

**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                     | X 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<br>Toronto, Ontario, Canada                     | Director, officer and holder of more than 10% of voting securities.  | 343,083 <sup>(1)</sup> Common Shares<br>70,000 <sup>(2)</sup> Class A Preferred Shares  | \$975,029.06  |
| John Hawkrigg<br>Toronto, Ontario, Canada                  | Director   | 9,000 Common Shares   | \$.90   |
| Hugh Jackson<br>Toronto, Ontario, Canada                   | Director   | 1,000 Common Shares<br>10,000 Class A Preferred Shares  | \$100,000   |
| Harvey Shapiro<br>Toronto, Ontario, Canada                 | Director, officer and holder of more than 10% of voting securities.  | 323,082 <sup>(1)</sup> Common Shares<br>72,500 <sup>(2)</sup> Class A Preferred Shares  | \$1,000,029.06  |
| John Stewart<br>Naples, Florida, USA                       | Director   | 14,945 Common Shares<br>75,000 Class A Preferred Shares   | \$875,000   |
| Maxim Zavet<br>Toronto, Ontario, Canada                    | Director, officer and holder of more than 10% of voting securities.  | 306,724 Common Shares<br>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:

- 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 \$) <sup>1</sup> | 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  |
| <b>Total number of Purchasers</b>  | <b>71</b>            |   |   |
| <b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b> |                      |   | <b>\$2,912,811.96</b>   |

**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<br>Sendlinger Str/ 24<br>80331 Munich Germany<br>Tel: 49-89-3815-13319                          | -   | 7,500<br>Units                          | \$75,000                           | N/A  | 2016-06-23                        |
| Antonius Capital Ltd.<br>2191-1455 Howe Street<br>Vancouver, BC V6Z 1C2<br>Tel: (604) 218-9434                        | -   | 3,000<br>Units                          | \$30,000                           | NI 45-106, s. 2.3                                | 2016-06-23                        |
| Centauro Investments Inc.<br>100 Yorkville Ave., Suite 604<br>Toronto, ON M5R 2C3<br>Tel: (416) 822-5972              | -   | 1,500<br>Units                          | \$15,000                           | NI 45-106, s. 2.3                                | 2016-06-23                        |
| DNG Capital Corp.<br>Suite 1305 - 1050 W.<br>Georgia<br>Vancouver, BC V6E 1V7<br>Tel: (604) 685-9316                  | -   | 2,500<br>Units                          | \$25,000                           | NI 45-106, s. 2.3                                | 2016-06-23                        |
| Dragon Alternative Fund, Inc.<br>2A Camino Road, Cella<br>Winston Churchill<br>Panama, Panama<br>Tel: (507) 6004-1530 | -   | 3,000<br>Units                          | \$30,000                           | N/A  | 2016-06-23                        |
| Eric Silver Medicine Professional Corporation<br>146 Sandringham Drive<br>Toronto, ON M3H 1E3<br>Tel: (416) 400-9805  | -   | 2,000<br>Units                          | \$20,000                           | <i>Securities Act</i> (Ontario) ("OSA"), s. 73.3 | 2016-06-23                        |
| Industrial Products Group, Inc.<br>3853 Real Quiet Lane<br>Lexington, KY 40509-9703 USA<br>Tel: (859) 619-5939        | -   | 968<br>Units                            | \$9,687.96                         | N/A  | 2016-06-23                        |
| Infinity Edge Consultants Corp.<br>6181 Palhi Road<br>Duncan, BC V9L 4Y8  | -   | 3,000<br>Units                          | \$30,000                           | NI 45-106, s. 2.3                                | 2016-06-23                        |

|  |   |                 |           |                    |            |
|--|---|-----------------|-----------|--------------------|------------|
| Investments & Technical Management Ltd.<br>200 King St., West<br>Toronto, ON M5H 3T4<br>Tel: (416) 367-0150      | - | 3,000<br>Units  | \$30,000  | OSA, s. 73.3       | 2016-06-23 |
| Navigator Capital Partners<br>#910 - 510 Burrard St.<br>Vancouver, BC V6C 3A8<br>Tel: (778) 988-5757             | - | 1,000<br>Units  | \$10,000  | NI 45-106, s. 2.3  | 2016-06-23 |
| Rockshield Capital Corp.<br>Suite 1305, 1090 West<br>Georgia St.<br>Vancouver, BC V6E 3V7<br>Tel: (604) 685-9316 | - | 10,000<br>Units | \$100,000 | NI 45-106, s. 2.3  | 2016-06-23 |
| Sutton Ventures Ltd.<br>44486 Monte Vista Drive<br>Chilliwack, BC V2R 5T2<br>Tel: (604) 997-9007                 | - | 1,000<br>Units  | \$10,000  | NI 45-106, s. 2.3  | 2016-06-23 |
| 2432692 Ontario Inc.<br>31 King High Avenue<br>North York, ON M3H<br>3A8<br>Tel: (647) 999-9734                  | - | 1,600<br>Units  | \$16,000  | OSA, s. 73.3       | 2016-06-23 |
| GHF Management Ltd.<br>257 Litton Blvd.<br>Toronto, ON M5N 1R7<br>Tel: (416) 953-8124                            | - | 20,000<br>Units | \$200,000 | OSA, s. 73.3       | 2016-06-23 |
| 2089064 Ontario Ltd.<br>177 Dunvegan Road<br>Toronto, ON M5P 2P1<br>Tel: (416) 417-9992                          | - | 20,000<br>Units | \$200,000 | OSA, s. 73.3       | 2016-06-23 |
| MZ Prime Holdings Ltd.<br>191 Montclair Avenue<br>Toronto, ON M5P 1R1<br>Tel: (647) 290-6569                     | - | 20,000<br>Units | \$200,000 | NI 45-106, s. 2.10 | 2016-06-23 |
| White Cedar Pharmacy Ltd.<br>1366 Yonge Street, #207<br>Toronto, ON M4T 3A7<br>Tel: (416) 953-8124               | - | 15,000<br>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<br>(Canadian \$)                                    | Securities                           |                                     |   | Total dollar value of compensation<br>(Canadian \$) |
|   |  |  | Number and type of securities issued | Price per security<br>(Canadian \$) | Exemption relied on and date of distribution (yyyy-mm-dd) |   |
| Haywood Securities Inc.<br>700-200 Burrard Street<br>Vancouver, BC<br>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: July \_\_\_\_, 2016

KindCann Holdings Ltd.

Name of (issuer/underwriter) (please print)

Gordon Fox, 416-953-8124

Print name, title and telephone number of person signing

  
\_\_\_\_\_  
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