public, was not available to a Party or its representatives on a non-confidential basis before the date of the LOI or does not become available to a Party or its representatives on a non-confidential basis from a person who is not, to the knowledge of the Party or its representatives, otherwise bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the Party or its representatives ("**confidential information**"), will be kept confidential by such Party for a period of two (2) years from the date hereof. Prior to releasing any confidential information, Canntab or Telferscot, as applicable, may require the recipient of the confidential information to enter into a mutually acceptable confidentiality agreement. No confidential information may be released to third parties without the consent of the provider thereof, except that the Parties agree that they will not unreasonably withhold such consent to the extent that such confidential information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents. The provisions of this Section 4.3(c) shall survive the termination of this Agreement.

4.4 No Alternative Transactions

- (a) Commencing immediately, and except as contemplated herein, the Parties hereto and their respective agents will not, and will not permit any of their respective directors, officers, employees or agents, to directly or indirectly, solicit, discuss, encourage or accept an Alternative Proposal, subject to their fiduciary duties at law. The Parties hereto will with reasonable diligence do all such things and provide all such reasonable assurances as may be required to obtain the approval of applicable regulatory authorities, including the CSE, to the transactions contemplated in this Agreement, and each Party will provide such further documents or instruments as may be necessary to effect the purposes of this Agreement. Each Party shall use all commercially reasonable effort to cause each of the condition precedents to be satisfied as soon as reasonably possible.

ARTICLE 5 CONDITIONS

5.1 Mutual Conditions in Favour of Canntab and Telferscot

The respective obligations of Telferscot and Canntab to complete the transactions contemplated herein are subject to the fulfillment of the following conditions at or before the Effective Time or such other time as is specified below:

- (a) the Telferscot Shareholder Approval shall have been obtained in accordance with the provisions of the CBCA and the requirements of any applicable regulatory authority, including the requirements of the CSE;
- (b) the Canntab Shareholder Approval shall have been obtained in accordance with the provisions of the OBCA and the requirements of any applicable regulatory authority, including the requirements of the CSE;
- (c) each of the Telferscot Board and the Canntab Board shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by Telferscot, Newco and Canntab, to permit the consummation of the Transaction and all other matters contemplated in this Agreement;
- (d) the CSE shall have accepted notice for filing of and approved the Transaction, subject only to compliance with the usual requirements of the CSE, as applicable;
- (e) the CSE shall have conditionally approved the listing on the CSE of the Post-Consolidation Telferscot Shares to be issued pursuant to the Transaction and the Financing, on terms and conditions acceptable to each of the Parties, acting reasonably;
- (f) Newco shall not have engaged in any business enterprise or other activity or had any assets or liabilities;
- (g) the Financing shall have been funded on or before December 31, 2017 for minimum aggregate gross proceeds of \$5,000,000 on terms and conditions acceptable to each of the Parties, acting reasonably and shall have been completed;
- (h) the Exchange Agreements shall have been completed by the holders of Canntab Options, Canntab Warrants and Agent Warrants, as applicable, on terms and conditions acceptable to the Parties, acting reasonably;
- (i) the Post-Consolidation Telferscot Shares to be issued to persons in the United States pursuant to the Transaction shall be exempt from registration requirements under the 1933 Act pursuant to Rule 506 of Regulation D under the 1933 Act; and
- (j) the distribution of the Post-Consolidation Telferscot Shares pursuant to the Transaction shall be exempt from prospectus and registration requirements under applicable securities Laws of Canada and, except with respect to persons deemed to be "control persons" of Telferscot under such securities Laws, such Post-Consolidation Telferscot Shares shall not be subject to any resale restrictions in Canada under such securities Laws.

The foregoing conditions are for the mutual benefit of the Parties and may be waived by mutual consent of Canntab and Telferscot in writing at any time. No such waiver shall be of any effect unless it is in writing signed by both Parties. If any of such conditions shall not be complied with or waived as aforesaid on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to Section 5.4, any Party may terminate this Agreement by written notice to the others in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such terminating Party.

5.2 Telferscot Conditions

The obligation of Telferscot to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

- (a) the representations and warranties made by Canntab in this Agreement that are qualified by the expression "material", "Material Adverse Change" or "Material Adverse Effect" shall be true and correct as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by Canntab in this Agreement which are not so qualified shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and Canntab shall have provided to Telferscot a certificate of two officers thereof certifying the same as of the Effective Date. No representation or warranty made by Canntab hereunder shall be deemed not to be true and correct if the facts or circumstances which make such representation or warranty untrue or incorrect are disclosed or referred to, or provided for, or stated to be exceptions under this Agreement;
- (b) the Canntab Shares held by Dissenting Shareholders is less than 5% of the issued and outstanding Canntab Shares;
- (c) Canntab shall have paid to Telferscot the sum of \$50,000 to be used to pay certain outstanding liabilities of Telferscot;
- (d) Telferscot shall have entered into an agreement with Grove Capital Group to extend its existing contract for a period of no less than six (6) months from the Effective Date
- (e) from the date of this Agreement to the Effective Date, there shall not have occurred a Material Adverse Change in respect of Canntab;
- (f) Canntab shall have complied in all material respects with its covenants herein and Canntab shall have provided to Telferscot a certificate of two officers thereof, certifying that, as of the Effective Date, it has so complied with their covenants herein; and
- (g) the Canntab Board shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Canntab and Telferscot to permit the

consummation of the Transaction and the transactions to be completed by Canntab pursuant to the terms of this Agreement.

The foregoing conditions are for the benefit of Telferscot and may be waived, in whole or in part, by Telferscot in writing at any time. No such waiver shall be of any effect unless it is in writing signed by Telferscot. If any of such conditions shall not be complied with or waived by Telferscot on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to Section 5.4, Telferscot may terminate this Agreement by written notice to Canntab in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Telferscot.

5.3 Canntab Conditions

The obligation of Canntab to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

- (a) the Telferscot Board shall have procured duly executed resignations and mutual releases, effective at the Effective Time, from each director and executive officer of Telferscot who will no longer be serving in such capacity or capacities following completion of the Transaction;
- (b) Telferscot shall have issued equivalent securities of Telferscot, in forms acceptable to Canntab, acting reasonably, in respect of the Canntab Options, Canntab Warrants and Agent Warrants that are the subject of the Exchange Agreements;
- (c) the representations and warranties made by Telferscot in this Agreement that are qualified by the expression "material", "Material Adverse Change" or "Material Adverse Effect" shall be true and correct as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by Telferscot in this Agreement which are not so qualified shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and Telferscot shall have provided to Canntab a certificate of two officers thereof certifying the same as of the Effective Date. No representation or warranty made by Telferscot hereunder shall be deemed not to be true and correct if the facts or circumstances that make such representation or warranty untrue or incorrect are disclosed or referred to, or provided for, or stated to be exceptions under this Agreement;
- (d) from the date of this Agreement to the Effective Date, there shall not have occurred a Material Adverse Change in respect of Telferscot;
- (e) Telferscot shall have completed the Spin Out by the Spin Out Deadline or shall have terminated the Spin Out and transferred the Auxico Litigation to Auxico Spinco on a different basis approved by Canntab, acting reasonably.

- (f) Telferscot shall have complied in all material respects with its covenants herein and Telferscot shall have provided to Canntab a certificate of two officers thereof certifying that, as of the Effective Date, Telferscot has so complied with its covenants herein; and
- (g) the Telferscot Board shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Telferscot to permit the consummation of the Transaction and the transactions to be completed by Telferscot pursuant to the terms of this Agreement.

The foregoing conditions are for the benefit of Canntab and may be waived, in whole or in part, by Canntab in writing at any time. No such waiver shall be of any effect unless it is in writing signed by Canntab. If any of such conditions shall not be complied with or waived by Canntab on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to Section 5.4, Canntab may terminate this Agreement by written notice to Telferscot in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Canntab.

5.4 Notice and Cure Provisions

Each of Canntab and Telferscot shall give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, would be likely to or could:

- (a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any respect on the date hereof or on the Effective Date;
- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party on or before the Effective Date; or
- (c) result in the failure to satisfy any of the conditions precedent in favour of the other Party contained in Section 5.1, 5.2 or 5.3, as the case may be.

Except as otherwise herein provided, each of Canntab and Telferscot may:

- (d) elect not to complete the transactions contemplated hereby by virtue of any of the conditions for its benefit contained in Section 5.1, 5.2 or 5.3 not being satisfied or waived; or
- (e) exercise any termination right arising therefrom; provided, however, that:
 - (i) promptly and in any event prior to the Effective Date, the Party hereto intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail the breaches of covenants or untruthfulness or inaccuracy of representations and warranties or other matters that the Party delivering such notice is asserting as the basis for the exercise of the termination right, as the case may be; and
 - (ii) if any such notice is delivered, and a Party proceeds diligently, at its own expense, to cure such matter, if such matter is susceptible to being cured prior to the Completion Deadline to the satisfaction of the Party delivering such notice, acting reasonably, no party may terminate this Agreement until the earlier of: (A)

ten (10) Business Days from the date of delivery of such notice; and (B) the Completion Deadline, if such matter has not been cured by such date (except that, in each case and for greater certainty) no cure period shall be provided for a breach which by its nature cannot be cured.

5.5 Merger of Conditions

If no notice has been sent by either Party pursuant to Section 5.4 prior to the Effective Date, the conditions set out in Section 5.1, 5.2 or 5.3 shall be conclusively deemed to have been satisfied, fulfilled or waived as of the Effective Time.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Amendment

This Agreement may, at any time and from time to time, before or after the receipt of the Telferscot Shareholder Approval or the Canntab Shareholder Approval, be amended by mutual written agreement of the Parties without, subject to applicable Laws, further notice to or authorization on the part of the Telferscot Shareholders or the Canntab Shareholders, and any such amendment may, without limitation:

- (a) change the time for the performance of any of the obligations or acts of any of the Parties;
- (b) waive any inaccuracies in, or modify, any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with, or modify, any of the covenants herein contained and waive or modify the performance of any of the obligations of any of the parties hereto; and
- (d) waive compliance with, or modify, any condition herein contained,

provided, however, that, notwithstanding the foregoing, following the receipt of the Telferscot Shareholder Approval, the Exchange Ratio shall not be amended without the approval of the Telferscot Shareholders given in the same manner as required for the approval of the Amalgamation.

6.2 Termination

This Agreement may be terminated at any time prior to the Effective Time:

- (a) by mutual written agreement by Telferscot, Canntab and Newco;
- (b) subject to Section 5.4:
 - (i) by Telferscot, if any condition in Section 5.2 is not satisfied or waived in accordance with such section,
 - (ii) by Canntab, if any condition in Section 5.3 is not satisfied or waived in accordance with such section, or

- (iii) by Telferscot or by Canntab, if any of the conditions in Section 5.1 for the benefit of the terminating party is not satisfied or waived in accordance with such Section 5.1;
- (c) by Canntab if there is an intentional breach of the covenants of Telferscot contained herein by Telferscot or any of its directors, officers, employees, agents, consultants or other representatives, in each case on or before the Effective Date;
- (d) by Telferscot or by Canntab in accordance with Section 4.4;
- (e) by Telferscot if there is an intentional breach of the covenants of Canntab contained herein by Canntab or any of its directors, officers, employees, agents, consultants or other representatives, in each case on or before the Effective Date; or
- (f) by Canntab or by Telferscot if the Transaction shall not have been completed by the Completion Deadline,

provided that any termination by a Party in accordance with the paragraphs above shall be made by such Party delivering written notice thereof to the other Parties prior to the earlier of the Effective Date and the Completion Deadline and specifying therein in reasonable detail the matter or matters giving rise to such termination right.

ARTICLE 7 GENERAL

7.1 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party shall be in writing and shall be delivered by hand to the Party or Parties to which the notice is to be given at the following address or sent by electronic means to the following numbers or to such other address or email address as shall be specified by such other Party or Parties by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by electronic means be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 5:00 p.m. (local time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of each of the Parties shall be as follows:

- (a) if to Telferscot or Newco:

401 Bay Street, Suite 2702
Toronto, Ontario M5H 2Y4

Attention: Stephen Coates
Email: scoates@telferscotresources.com

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

Gardiner Roberts LLP
Bay Adelaide Centre – East Tower
22 Adelaide Street West, Suite 3600
Toronto, Ontario M5H 4E3

Attention: Kathleen E. Skerrett
Email: kskerrett@grllp.com

(b) if to Canntab:

Canntab Therapeutics Limited
223 Riviera Drive
Markham, Ontario L3R 5J6

Attention: Richard Goldstein
Email: richard@firstrepubliccapital.com

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

Garfinkle Biderman LLP
1 Adelaide Street East, Suite 801
Toronto, Ontario M5C 2V9

Attention: Barry Polisuk
Email: bpolisuk@garfinkle.com

7.2 Remedies

Upon termination of this Agreement under circumstances where a Party is entitled to a Break Fee and such fee has been paid in full, the Party receiving such fee shall be precluded from any other remedy against the other Party, at law or in equity or otherwise and such Party shall not seek to obtain any recovery, judgment or damages of any kind, including consequential, indirect or punitive damages, against the other Party or any of its directors, officers, employees, partners, managers, shareholders or affiliates in connection with this Agreement or the transactions contemplated hereby; provided that, the foregoing is subject to the following:

- (a) nothing in Section 4.4 shall relieve or have the effect of relieving any Party in any way from liability for damages incurred or suffered by a Party as a result of fraud or an intentional or wilful breach of this Agreement; and
- (b) the Parties acknowledge and agree that an award of money damages may be inadequate for any breach of this Agreement by any Party or its representatives and advisors and that such breach may cause the non-breaching Parties irreparable harm. Accordingly, the Parties agree that, in the event of any such breach or threatened breach of this Agreement, Telferscot (if Canntab is the breaching Party) or Canntab (if Telferscot or Newco is the breaching Party) will be entitled, without the requirement of posting a bond or other security, to seek equitable relief, including injunctive relief and specific performance. Other than as set forth above, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available hereunder or at law or in equity to each of the Parties.

7.3 Expenses

Canntab will pay for all costs incurred pursuant to the Transaction contemplated herein, including legal and accounting costs (up to a maximum of \$30,000 plus applicable sales tax and disbursements for TRI's expenses), whether or not the Transaction is completed. Telferscot shall be responsible for all legal and accounting costs for the Transaction in excess of \$30,000. All costs associated with the Spin Out shall be the responsibilities of the entities other than Telferscot involved in the Spin Out. The provisions of this Section 7.3 shall survive the termination of this Agreement.

7.4 Time of the Essence

Time shall be of the essence in this Agreement.

7.5 Entire Agreement

This Agreement together with the agreements and other documents herein or therein referred to, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof, including the LOI. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

7.6 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Amalgamation.

7.7 Governing Law

This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of Alberta. The Parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta.

7.8 Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same. Delivery of an executed counterpart of the signature page to this Agreement by facsimile, email or other functionally equivalent electronic means of transmission shall be effective as delivery of a manually executed counterpart of this Agreement, and any Party delivering an executed counterpart of the signature page to this Agreement by facsimile, email or other functionally equivalent electronic means of transmission to any other Party shall thereafter also promptly deliver a manually executed original counterpart of this Agreement to such other Party, but the failure to deliver such manually executed original counterpart shall not affect the validity, enforceability or binding effect of this Agreement.

7.9 Waiver

No waiver or release by any Party shall be effective unless in writing and executed by the Party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence. Waivers may only be granted upon compliance with the provisions governing amendments set forth in Section 6.1.

7.10 No Personal Liability

No director, officer or employee of Telferscot shall have any personal liability to Canntab under this Agreement. No director, officer or employee of Canntab shall have any personal liability to Telferscot under this Agreement.

7.11 Enurement and Assignment

This Agreement shall enure to the benefit of the Parties and their respective successors and permitted assigns and shall be binding upon the Parties and their respective successors. This Agreement may not be assigned by any Party without the prior written consent of the other Parties.

[EXECUTION PAGE FOLLOWS]

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

CANNTAB THERAPEUTICS LIMITED

Per: /s/Jeff Renwick
Jeff Renwick
CEO

TELFERSCOT RESOURCES INC.

Per: /s/ Stephen Coates
President and CEO

2611780 ONTARIO INC.

Per: /s/ Stephen Coates
Stephen Coates
President

SCHEDULE A

FORMS OF TELFERSCOT RESOLUTIONS

TELFERSCOT RTO RESOLUTION

BE IT RESOLVED as an ordinary resolution that:

1. the amalgamation (the “**Amalgamation**”) under Section 174 of the *Business Corporations Act* (Ontario) (the “**OBCA**”) of Canntab Therapeutics Limited. (“**Canntab**”) and 2597905 Ontario Ltd., a wholly-owned subsidiary of Telferscot Resources Inc. (the “**Company**”), to effect, among other things, the business combination of the Company and Canntab, pursuant to the terms and conditions contained in the amalgamation agreement (the “**Amalgamation Agreement**”) dated January 12, 2018 (as the same may be or has been modified or amended), in substantially the form attached as Schedule D in the Company’s information circular is hereby authorized and approved;
2. the execution and delivery by the Company of the Amalgamation Agreement, substantially in the form attached as Schedule ___ in the Company’s information circular, is hereby authorized and approved, and the Amalgamation is hereby adopted;
3. notwithstanding that this resolution has been passed (and the Amalgamation Agreement adopted) by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further approval of the shareholders of the Company at any time prior to the issuance by the director under the OBCA of a certificate of amalgamation in respect of the Amalgamation (i) to amend the Amalgamation Agreement to the extent permitted by the Amalgamation Agreement, and (ii) not to proceed with the Amalgamation to the extent permitted by the Amalgamation Agreement or otherwise give effect to these resolutions; and
4. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company to execute, under the seal of the Company or otherwise, and to deliver, all documents, agreements and instruments and to do all such other acts and things, including delivering such documents as are necessary or desirable to the director appointed under the OBCA for filing in accordance with the Amalgamation Agreement, as such officer or director, may deem necessary or desirable to implement the foregoing resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or doing of any such act or thing.

TELFERSCOT CONSOLIDATION RESOLUTION

BE IT RESOLVED as a special resolution that:

1. the issued and outstanding common shares in the capital of Telferscot Resources Inc. (the “**Company**”) be consolidated on the basis of 1 post-consolidation common share for every 200 common shares currently issued and outstanding (the “**Consolidation**”);
2. no fractional shares shall be issued upon the Consolidation, and each fractional common share that is less than one (1) post-Consolidation common share will be rounded to the next whole number and no cash or other consideration shall be paid or payable in lieu of such fraction;
3. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further approval of the shareholders of the Company, at any time prior to the Consolidation, to not proceed with the Consolidation or otherwise give effect to these resolutions;
4. the effective date of such Consolidation shall be the date shown in the certificate of amendment; and
5. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company, under the seal of the Company or otherwise, to execute and deliver articles of amendment to effect the foregoing resolutions with the Registrar of Corporations for the Province of Alberta and all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement the forgoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any such action.

TELFERSCOT CHANGE OF NAME RESOLUTION

BE IT RESOLVED as a special resolution that:

1. the board of directors be and is hereby authorized to change the name of Telferscot Resources Inc. (the "**Company**") to "Canntab Therapeutics Limited" or whatever name that it in its sole discretion determines is appropriate and which any regulatory body having jurisdiction may accept;
2. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further approval of the shareholders of the Company, at any time prior to the Consolidation, to not give effect to these resolutions; and
3. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company, under the seal of the Company or otherwise, to execute and deliver articles of amendment to effect the foregoing resolutions with the Registrar of Corporations for the Province of Alberta and all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any such action.

TELFERSCOT ANCILLARY RESOLUTION

BE IT RESOLVED as an ordinary resolution that:

1. If the Amalgamation is completed the number of directors to be elected be fixed at five (5) members;
2. if the Amalgamation is completed Jeff Renwick, Richard Goldstein, Barry M. Polisuk, Sheldon Inwentash and Vitor Fonseca are elected as directors of Telferscot, to hold office until the next annual general meeting of Telferscot or until their successors are elected or appointed;

SCHEDULE B

FORM OF CANNTAB RESOLUTION

BE IT RESOLVED as a special resolution that:

1. the amalgamation (the "**Amalgamation**") under Section 174 of the *Business Corporations Act* (Ontario) (the "**OBCA**") involving Telferscot Resources Inc. ("**Telferscot**"), Canntab Therapeutics Limited (the "**Company**") and 2597905 Ontario Ltd., a wholly-owned subsidiary of Telferscot, pursuant to the terms and conditions contained in the amalgamation agreement (the "**Amalgamation Agreement**") dated January 12, 2018 (as the same may be or has been modified or amended), in substantially the form attached as Schedule D to the Company's information circular is hereby authorized and approved;
2. the execution and delivery by the Company of the Amalgamation Agreement, substantially in the form attached as Schedule D to the Company's information circular is hereby authorized and approved, and the Amalgamation is hereby adopted;
3. any officer or director of the Company is hereby authorized and directed, on behalf of the Company, to execute and deliver the articles of the amalgamated entity to the director appointed under the OBCA with respect to the Amalgamation;
4. notwithstanding that this special resolution has been passed (and the Amalgamation Agreement adopted) by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further approval of the shareholders of the Company at any time prior to the issuance by the director under the OBCA of a certificate of amalgamation in respect of the Amalgamation (i) to amend the Amalgamation Agreement to the extent permitted by the Amalgamation Agreement, and (ii) not to proceed with the Amalgamation to the extent permitted by the Amalgamation Agreement or otherwise give effect to these resolutions; and
5. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company to execute, under the seal of the Company or otherwise, and to deliver, all documents, agreements and instruments and to do all such other acts and things, including delivering such documents as are necessary or desirable to the director appointed under the OBCA for filing in accordance with the Amalgamation Agreement, as such officer or director, may deem necessary or desirable to implement the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or doing of any such act or thing.

SCHEDULE C

PROPOSED SPIN OUT TRANSACTION

