

Form 45-106F6
British Columbia Report of Exempt Distribution

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution in British Columbia.

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

- the full name of the issuer of the security distributed. Include the former name of the issuer if its name has changed since this report was last filed;
- the issuer's website address; and
- the address, telephone number and email address of the issuer's head office.

KindCann Holdings Limited (the "Corporation")
1366 Yonge Street, Suite 207
Toronto, Ontario M4T 3A7
(416) 923-4567
<http://www.kindcann.com>

B. If an underwriter is completing this report, state the following:

- the full name of the underwriter;
- the underwriter's website address; and
- the address, telephone number and email address of the underwriter's head office.

Item 2: Reporting issuer status

A. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

Not a reporting issuer.

B. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, name the investment fund manager and state the jurisdiction(s) where it is registered.

C. **N/A**

Item 3: Issuer's industry

Indicate the industry of the issuer by checking the appropriate box below.

- | | |
|---|--|
| <input type="checkbox"/> Bio-tech | Mining |
| <input type="checkbox"/> Financial Services | <input type="checkbox"/> Exploration / development |
| <input type="checkbox"/> Investment companies and funds | <input type="checkbox"/> Production |
| <input type="checkbox"/> Mortgage investment companies | <input type="checkbox"/> Oil and gas |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Hi-tech | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Industrial | <input checked="" type="checkbox"/> Other (describe): <u>Medical Marijuana</u> |

Item 4: Insiders and promoters of non-reporting issuers

If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each insider and promoter of the issuer. If the insider or promoter is not an individual, complete the table for directors and officers of the insider or promoter.

Information about insiders and promoters

Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
Gordon Fox	Director, officer and holder of more than 10% of voting securities.	343,083 ⁽¹⁾ Common Shares 70,000 ⁽²⁾ Class A Preferred Shares	\$975,029.06
John Hawkrigg	Director	9,000 Common Shares	\$.90
Hugh Jackson	Director	1,000 Common Shares 10,000 Class A Preferred Shares	\$100,000
Harvey Shapiro	Director, officer and holder of more than 10% of voting securities.	323,082 ⁽¹⁾ Common Shares 72,500 ⁽²⁾ Class A Preferred Shares	\$1,000,029.06
John Stewart	Director	14,945 Common Shares 75,000 Class A Preferred Shares	\$875,000
Maxim Zavet	Director, officer and holder of more than 10% of voting securities.	306,724 Common Shares 26,500 Class A Preferred Shares	\$200,025.07

(1) Certain of the Common Shares held by companies owned by Gordon Fox and Harvey Shapiro (distributed proportionally).

(2) Certain of the Class A Preferred Shares held by a company owned by Gordon Fox and Harvey Shapiro (distributed proportionally).

Details of distribution

Item 5: Distribution date

State the distribution date. If this report is being filed for securities distributed on more than one distribution date, state all distribution dates.

June 23, 2016

Item 6: Number and type of securities

For each security distributed:

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- describe the type of security;

Units (the “Units”) consisting of one (1) common share in the capital of the Corporation (“Common Share”) and one-half (1/2) of one (1) common share purchase warrant (“Warrant”).

- state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

291,280 Units. Each of the Warrants are exercisable for five (5) years and entitles the holder to purchase one (1) Common Share at a price of \$15.

- if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption.
N/A

Item 7: Geographical information about purchasers

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report. The information provided in this table must reconcile with the information provided in item 8 and Schedules I and II.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Alberta	1	\$10.00 Units	\$25,000.00
British Columbia	25	\$10.00 Units	\$497,000.00
Ontario	24	\$10.00 Units	\$1,381,000.00
United Kingdom	2	\$10.00 Units	\$80,000.00
Germany	2	\$10.00 Units	\$90,000.00
Switzerland	2	\$10.00 Units	\$130,000.00
Ukraine	1	\$10.00 Units	\$150,000.00
United States	10	\$10.00 Units	\$354,811.96
Cayman Islands	1	\$10.00 Units	\$5,000.00
Panama	3	\$10.00 Units	\$200,000.00
Total number of Purchasers	71		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$2,912,811.96

Note 1: If securities are issued at different prices, list the highest and lowest price for which the securities were sold.

Item 8: Information about purchasers

Instructions

- A. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.
- B. Information about the purchasers of securities under the distribution is required to be disclosed in different tables in this report. **Complete.**
- the following table for each purchaser that is not an individual, and
 - the tables in Schedules I and II of this report for each purchaser who is an individual.

Do not include in the tables information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report.

- D. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1 (1) (j) (*TSX Venture Exchange offering*) of National Instrument 45-106 *Prospectus and Registration Exemptions* may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

Information about non-individual purchasers

Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Accent Marketing GMBH Sendlinger Str/ 24 80331 Munich Germany Tel: 49-89-3815-13319	-	7,500 Units	\$75,000	N/A	2016-06-23
Antonius Capital Ltd. 2191-1455 Howe Street Vancouver, BC V6Z 1C2 Tel: (604) 218-9434	-	3,000 Units	\$30,000	NI 45-106, s. 2.3	2016-06-23
Centauro Investments Inc. 100 Yorkville Ave., Suite 604 Toronto, ON M5R 2C3 Tel: (416) 822-5972	-	1,500 Units	\$15,000	NI 45-106, s. 2.3	2016-06-23
DNG Capital Corp. Suite 1305 - 1050 W. Georgia Vancouver, BC V6E 1V7 Tel: (604) 685-9316	-	2,500 Units	\$25,000	NI 45-106, s. 2.3	2016-06-23
Dragon Alternative Fund, Inc. 2A Camino Road, Cella Winston Churchill Panama, Panama Tel: (507) 6004-1530	-	3,000 Units	\$30,000	N/A	2016-06-23
Eric Silver Medicine Professional Corporation 146 Sandringham Drive Toronto, ON M3H 1E3 Tel: (416) 400-9805	-	2,000 Units	\$20,000	<i>Securities Act</i> (Ontario) ("OSA"), s. 73.3	2016-06-23
Industrial Products Group, Inc. 3853 Real Quiet Lane Lexington, KY 40509-9703 USA Tel: (859) 619-5939	-	968 Units	\$9,687.96	N/A	2016-06-23
Infinity Edge Consultants Corp. 6181 Palhi Road Duncan, BC V9L 4Y8	-	3,000 Units	\$30,000	NI 45-106, s. 2.3	2016-06-23

Investments & Technical Management Ltd. 200 King St., West Toronto, ON M5H 3T4 Tel: (416) 367-0150	-	3,000 Units	\$30,000	OSA, s. 73.3	2016-06-23
Navigator Capital Partners #910 - 510 Burrard St. Vancouver, BC V6C 3A8 Tel: (778) 988-5757	-	1,000 Units	\$10,000	NI 45-106, s. 2.3	2016-06-23
Rockshield Capital Corp. Suite 1305, 1090 West Georgia St. Vancouver, BC V6E 3V7 Tel: (604) 685-9316	-	10,000 Units	\$100,000	NI 45-106, s. 2.3	2016-06-23
Sutton Ventures Ltd. 44486 Monte Vista Drive Chilliwack, BC V2R 5T2 Tel: (604) 997-9007	-	1,000 Units	\$10,000	NI 45-106, s. 2.3	2016-06-23
2432692 Ontario Inc. 31 King High Avenue North York, ON M3H 3A8 Tel: (647) 999-9734	-	1,600 Units	\$16,000	OSA, s. 73.3	2016-06-23
GHF Management Ltd. 257 Litton Blvd. Toronto, ON M5N 1R7 Tel: (416) 953-8124	-	20,000 Units	\$200,000	OSA, s. 73.3	2016-06-23
2089064 Ontario Ltd. 177 Dunvegan Road Toronto, ON M5P 2P1 Tel: (416) 417-9992	-	20,000 Units	\$200,000	OSA, s. 73.3	2016-06-23
MZ Prime Holdings Ltd. 191 Montclair Avenue Toronto, ON M5P 1R1 Tel: (647) 290-6569	-	20,000 Units	\$200,000	NI 45-106, s. 2.10	2016-06-23
White Cedar Pharmacy Ltd. 1366 Yonge Street, #207 Toronto, ON M4T 3A7 Tel: (416) 953-8124	-	15,000 Units	\$150,000	OSA, s. 73.3	2016-06-23

Commissions and finder's fees**Item 9: Commissions and finder's fees***Instructions*

- A. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include information about payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.
- B. If the securities being issued as compensation are or include convertible securities, such as warrants or options, add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
Haywood Securities Inc. 700-200 Burrard Street Vancouver, BC V6C 3L6	(R)	\$9,100.00	-	-	-	\$9,100.00

Certificate

On behalf of the (issuer/underwriter), I certify that the statements made in this report are true.

Date: June 30th, 2016

KindCann Holdings Ltd.
Name of (issuer/underwriter) (please print)

Gordon Fox, CEO (416) 953-8124
Print name, title and telephone number of person signing

"Gordon Fox"
Signature

Instruction

The person certifying this report must complete the information in the square brackets by deleting the inapplicable word. For electronic filings, substitute a typewritten signature for a manual signature.

Item 10: Contact information

State name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice – Collection and use of personal information

The British Columbia Securities Commission collects and uses the personal information required to be included in this report for the administration and enforcement of the *Securities Act*. If you have any questions about the collection and use of this information, contact the British Columbia Securities Commission at the following address:

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899-6500
Toll free across Canada: 1-800-373-6393
Facsimile: (604) 899-6581