

ARRANGEMENT AGREEMENT

AMONG

FOUR RIVER VENTURES LTD.

- and -

CANABO MEDICAL CORPORATION

Dated for reference October 6, 2016

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Schedule 1 – Plan of Arrangement

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated for reference the 6th day of October, 2016

AMONG:

FOUR RIVER VENTURES LTD., a company existing under the laws of the Province of British Columbia

("FRV")

AND:

CANABO MEDICAL CORPORATION, a corporation existing under the federal laws of Canada

("Canabo")

WHEREAS:

(A) The FRV Shares are listed for trading on the NEX division of the Stock Exchange, as an inactive issuer;

(B) Canabo is an unlisted, non-reporting issuer, and FRV is interested in acquiring Canabo and its active business;

(C) FRV and Canabo are proposing to carry out a corporate arrangement transaction pursuant to which FRV will first consolidate its common shares on a two (2) shares for one share basis, change its name to "Canabo Medical Inc." or such other name as may be acceptable to FRV, Canabo and the Registrar of Companies, and then the Canabo Shareholders will receive FRV Shares and the Canabo Warranholders will receive FRV Warrants; and

(D) FRV and Canabo intend that the acquisition of Canabo by FRV be carried out under the arrangement provisions of Part 9, Division 5, section 288 of the *Business Corporations Act* (British Columbia), as amended, with the approval of the Canabo Securityholders as contemplated herein;

THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby mutually acknowledged), the parties hereto do hereby covenant and agree as follows:

ARTICLE 1

INTERPRETATION

Definitions

1.1 Wherever used in this Agreement, unless there is something inconsistent in the subject matter or context, the following words and terms will have the meanings set out below and in addition certain other words and terms are defined in the Plan of Arrangement:

"**Affiliate**" has the meaning ascribed to it in the *Securities Act* (British Columbia), as amended;

"**Arrangement**" means the arrangement under Part 9, Division 5, section 288 of the BCA, on the terms set forth in the Plan of Arrangement which is attached hereto as Schedule 1;

"Arrangement Agreement" or **"Agreement"** means this arrangement agreement and any amendment or variation hereto made in accordance with Article 8, including all Schedules hereto and any instrument or agreement supplementary or ancillary hereto;

"BCA" means the *Business Corporations Act* (British Columbia) S.B.C. 2002, c. 57, as now enacted and as amended, and the regulations thereto;

"Board of Directors" means the board of directors of FRV or Canabo, as the case may be, as constituted from time to time;

"Business Day" means a day that is not a Saturday, Sunday or civic or statutory holiday, in British Columbia;

"Canabo" means Canabo Medical Corporation, a corporation existing under the federal laws of Canada;

"Canabo Arrangement Resolution" means the unanimous special resolution approving this Agreement and the Plan of Arrangement to be adopted by all of the Canabo security holders by written consent;

"Canabo Securityholder" means holders of the Canabo Shares and the Canabo Warrants;

"Canabo Securityholder Approval" means the approval of Canabo Securityholders of the Canabo Arrangement Resolution;

"Canabo Shareholders" means the holders of Canabo Shares;

"Canabo Shares" means the common shares without par value in the capital of Canabo;

"Canabo Warrants" means any warrants of Canabo that are outstanding immediately before the Effective Date, to acquire Canabo Shares;

"Canadian Securities Laws" means the Securities Act and the equivalent legislation in the other Provinces and in the Territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any of such statutes, and the published policies, bulletins and notices of the regulatory authorities administering such statutes;

"Claims" means any claim, demand, action, cause of action, damage, loss, cost, liability or expense, including reasonable professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;

"Contracts" means all contracts, licenses, leases, agreements, commitments, entitlements, engagements, warranties or guarantees to which a Person or any Subsidiary of the Person is a party or pursuant to which the Person or any Subsidiary of the Person is obligated to provide a benefit to, or is entitled to receive a benefit from, any other Person;

"Effective Date" means the date that the Parties close the Arrangement;

"Effective Time" means 12:01 am on the Effective Date;

"Filing Statement" means a "filing statement" required to be filed by FRV under Policy 5.2 of the Stock Exchange with respect to the Transaction;

"FRV" means Four River Ventures Ltd., a company existing under the laws of the Province of British Columbia, together with, unless the context implies otherwise, all of its Subsidiaries and Affiliates;

"FRV Warrants" means share purchase warrants of FRV that will be issued by FRV in accordance with the Plan of Arrangement;

"FRV Shares" means the common shares without par value in the capital of FRV;

"FRV Shareholders" means the holders of FRV Shares;

"Governing Documents" means, with respect to any Person, the certificate or articles of incorporation, by-laws, notice of articles, articles, limited liability company agreement, partnership agreement, formation agreement, joint venture agreement, unanimous shareholder agreement or declaration or other similar governing documents of such Person;

"Governmental Authorizations" means all authorizations, approvals, including Environmental Approvals, licences, permits, certificates, waivers, consents or franchises issued by any Governmental Entity or under applicable Laws;

"Governmental Entity" means any domestic or foreign legislative, executive, judicial or administrative body or Person, including the Stock Exchange and the Securities Regulators, having or purporting to have jurisdiction in the relevant circumstances;

"Laws" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, 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 Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

"Material" means, when used in respect to the affairs of a Person, an event, occurrence or fact concerning the business, operations, capital, assets, liabilities or financial condition of the Person, on a consolidated basis, that would reasonably be expected to influence a reasonable investor in whether or not to invest in the securities of the Person;

"Material Adverse Change" means, in relation to a Person, any change (or changes in the aggregate), or any condition, event or development involving a prospective change, in the business, operations, affairs, assets, properties, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), capitalization, results of operations, cash flows, condition (financial or otherwise), licenses, permits, rights or privileges of the Person or any of its Subsidiaries, which is Materially adverse to it and its Subsidiaries taken as a whole, provided, however, that a Material Adverse Change shall not include any change, effect, event or occurrence relating to: (a) general political, financial or economic conditions; (b) variations in the market prices of securities of such Person in relation to such Person; (c) the medical health care industry generally; or (d) the state or condition of securities or capital markets in general;

"Material Adverse Effect" when used in relation to a Person means any matter, condition, event, development or action that has, or would reasonably be expected to have, a Material and adverse effect upon the business, operations, affairs, assets, properties, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), capitalization, results of operations, cash flows, condition (financial or otherwise), licenses, permits, rights or privileges of the Person and any of its Subsidiaries, taken as a whole, provided, however, that a Material Adverse Effect shall not include any change, effect, event or occurrence relating to: (a) general political, financial or economic conditions; (b) variations in the market prices of securities of such Person in relation to such Person or (c) the medical health care industry generally; or (d) the state or condition of securities or capital markets in general;

"Material Contract" in respect of a Person means:

- (a) any Contract involving aggregate payments to or by the Person or any of its Subsidiaries in excess of \$20,000;
- (b) any Contract with annual payments to or by the Person or any of its Subsidiaries in excess of \$20,000, with a term or commitment to or by the Person or any of its Subsidiaries that may reasonably extend beyond one year and which cannot be terminated without penalty on less than 90 days' notice or which is outside the ordinary course of business; and
- (c) any other Contract which is Material to the Person or any of its Subsidiaries;

"Material Fact" has the meaning ascribed thereto in the Securities Act;

"**Parties**" means FRV and Canabo, and "**Party**" means any one of them;

"**Person**" means any individual, sole proprietorship, partnership, unlimited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Entity, and a natural person in such person's capacity as trustee, executor, administrator or other legal representative and, when the context requires it, means either FRV or Canabo;

"**Plan of Arrangement**" means the plan of arrangement as set forth in Schedule 1 to this Agreement as amended or supplemented from time to time;

"**Regulatory Approval**" means any approval, consent, waiver, permit, order or exemption from any Governmental Entity that is required or advisable to be obtained in order to permit the Arrangement to be effected;

"**SEA**" means the Securities Exchange Agreement dated September 30, 2016 among FRV, Canabo and the Canabo Securityholders, as amended from time to time;

"**Securities Act**" means the *Securities Act* (British Columbia), as amended;

"**Securities Laws**" means, collectively, all applicable Canadian Securities Laws, U.S. Securities Laws, the "blue sky" or securities Laws of the states of the United States and any other applicable securities Laws;

"**Securities Regulators**" means the British Columbia Securities Commission and the securities regulatory authorities in each of the other provinces and territories of Canada;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Special Resolution**" means a written consent resolution passed by all of the shareholders of Canabo or their duly appointed representative under the SEA;

"**Stock Exchange**" means the TSXV;

"**Subsidiary**" means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes will or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and will include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a Subsidiary;

"**Taxes**" means all taxes, duties, levies, imposts and charges however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Entity, including all income or profits taxes (including federal income taxes and provincial and state income taxes), capital taxes, payroll and employee withholding taxes, non-resident withholding taxes, employment insurance, social insurance taxes (including Canada and Quebec Pension Plan payments), sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, goods and services taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers' compensation, pension assessment and other obligations of the same or of a similar nature to any of the foregoing;

"**Transaction**" means collectively, the transactions contemplated in the SEA and the Plan of Arrangement as such may be amended from time to time;

"**Transaction Documents**" means collectively, the SEA, this Agreement and the Plan of Arrangement and any Schedules attached hereto and thereto;

"**Transmittal Letter**" means the letter of transmittal to be sent by FRV to holders of Canabo Shares for use in connection with the Arrangement;

"**TSXV**" means the TSX Venture Exchange;

"**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934*, as amended;

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended;

"**U.S. Securities Laws**" means the applicable blue sky or securities legislation in the United States or any state or territory of the United States or the District of Columbia, together with the *U.S. Exchange Act* and the *U.S. Securities Act* and the rules and regulations of the Securities Exchange Commission thereunder; and

"**Valuation Report**" means the independent valuation report dated September 28, 2016 prepared by Evans & Evans, Inc. on Canabo.

Interpretation

1.2 In this Agreement, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of this Agreement and the Plan of Arrangement into Articles and Sections and the further division thereof and the insertion of headings and a table of contents are for convenience of reference only and will not affect the construction or interpretation of this Agreement or the Arrangement. Unless otherwise indicated, any reference in this Agreement and the Plan of Arrangement to an Article, Section or the symbol §, or Schedule refers to the specified Article or Section of or Schedule to this Agreement;
- (b) the terms "Arrangement Agreement", "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and not to any particular section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto and, unless otherwise indicated, a reference herein to a section is to the appropriate section of this Agreement;
- (c) words importing the singular number only will include the plural and vice versa, words importing the use of any gender will include all genders and words importing persons will include firms and corporations and vice versa;
- (d) if any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day;
- (e) the word "including" means "including, without limiting the generality of the foregoing"; and
- (f) a reference to a statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation, rule or policy made thereunder.

Entire Agreement

1.3 The Transaction Documents constitute the entire agreement among FRV and Canabo pertaining to the subject matter of this Agreement and supersede all prior arrangements, understandings, negotiations and discussions, whether oral or written, among them with respect to the subject matter hereof, provided however, that Schedules to the Letter Agreement which are not attached hereto, constitute notice of the Party who delivered the Schedule to the other Party.

Currency

1.4 All references to cash or currency in this Agreement are to Canadian dollars unless otherwise indicated.

Time

1.5 Unless otherwise indicated, all times expressed herein are local time, Vancouver, British Columbia.

Schedules

1.6 The following Schedules are attached hereto and form part of this Agreement:

Schedule 1 - Plan of Arrangement

Accounting Principles

1.7 All references to generally accepted accounting principles, unless otherwise stated, are to the principles recommended, from time to time, in the *CPA Canada Handbook* and all accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with Canadian generally accepted accounting principles.

ARTICLE 2

THE ARRANGEMENT

Implementation Steps by Canabo

- 2.1 Canabo covenants in favour of FRV that Canabo will act expeditiously and in good faith to:
- (a) obtaining shareholder approval by Special Resolution as permitted by the BCA;
 - (b) co-operate and assist FRV with obtaining the acceptance of the Stock Exchange to the Arrangement; and
 - (c) subject to obtaining the shareholder approval by Special Resolution and the Stock Exchange's acceptance to the Arrangement, as soon as reasonably practicable thereafter, but subject to the satisfaction or waiver of the other conditions herein contained in favour of each party, or as set forth in the SEA; complete the Plan of Arrangement.

FRV Filing Statement and Covenants

2.2 FRV will use reasonable efforts to expeditiously prepare the Filing Statement, together with any other documents required by the Stock Exchange and applicable Canadian Securities Laws or other applicable Securities Laws in connection with the Arrangement, and FRV will use reasonable commercial efforts to cause the Filing Statement and other documentation required in connection with the re-activation of FRV under the policies of the Stock Exchange to be filed with the Stock Exchange and on www.sedar.com as soon as reasonably practicable.

Canabo Outstanding Securities

2.3 On the Effective Date, each Canabo Warrant outstanding immediately before the Effective Time will be exchanged for a warrant to be issued by FRV (a "FRV Warrant") pursuant to which the holder of the Canabo Warrant will be entitled to receive, upon exercise of the FRV Warrant, one FRV Share in lieu of each Canabo Share that were issuable upon exercise of the related Canabo Warrants immediately before the Effective Time. The exercise price per FRV Share under the FRV Warrant will be equal to the exercise price under the related Canabo, and such FRV Warrant will have the same terms and conditions, with necessary changes, as set out in the Canabo Warrant.

Deliveries to FRV

2.4 In order to facilitate the Arrangement and the exchange of securities thereunder where certificates have been issued, only Canabo securities issued and to be exchanged as part of the Arrangement will be delivered by the respective Parties to FRV and FRV, or its transfer agent, will hold and deal with such in accordance with the terms of the Arrangement described in the Plan of Arrangement.

Transmittal Letters

2.5 As soon as possible after the Effective Date, FRV will send by mail to each Person who was a holder of a physical certificate for Canabo Shares immediately before the Effective Date at his address shown on Canabo's register of shareholders, a Transmittal Letter specifying the consideration the Person is entitled to receive pursuant to the Arrangement and will request the Person to surrender for cancellation the certificate(s) representing their Canabo Shares. Upon receipt of properly completed Transmittal Letters and the certificates representing their Canabo Shares, FRV will mail the consideration due to the holder thereof as aforesaid.

Arrangement and Closing

2.6 FRV will promptly advise Canabo of the date the Filing Statement has been accepted for filing by the Stock Exchange to arrange a mutually convenient time for the closing of the Transaction, and the parties will exchange such documents as may be necessary or desirable in connection with the completion of the Transaction as described in the SEA, including without limitation, the resolutions for the appointment of the two nominees of Canabo to the board of FRV, and the delivery of the documents described in §7.6 below.

Preparation of Filings

- 2.7 (a) FRV and Canabo will cooperate in:
- (i) the preparation and filing of the Filing Statement and the preparation of any other documents reasonably considered by FRV or Canabo to be necessary to discharge their respective obligations under applicable Laws in connection with the Transaction;
 - (ii) the taking of all such action as may be required under applicable Laws in connection with the Transaction; and
 - (iii) permit the other Party and its counsel to review and comment upon drafts of all documents prepared in connection with the Transaction.
- (b) Each of FRV and Canabo will furnish to the other all such information concerning it, its Affiliates and its shareholders as may be required to effect the actions described in this Article 2, and each covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Transaction, will contain any untrue statement of a Material Fact or omit to state a Material Fact required to be stated or which is necessary in order to make any information so furnished not misleading in the light of the circumstances in which it is furnished or to be used.
- (c) FRV and Canabo will each promptly notify the other if at any time before the Effective Time it becomes aware that any document described in this Article 2 contains any untrue statement of a Material Fact or omits to state a Material Fact required to be stated therein or which is necessary to make the statements contained therein not misleading in light of the circumstances in which they were made, or that otherwise requires an amendment or supplement. In any such event, FRV and Canabo will cooperate in the preparation of a supplement or amendment, as required, and, if required, will cause the same to be distributed to the Canabo Shareholders and/or filed with the applicable Governmental Entities.
- (d) FRV will ensure that the Filing Statement complies with all applicable Laws and, without limiting the generality of the foregoing, that the Filing Statement does not contain any untrue statement of a Material Fact or omit to state a Material Fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they were made (other than with respect to any information relating to and provided by FRV to Canabo in writing).

Dissenting Shares

2.8 The Canabo Shareholders will not be given rights of dissent with respect to their Canabo Shares in connection with the Arrangement, because this Agreement contemplates the unanimous approval of all Canabo Shareholders to the Arrangement by consent resolution.

FRV Approvals

- 2.9 FRV represents as of the date hereof that its Board of Directors, after considering the Transaction, has:
- (a) received the Valuation Report from an independent business valuator indicating that the consideration payable under the Arrangement by FRV for the Canabo Shares and Canabo Warrants is fair and reasonable from a financial point of view to the Canabo Shareholders, subject to the assumptions and limitations described in such Valuation Report;
 - (b) determined that the Transaction is fair to the FRV Shareholders as a whole and is in the best interests of FRV;

(c) resolved to authorize FRV to consummate the Transaction on the terms set forth herein and in the Plan of Arrangement; and

(d) resolved to authorize FRV to execute and deliver this Agreement.

Canabo Approvals

2.10 Canabo represents as of the date hereof that its Board of Directors has:

(a) determined that the Transaction is fair to the Canabo Securityholders as a whole and is in the best interests of Canabo;

(b) resolved to authorize Canabo to consummate the Transaction on the terms set forth herein and in the Plan of Arrangement; and

(c) resolved to authorize Canabo to execute and deliver this Agreement.

Finder's Fees and Expenses

2.11 Each Party acknowledges and agrees that there are no finder's fees payable to any third party in connection with the Transaction, and each Party shall bear their own expenses in connection with the Transaction.

Board/Management Changes

2.12 The Board of Directors of FRV will adopt all necessary resolutions, secure all necessary resignations and otherwise take all necessary steps such that on the Effective Date: (i) the size of the Board of Directors of FRV will be determined at four (4) persons and the following directors will constitute the Board of Directors of FRV: Alistair MacLennan, Dr. Danial Schecter, Dr. A. Neil Smith and Ian Klassen (with Jason Leikam and Robert Coltura resigning); (ii) the officers of FRV will be the following persons: John Philpott (President and Chief Executive Officer), Dr. Danial Schecter (Chief Medical Officer), and Robert Randall (Chief Financial Officer) upon completion of the Transaction. At the closing of the Transaction, Canabo will deliver consents to act for the two new director nominees of FRV.

Canabo Financing

2.13 Canabo has recently completed a financing of 6,915,000 Canabo Shares on terms mutually agreeable to Canabo and FRV to raise up to \$3,457,500.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

Representations and Warranties of Canabo

3.1 Canabo has made such representations and warranties to FRV as set forth in the SEA, such representations and warranties being subject to the Transaction.

3.2 Canabo further acknowledges that any FRV Shares or FRV Warrants that may be issued in connection with the Transaction may be subject to resale restrictions and/or escrow requirements pursuant to applicable Securities Laws and/or the policies of the Stock Exchange.

Representations and Warranties of FRV

3.3 FRV has made such representations and warranties to Canabo as set forth in the SEA, such representations and warranties being subject to the Transaction.

ARTICLE 4

SURVIVAL

Nature and Survival

4.1 All representations and warranties contained in the SEA on the part of each of FRV and Canabo will terminate on the Effective Date, provided however that neither FRV nor Canabo will be released or relieved from any liability arising from the breach by it of any of its covenants, representations or warranties, subject to the limitations on indemnification set out in Article 9 of the SEA.

ARTICLE 5

COVENANTS

Consultation With Respect to News Releases

5.1 Canabo and FRV will consult with each other in issuing any press release or otherwise making public statements with respect to the Transaction and in making any filing with any Governmental Entity with respect thereto. Each of Canabo and FRV will use all reasonable commercial efforts to enable the other to review and comment on all such press releases before the release thereof and will enable the other to review and comment on such filings before the filing thereof, provided that the obligations herein will not prevent any party from making such disclosure as its counsel advises is required by applicable laws or the rules and policies of the reporting jurisdictions of the party. Each of Canabo and FRV agree not to make any public statement that is inconsistent with any such press release or this Agreement.

Canabo's Covenants

5.2 Canabo covenants and agrees with FRV, except as contemplated in this Agreement or the Plan of Arrangement, that from the date hereof until the Effective Date or the day upon which this Agreement is terminated, whichever is earlier, it will:

- (a) continue to carry on the business and affairs of Canabo in the usual and normal course, take all action and make all expenditures necessary to maintain all of the properties and assets owned and controlled by Canabo in good standing and not enter into any Material transactions, commitments or expenditures without the prior written approval of FRV, acting reasonably;
- (b) except for common shares issued upon the exercise of Canabo Warrants granted before the date hereof, not issue or agree to issue any Canabo Shares or other securities of Canabo, whether by option or otherwise, without the prior written approval of FRV;
- (c) permit FRV's officers, directors, employees, consultants and advisors, at all reasonable times, access to the properties owned, controlled or operated by Canabo and to the books, records, reports, data and all other information relevant to the business, properties and affairs of Canabo, including Material Contracts;
- (d) obtain the approval of the Canabo Securityholders by Special Resolution to the Arrangement;
- (e) cause its officers and directors to act expeditiously and in good faith:
 - (i) in finalizing the Filing Statement in form satisfactory to both Canabo and FRV, acting reasonably; and
 - (ii) in completing the Arrangement.

FRV's Covenants

5.3 FRV covenants and agrees with Canabo, except as contemplated in this Agreement or the Plan of Arrangement, that from the date hereof until the Effective Date or the day upon which this Agreement is terminated, whichever is earlier, it will:

- (a) continue to carry on the business and affairs of FRV in the usual and normal course, take all action and make all expenditures necessary to maintain all of the properties and assets owned and controlled by FRV in good standing and not enter into any Material transactions, commitments or expenditures without the prior written approval of Canabo, acting reasonably;
- (b) except for common shares issued upon the exercise of FRV Warrants granted before the date hereof, not issue or agree to issue any FRV Shares or other securities of FRV, whether by option or otherwise, without the prior written approval of Canabo;
- (c) make all required filings and use its best efforts to have listed and posted for trading on the Stock Exchange, the FRV Shares to be issued in connection with the Arrangement and which will be issuable pursuant to the exercise of the FRV Warrants;
- (d) and will cause its officers and directors to, act expeditiously and in good faith:
 - (i) in finalizing the Filing Statement in form satisfactory to both Canabo and FRV, acting reasonably;
 - (ii) in seeking applicable regulatory approvals for FRV completing its obligations under the Arrangement; and
 - (iii) in completing the Arrangement; and
- (e) permit Canabo and its advisors access to FRV's properties and to the books, records, reports, data and all other information relevant to the business, properties and affairs of FRV.

Mutual Covenants

5.4 Each of Canabo and FRV covenants and agrees that, except as contemplated in the Transaction Documents, from the date hereof until the Effective Date or the day upon which this Agreement is terminated, whichever is earlier:

- (a) it will:
 - (i) use its reasonable commercial efforts to preserve intact its business organizations and goodwill, to keep available the services of its officers and employees as a group and to maintain satisfactory relationships with suppliers, unions, agents, distributors, customers and others having business relationships with it;
 - (ii) not take any action that would interfere with or be inconsistent with the completion of the Transaction or which would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any Material respect at any time before the Effective Date;
 - (iii) not directly, or indirectly through an Affiliate, Subsidiary, partner, officer, agent or otherwise, solicit or initiate, or encourage submission of, or participate in negotiations with respect to, proposals or offers from any person or group, relating to any sale or issuance of its shares, or any other transaction that would interfere with the Transaction; and
 - (iv) promptly notify the other Person of any Material Adverse Change, or any change which could reasonably be expected to result in a Material Adverse Change, in respect of its business or properties, and of any Material Governmental Entity or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated);
- (b) it will use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to the obligations of FRV and Canabo set forth in Article 7 to the extent that such is within its control and to take, or cause to be taken, all other reasonable action and to do, or cause to be done, all other things reasonably necessary, proper or advisable under all applicable Laws to complete the Transaction, including using all of its commercially reasonable efforts to:

- (i) obtain or co-operate in obtaining all necessary waivers, consents and approvals required to be obtained to consummate the Transaction;
 - (ii) effect or co-operate in effecting all necessary registrations and filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Transaction and participate and appear in any required proceedings before Governmental Entities in connection therewith;
 - (iii) oppose, lift or rescind or co-operate in opposing, lifting or rescinding any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of FRV or Canabo to consummate, the Transaction;
 - (iv) fulfill all conditions and satisfy all provisions of the Transaction Documents on its part; and
 - (v) otherwise cooperate with the other in connection with the performance by it of its obligations under the Transaction Documents;
- (c) it will not take any action or refrain from taking any action which would reasonably be expected to significantly impede or delay the consummation of the Transaction;
- (d) it will, in all Material respects, conduct itself so as to keep the other fully informed as to the Material decisions or actions required to be made or undertaken with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by operation of applicable Laws or by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained;
- (e) it will vigorously defend or cause to be defended any Claim or other legal proceedings brought against it challenging the Transaction;
- (f) it will promptly notify the other Party of any proposal relating to any acquisition of the securities, business or properties of the Party of which any director, senior officer or agent of it is or becomes aware of, any amendment to any of the foregoing or any request for non-public information relating to it. Such notice shall include a description of the Material terms and conditions of any such proposal and the identity of the person making such proposal, inquiry, request or contact;
- (g) it will not purchase, directly or indirectly, through any officer, director, employee, advisor, representative, agent or otherwise, any securities of the other Party until after the completion of the Transaction or the Termination Date, whichever first occurs; and each Party will also use its best efforts to ensure that its directors, officers, employees, advisors, representatives, or agents and their affiliates comply with the foregoing; and
- (h) it does not own any securities of the other Party.

Access to Information and Confidentiality

5.5 Subject to applicable Laws, upon reasonable notice, Canabo will and will cause each of its Subsidiaries to afford FRV's officers, employees, counsel, accountants and other authorized representatives and advisors ("Representatives") access, during normal business hours from the date hereof and until the earlier of the Effective Date and the termination of this Agreement, to the properties, books, Material Contracts, tax records and other records, of Canabo to the extent that such information is relevant to the business and affairs of Canabo, as well as to management personnel of Canabo, and during such period, Canabo will furnish promptly to FRV all information concerning its business, properties and personnel which FRV may reasonably request. Without limiting the generality of the foregoing, Canabo agrees that it shall, whether or not request for such information is made by FRV, at the earliest possible opportunity, disclose all Material information relating to Canabo to permit FRV to complete its due diligence review of Canabo. Subject to applicable Laws, upon reasonable notice, FRV will provide the same access to Canabo and its Representatives on the same terms and conditions.

5.6 Subject to any disclosure required of FRV in order to: (i) obtain Stock Exchange acceptance of the Transaction and related transactions, or (ii) comply with applicable regulatory requirements regarding continuous and timely disclosure, any information concerning any of FRV, Canabo or their respective Affiliates, Subsidiaries or properties disclosed to the other party or its representatives, which has not been publicly disclosed, shall be kept strictly confidential by them and shall not be disclosed or used by the recipients thereof, whether or not the closing of the Transaction occurs,

until publicly disclosed by the Party to which such information relates. The Parties agree that, pending the closing of the Transaction, each Party will have the right to review and comment in a timely manner on documents, including press releases, to be disclosed or disseminated to the public.

ARTICLE 6

REMEDIES

Availability of Equitable Remedies

6.1 Each of FRV and Canabo acknowledges that the other will be irreparably harmed and that there will be no adequate remedy at law for a violation of any of its covenants and agreements contained in this Agreement. In addition to any other remedies that may be available to each of FRV and Canabo upon the breach by the other of its covenants and agreements hereunder, each of FRV and Canabo will have the right to seek injunctive relief to restrain any breach or threatened breach of those covenants or agreements or obtain specific performance of any of those covenants or agreements.

ARTICLE 7

CONDITIONS

Mutual Conditions

7.1 The obligations of the Parties to complete the transactions contemplated hereby are subject to fulfillment of the following conditions on or before the Termination Date or such earlier time as is specified below:

- (a) the Canabo Arrangement Resolution will have been passed as soon as possible;
- (b) the Effective Date will occur before December 31, 2016;
- (c) there will be no action taken under any Laws or by any Governmental Entity, that:
 - (i) makes it illegal or, directly or indirectly, restrains, enjoins or prohibits the Transaction or any other transactions or agreements contemplated herein; or
 - (ii) results in a judgment or assessment of damages, directly or indirectly, relating to the transactions or agreements contemplated in the Transaction Documents which would have a Material Adverse Effect on FRV or Canabo taking into account the Transaction;
- (d) all required material consents, waivers, permits, orders and approvals of any Governmental Entity or other Persons and the Stock Exchange and the expiry of any waiting periods, in connection with, or required to permit, the consummation of the Transaction, will have been obtained or received on terms that will not have a Material Adverse Effect on FRV or Canabo taking into effect the Transaction, and reasonably satisfactory evidence thereof will have been delivered to each Person;
- (e) the Valuation Report has not been revoked or rescinded by the author thereof;
- (f) each of FRV and Canabo shall have full access to all Material information respecting the other party and its subsidiaries for the purpose of being able to satisfactorily complete their due diligence reviews; and
- (g) this Agreement will not have been terminated or the Termination Date reached before the completion of the Arrangement.

The foregoing conditions are for the mutual benefit of FRV and Canabo and may be waived, in whole or in part, by either of them at any time. If any of the said conditions precedent will not be complied with or waived as aforesaid on or before the date required for the performance thereof, either Canabo or FRV may rescind and terminate this Agreement by written notice to the other (provided such non-compliance did not arise from the acts or omissions of the Person purporting to rescind and terminate this Agreement) and will have no other right or remedy.

Conditions Precedent to the Obligations of FRV

7.2 The obligation of FRV to complete the Transaction will also be subject to the fulfilment of each of the following conditions precedent (each of which is for the exclusive benefit of FRV and may be waived by FRV in its sole discretion and any one or more of which, if not satisfied or waived, will relieve FRV of any obligation under this Agreement), on or before the Termination Date or such earlier time as is specified below:

- (a) all covenants of Canabo under this Agreement to be performed on or before the Effective Date will have been duly performed by Canabo in all Material respects;
- (b) all representations and warranties of Canabo under the SEA will be true and correct in all Material respects as of the Effective Date, as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties will be true and correct or true and correct in all Material respects, as the case may be, as of such earlier date, or except as affected by transactions contemplated or permitted by this Agreement);
- (c) FRV being satisfied acting reasonably that no Material Adverse Change, not related to commodity prices or general market conditions, has occurred with respect to Canabo, from the date of the Canabo Financial Statements to the Effective Date;
- (d) FRV being satisfied acting reasonably that no Material Adverse Effect exists relating to Canabo that would impose a Material liability on FRV upon completion of the Arrangement;
- (e) Canabo shall have obtained prior to the closing of the Transaction all consents, waivers and acknowledgments from third parties that may be required or considered to be advisable by FRV, acting reasonably, in order for FRV to be able to exercise the same rights as Canabo in respect of the agreements and the interests in the properties of Canabo which are being transferred to FRV pursuant to the SEA and this Agreement;
- (f) the Board of Directors of Canabo will have adopted all necessary resolutions, and all other necessary corporate action will have been taken by Canabo, to permit the consummation of the Transaction;
- (g) no Law will have been proposed, enacted, promulgated or applied and no legal action or proceeding will have been commenced by any Person to cease trade, enjoin, prohibit or impose Material limitations or conditions on the completion of the Arrangement or the right of FRV to own or exercise full rights of ownership of all of the outstanding Canabo Shares or the right of Canabo Shareholders as a group to receive FRV Shares or of holders of Canabo Warrants, as a group, to be entitled to receive FRV Warrants pursuant to the Arrangement; and
- (h) FRV will have received all such other documents and certificates as may reasonably be required by FRV in connection with completion of the Arrangement; and
- (i) no Law will have been proposed, enacted, promulgated or applied and no legal action or proceeding will have been commenced by any Person which, if the Transaction were completed, could reasonably be expected to have a Material Adverse Effect on Canabo.

FRV may not rely on the failure to satisfy any of the above conditions precedent as a basis for non-compliance by FRV with its obligations under this Agreement if the condition precedent would have been satisfied but for a Material default by FRV in complying with its obligations hereunder.

Conditions Precedent to the Obligations of Canabo

7.3 The obligation of Canabo to complete the Transaction will also be subject to the following conditions precedent (each of which is for the exclusive benefit of Canabo and may be waived by Canabo in its sole discretion and any one or more of which, if not satisfied or waived, will relieve Canabo of any obligation under this Agreement), on or before the Termination Date or such earlier time as is specified below:

- (a) all covenants of FRV under this Agreement to be performed on or before the Effective Date will have been duly performed by FRV in all Material respects;

- (b) all representations and warranties of FRV under the SEA will be true and correct in all Material respects as of the Effective Date, as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties will be true and correct or true and correct in all Material respects, as the case may be, as of such earlier date, or except as affected by transactions contemplated or permitted by this Agreement);
- (c) Canabo being satisfied acting reasonably that no Material Adverse Change, not related to general market conditions, has occurred with respect to FRV, from the date of the FRV Financial Statements to the Effective Date;
- (d) Canabo being satisfied acting reasonably that no Material Adverse Effect exists relating to FRV that would impose a Material liability on Canabo upon completion of the Arrangement;
- (e) the Board of Directors of FRV will have adopted all necessary resolutions, and all other necessary corporate action will have been taken by FRV, to permit the consummation of the Transaction, including the appointment of two nominees of Canabo to the Board of Directors of FRV and the change of officers of FRV to nominees of Canabo;
- (f) no Law will have been proposed, enacted, promulgated or applied and no legal action or proceeding will have been commenced by any Person to cease trade, enjoin, prohibit or impose Material limitations or conditions on the completion of the Arrangement or the right of Canabo Shareholders or Canabo Warrantheolders to own or exercise full rights of ownership of the FRV Shares or FRV Warrants, as the case may be, issuable pursuant to the Arrangement;
- (g) the FRV Shares will be listed on the Stock Exchange following the completion of the Transaction and the Stock Exchange shall have approved the Filing Statement, the listing of FRV as a technology or life sciences issuer upon completion of the Transaction and the listing of the FRV Shares issuable to the current holders of Canabo Shares and upon exercise of the FRV Warrants upon completion of the Transaction;
- (h) Canabo will have received all such other documents and certificates as may reasonably be required by Canabo in connection with completion of the Arrangement; and
- (i) no Law will have been proposed, enacted, promulgated or applied and no legal action or proceeding will have been commenced by any Person which, if the Transaction were completed, could reasonably be expected to have a Material Adverse Effect on FRV.

Canabo may not rely on the failure to satisfy any of the above conditions precedent as a basis for non-compliance by Canabo with its obligations under this Agreement if the condition precedent would have been satisfied but for a Material default by Canabo in complying with its obligations hereunder.

Notice and Cure Provisions

7.4 Each of the Parties will give prompt notice to the other 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 that would likely:

- (a) cause any of the representations or warranties of such Person contained herein to be untrue or inaccurate in any Material respect as of the date hereof or at the Effective Date; or
- (b) result in the failure of such Person to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it under this Agreement before the Effective Date.

FRV or Canabo may elect to not complete the Transaction contemplated hereby pursuant to the conditions precedent contained in §7.1, §7.2 and §7.3, as the case may be, or exercise any termination right arising therefrom, only if forthwith and in any event before the Effective Date, FRV or Canabo has delivered a written notice to the other specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which FRV or Canabo, as the case may be, is asserting as the basis for the non-fulfilment of the applicable condition precedent or the exercise of the termination right, as the case may be. If any such notice is delivered, provided that FRV or Canabo, as the case may be, is proceeding diligently to cure such matter, if such matter is susceptible to being cured, the other may not terminate this Agreement until the expiration of a period of 30 days from such notice. For greater certainty, in the event that such matter is cured within the time period referred to herein, this Agreement may not be terminated as a result of such matter. If Canabo or FRV is entitled to terminate this Agreement under this Section, notice of termination must be made in writing.

Satisfaction of Conditions

7.5 The conditions precedent set out in §7.1, §7.2 and §7.3 will be conclusively deemed to have been satisfied, waived or released when, with the agreement of FRV and Canabo the documentation giving effect to the Arrangement is executed and delivered by the Parties, or the Parties otherwise close the Arrangement in accordance with the terms of the SEA.

Transfer of Accounts and Files

7.6 Subsequent to the Effective Time of closing of the Transaction:

- (a) the banking signatories of all bank accounts held by Canabo will be changed to nominees of FRV;
- (b) the Minute Books and all legal corporate records and registers for FRV will be sent to Canabo's corporate agent in Vancouver, British Columbia, Salley Bowes Harwardt Law Corporation at Suite 1750, 1185 West Georgia Street, Vancouver, BC, V6E 4E6 (Attention: Mr. Paul A. Bowes);
- (c) all corporate files, accounting files, ledgers, books and records of FRV will be sent to Canabo's administrative office in Halifax to the attention of the Chief Financial Officer; and
- (d) the auditors of FRV will be changed to Manning Elliott LLP, the auditors of Canabo.

ARTICLE 8

AMENDMENT

Amendment

8.1 This Agreement may, at any time and from time to time before or after the date of execution of the Special Resolution, but not later than the Effective Date, be amended by mutual written agreement of the parties hereto, and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the parties;
- (b) waive any inaccuracies 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 performance of any of the obligations of the parties; and
- (d) waive compliance with or modify any conditions precedent herein contained.

Mutual Understanding Regarding Amendments

8.2 If either FRV or Canabo proposes any amendment to this Agreement or to the Plan of Arrangement, the other will act reasonably in considering such amendment and if the other and its security holders are not prejudiced by reason of any such amendment, the other will co-operate in a reasonable fashion with the Person who made the proposal so that such amendment can be effected subject to applicable Laws and the rights of the affected Person's security holders.

Cooperation on Structure

8.3 FRV and Canabo will cooperate in good faith and will take all reasonable steps and actions after the date hereof to complete the Transaction in a manner which is most tax effective for FRV, Canabo and the Canabo Shareholders.

ARTICLE 9

GENERAL

Notices

9.1 Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Person to any other Person will be in writing and may be given by delivering same or sending same by facsimile transmission or by delivery addressed to the Person to which the notice is to be given at its address for service herein. Any notice, consent, waiver, direction or other communication aforesaid will, 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, if not, the next succeeding Business Day) and if sent by facsimile transmission be deemed to have been given and received at the time of receipt unless actually received after 4:00 p.m. at the point of delivery in which case it will be deemed to have been given and received on the next Business Day.

The address for service of each of the parties hereto will be as follows:

(a) **if to Canabo:**

Canabo Medical Corporation
1 Eglinton Avenue East, Unit 407
Toronto, ON,
M4P 1P1

Attention: John Philpott
Fax: (844) 320-9652

(b) **if to FRV:**

Four River Ventures Ltd.
Suite 280, 1090 W. Georgia St.
Vancouver, BC
V6E 3V7

Attention: Alistair MacLennan
Fax: (604) 684-5793

Time of Essence

9.2 Time will be of the essence in this Agreement.

Further Assurances

9.3 Each Person hereto will, from time to time, and at all times hereafter, at the request of any other Person hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as will be reasonably required in order to fully perform and carry out the terms and intent hereof.

Governing Law

9.4 This Agreement will be governed by, and be construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each Person hereby irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of British Columbia in respect of all matters arising under or in relation to this Agreement.

Execution in Counterparts

9.5 This Agreement may be executed in identical counterparts, each of which is and is hereby conclusively deemed to be an original and the counterparts collectively are to be conclusively deemed to be one instrument and receipt

of a facsimile version of an executed signature page by a Person will constitute satisfactory evidence of execution of this Agreement by such Person

Enurement and Assignment

9.6 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any Person hereto without the prior written consent of the other Person hereto.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

FOUR RIVER VENTURES LTD.

Per: s/“Robert Coltura”
Name: Robert Coltura
Title: Director

Per: s/“Alistair MacLennan”
Name: Alistair MacLennan
Title: President & CEO

CANABO MEDICAL CORPORATION

Per: s/“John Philpott”
Name: John Philpott
Title: President & COO

Per: s/“Robert Randall”
Name: Robert Randall
Title: CFO

SCHEDULE 1

PLAN OF ARRANGEMENT OF CANABO MEDICAL CORPORATION, ITS SECURITYHOLDERS, AND FOUR RIVER VENTURES LTD.

ARTICLE ONE Interpretation

Definitions

1.01 In this Plan of Arrangement, unless something in the subject matter or context is inconsistent therewith:

- (a) "**BCA**" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended;
- (b) "**Agreement**" means the Arrangement Agreement dated for reference October 6, 2016, made among FRV and Canabo as the same may be supplemented or amended from time to time;
- (c) "**Arrangement**" means an arrangement under the provisions of Part 15 of the BCA, on the terms and conditions set forth in this Plan of Arrangement;
- (d) "**Effective Date**" means the date of closing of the Arrangement, or on such other date agreed to by FRV and Canabo;
- (e) "**Effective Time**" means the 12:01 am on the Effective Date;
- (f) "**FRV**" means Four River Ventures Ltd., a company existing under the laws of the Province of British Columbia;
- (g) "**FRV Shares**" means the common shares without par value of FRV;
- (h) "**FRV Warrants**" means the warrants of FRV that will be issued by FRV in accordance with this Plan of Arrangement;
- (i) "**Canabo**" means Canabo Medical Corporation, a corporation incorporated under the federal laws of Canada;
- (j) "**Canabo Shares**" means the common shares without par value of Canabo;
- (k) "**Canabo Shareholders**" means at the relevant time the holders of Canabo Shares;
- (l) "**Canabo Warrants**" means any warrant to acquire Canabo Shares which is outstanding immediately prior to the Effective Time;
- (m) "**Plan of Arrangement**" means this plan of arrangement and any amendment or variation thereto made in accordance with Article Six hereof;
- (n) "**Registrar**" means the Registrar of Companies as defined under the BCA;
- (o) "**shareholder**" or "**holder of shares**" means a shareholder of Canabo; and
- (p) "**Tax Act**" means the *Income Tax Act* (Canada), as amended.

Headings

1.02 The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof" and "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular Article or Section hereof and include any agreement or instrument supplemental therewith, references herein to Articles and Sections are to Articles and Sections of this Plan of Arrangement.

Number

1.03 In this Plan of Arrangement, unless something in the context is inconsistent therewith, words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa and words importing shareholders shall include members.

ARTICLE TWO Arrangement Agreement

Arrangement Agreement

- 2.01 This Plan of Arrangement is made pursuant and subject to the provisions of the Agreement.
- 2.02 This Plan of Arrangement will become effective as at the Effective Time and will be binding without any further authorization, act or formality on the part of the Registrar, FRV, Canabo and the Canabo Securityholders, from and after the Effective Time.

ARTICLE THREE The Arrangement

Arrangement

- 3.01 At the Effective Time:
- (a) FRV will by directors' resolution, as permitted by its Articles, consolidate its common shares on the basis of two (2) shares for one (1) shares, with any fractional shares being rounded down to the nearest lower whole share (the "**Consolidation**");
 - (b) FRV will by directors' resolution, as permitted by its Articles, change its name to "Canabo Medical Inc." or such other name as may be acceptable to FRV, Canabo, and Regulatory Authorities (the "**Change of Name**");
 - (c) FRV will file with the Registrar a Form 11 Notice of Alteration for the Consolidation and Change of Name;
 - (d) On the completion of the Consolidation and Change of Name:
 - i. FRV will acquire all of the outstanding Canabo Shares in exchange for post-Consolidation FRV Shares with the result that Canabo will be a wholly-owned subsidiary of FRV; and FRV will acquire all of the outstanding Canabo Warrants for cancellation in exchange for FRV Warrants;
 - ii. the Canabo Shareholders will receive one post-Consolidation FRV Share in exchange for every Canabo Share owned;
 - iii. each Canabo Warrant outstanding immediately before the Effective Date will be exchanged for a FRV Warrant pursuant to which the holder will be entitled to receive, upon exercise of the FRV Warrant, one post-Consolidated FRV Share in lieu of each Canabo Share that were issuable upon exercise of the related Canabo Warrant immediately before the Effective Time, and the exercise price per such FRV Share under the FRV Warrant will be equal to the exercise price under the related Canabo Warrant. Save and except as otherwise agreed to by FRV and the holders of Canabo Warrants, the term to expiry, conditions to and manner of exercising, applicable laws, and all other terms and conditions of the FRV Warrants will otherwise be the same as those of the Canabo Warrants;
 - iv. the Canabo Warrants will be cancelled;
 - v. all of the business, property and assets of Canabo will indirectly become the business, property and assets of FRV, as a wholly-owned subsidiary of FRV;

- vi. any other transactions contemplated in the SEA will be completed; and
- vii. all of the above transactions, exchanges and cancellations will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto may not be completed until after the Effective Date.

Notwithstanding the foregoing, in the event that any Canabo Shares are held by or on behalf of Canabo, then such Canabo Shares will be cancelled at the Effective Time, without any repayment of capital in respect thereof, and no provision is or will be made for the conversion of such shares into FRV Shares.

3.02 At the Effective Time, the directors of FRV shall be the following persons: Alistair MacLennan, Dr. Danial Schecter, Dr. A. Neil Smith and Ian Klassen, as described in the SEA.

3.09 At the Effective Time, the officers of FRV shall be the following persons, as described in the SEA:

President and Chief Executive Officer:	John Philpott
Chief Medical Officer:	Dr. Danial Schecter
Chief Financial Officer:	Robert Randall

3.10 Notwithstanding that the transactions or events set out in this Article 3 may occur or be deemed to occur in the order therein set out without any further act or formality, each of FRV and Canabo agree to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required by it in order to further document or evidence any of the transactions or events set out in this Article 3 including, without limitation, any resolution of directors authorizing the transactions, any share transfer powers evidencing the transfer of shares, any receipt therefor and any necessary additions to or deletions from share registers.

ARTICLE FOUR Certificates and Documentation

Entitlement to FRV Share Certificates

4.01 After the Effective Date, certificates formerly representing Canabo Shares which are held by a Canabo Shareholder will, represent only the right to receive certificates representing FRV Shares, all in accordance with the terms of the Arrangement. The former shareholders of Canabo shall be entitled to receive certificates representing FRV Shares on the basis set forth in Section 3.01 by complying with the requirements set forth in Section 4.05.

Fractional Shares

4.02 No fractional shares will be issued by FRV, and no cash will be paid in lieu thereof. Any fractions resulting will be rounded to the nearest whole number, with fractions of one-half or more being rounded to the next whole number.

Entitlement to Options, Warrants and other Convertible Securities of Canabo

4.03 After the Effective Date, the holders of outstanding Canabo Warrants which vest prior to expiry shall be entitled, upon request, to receive documentation evidencing FRV Warrants, on the same terms as set out in Section 3.01.

Letter of Transmittal

4.04 Forthwith after the Effective Date, FRV, in accordance with the terms of this Arrangement, shall forward a Transmittal Letter and instructions to each holder of certificated Canabo Shares to which Section 3.01 applies, at the address of each shareholder as it appeared in the register of Canabo, instructions for obtaining delivery of certificates representing FRV Shares.

Procedure for Exchange of Certificates

4.05 A former shareholder of Canabo must deliver, within six (6) years of the Effective Date, the following documents in order to receive certificate(s) for FRV Shares issued to such shareholder under this Plan of Arrangement:

- (a) the certificate (if issued) in the form representing such holder's Canabo Shares to FRV or as FRV may otherwise direct in accordance with instructions contained in the said Transmittal Letter;
- (b) the duly completed Transmittal Letter; and
- (c) such other documents as FRV may reasonably require.

4.06 Certificates shall be registered in the name or names and will be delivered by first class postage paid or in the case of postal disruption, by such other means as FRV deems prudent to such address or addresses as such holder may direct in the Transmittal Letter as soon as practical after the receipt by FRV of the documents required under 4.05 of this Plan of Arrangement.

Termination of Rights

4.07 Any certificates formerly representing Canabo Shares that are not delivered with all other documents as provided in Section 4.05 on or before the sixth anniversary of the Effective Date shall cease to represent any right or claim of any kind or nature and the right of the former holder of such Canabo Shares to receive certificates representing FRV Shares and the FRV Shares issued to such former Canabo shareholder shall be deemed to be surrendered to FRV together with all dividends or distributions thereon held for such holder.

Distribution

4.08 All dividends paid or distributions made in respect of the FRV Shares for which a certificate formerly representing Canabo Shares has not been delivered with all other documents as provided in Section 4.05 hereof, shall be held subject to Section 4.07 in trust for such holder, for delivery to the holder net of all withholding and other taxes, upon delivery of the certificate in accordance with Section 4.05.

Withholding

4.09 FRV and Canabo will be entitled to deduct and withhold from any consideration payable to any holder of Canabo Shares, such amounts as FRV or Canabo is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of provincial, state, local or foreign tax laws, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. FRV or Canabo is hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to FRV or Canabo, as the case may be, to enable it to comply with such deduction or withholding requirement, and FRV or Canabo will notify the holder thereof and remit to the holder any unapplied balance of the net proceeds of such sale.

Lost Certificate

4.10 In the event any certificate, which immediately before the Effective Time represented one or more outstanding Canabo Shares that were exchanged pursuant to Article 3.0, is lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, FRV will cause its transfer agent to issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing one or more FRV Shares, deliverable in accordance with such holder's Transmittal Letter. When authorizing such issuances or payment in exchange for any lost, stolen or destroyed certificate, the person to whom certificates representing FRV Shares are or is to be issued or delivered will, as a condition precedent to the issuance or payment thereof, give a bond satisfactory to FRV and its transfer agent in such sum as FRV may direct or otherwise indemnify FRV in a manner satisfactory to it, against any claim that may be made against one or both of them with respect to the certificate alleged to have been lost, stolen or destroyed.

ARTICLE FIVE Rights of Dissent

Rights of Dissent

5.01 A holder of Canabo Shares shall not have any right of dissent to the Plan of Arrangement hereunder, because the Arrangement contemplates unanimous consent by written Special Resolution.

**ARTICLE SIX
Amendment**

Plan of Arrangement Amendment

6.01 FRV and Canabo reserve the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Date.

6.02 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by FRV and Canabo at any time with or without any other prior notice or communication to Canabo Shareholders, and if so proposed and accepted by Canabo Shareholders by Special Resolution, will become part of this Plan of Arrangement for all purposes. Subject to Section 6.03, if such amendment, modification or supplement is made, it shall be communicated to the Canabo Shareholders, and will become part of the Arrangement.

6.03 Any amendment, modification or supplement to this Plan of Arrangement may be made by FRV and Canabo without approval of the Canabo Shareholders provided that it concerns a matter which, in the reasonable opinion of FRV and Canabo, is of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not materially adverse to the financial or economic interests of any of the Canabo Shareholders or is necessary to meet a filing requirement of the Stock Exchange.

**ARTICLE 1
ARTICLE SEVEN
TERMINATION**

7.01 This Plan of Arrangement will automatically terminate and be of no further force and effect upon the termination of the Arrangement Agreement in accordance with its terms.