

EXCLUSIVE GINSENG DISTRIBUTION AGREEMENT
(The "Agreement")

BETWEEN: **GOLDEN PHOENIX VENTURES INC.**, a British Columbia company having its head office at 8763 Stegavik Court, Delta, BC V4C 0C6 ("GPV")

AND: **IMPERIAL GINSENG PRODUCTS LTD.**, a British Columbia company having its head office at 3030 - 650 West Georgia Street, Vancouver, BC V6B 4N7 ("IGP")

WHEREAS:

- A. GPV, a Vancouver based company, is in the business of, among other things, marketing American Ginseng and ginseng products for its own account;
- B. IGP is in the business of planting and processing North American Ginseng;
- C. GPV and IGP have an exclusive ginseng distribution agreement dated July 1, 2018 which will be automatically renewed for another two years upon its expiry on June 30, 2020; and
- D. This Agreement replaces in its entirety the existing exclusive ginseng distribution agreement as noted in C above.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants herein contained, and other good and valuable consideration, the sufficiency which is hereby agreed upon, the parties hereto agree as follows:

1 EXCLUSIVE GINSENG DISTRIBUTOR

- 1.1 IGP agrees to sell its entire ginseng harvest to GPV. GPV commits to purchase all IGP's ginseng harvest at prices agreed upon by IGP and GPV from time to time. Such prices shall be the prevailing market prices, being the highest achievable prices for ginseng of similar grade, less a reasonable markup by GPV ("Markup").
- 1.2 IGP agrees not to withhold the sale of ginseng to GPV provided that the prices offered by GPV is reasonable and in line with the market prices.
- 1.3 IGP agrees not to conduct any sale activities or endeavor to sell any ginseng on its own or on behalf of any other company or companies for as long as this Agreement remains effective.
- 1.4 IGP agrees to prepare its ginseng in the best marketable condition for GPV and to supply promptly upon request, reasonable quantity of samples for use by GPV for the purpose of distributing IGP's ginseng.

- 1.5 GPV agrees to act in good faith and ethically in all aspect for being the exclusive ginseng distributor of IGP's ginseng.

2 TERM

- 2.1 This Agreement shall become effective upon its execution by both parties hereto and shall remain in effect until its expiry on June 30, 2024 (the "Expiry Date").
- 2.2 The parties agree that the Agreement shall not be terminated prior to the Expiry Date except for as provided in Paragraph 4 of this Agreement.
- 2.3 Due to market conditions, the parties agree that GPV not being able to purchase all IGP's annual harvest in any given year shall not be considered a cause for termination of this Agreement.

3 COMPLETION BONUS

- 3.1 The parties agree that, in the event IGP ceases to be in the ginseng growing business and GPV assists IGP by purchasing all its remaining ginseng ("Completion"), IGP will pay GPV a completion bonus ("Completion Bonus").
- 3.2 Completion Bonus shall be 50% of the average of the following in the three preceding years immediately prior to Completion:
- (a) the greater of \$0.75 or 3% of the purchase price per pound paid by GPV to IGP for good grade ginseng; and
 - (b) the greater of \$0.50 or 3% of the purchase price per pound paid by GPV to IGP for ginseng by-products.

4 TERMINATION

- 4.1 IGP and GPV may terminate the relationship established under this Agreement prior to the Expiry Date.
- 4.2 Voluntary Termination by GPV. GPV may voluntarily terminate the relationship established under this Agreement at any time upon providing IGP with written notice of its intent to terminate at least 60 days prior to the intended date of termination.
- 4.3 Termination by IGP for Cause. This Agreement may be terminated for cause by IGP if:
- (a) GPV commits any act of dishonesty, fraud, intentional deception or misrepresentation which materially adversely affects IGP; or
 - (b) Mr. James Chang, principal operator of GPV, is no longer capable in performing the obligations under this Agreement due to accident, prolonged illness or death.

In the event of termination for cause, IGP may by written notice immediately terminate this Agreement and, in that event, IGP is not obligated to pay GPV any compensation.

- 4.4 Termination by IGP without Cause. IGP shall be permitted to terminate the relationship established under this Agreement without cause at any time, provided that IGP shall pay GPV an amount equal to the Completion Bonus as outlined in Paragraph 3 of this Agreement.

5 ASSIGNMENT

- 5.1 GPV and IGP agree that this Agreement is not assignable without the permission of both parties.

6 MISCELLANEOUS

- 6.1 This Agreement binds and benefits the parties and their respective heirs, executives, administrators, personal representatives and successors.
- 6.2 This agreement is governed by the laws of British Columbia.
- 6.3 Nothing in this Agreement is intended to constitute a partnership between GPV and IGP.

Agreed to this 18th day of October 2019 at Vancouver, Canada.

GOLDEN PHOENIX VENTURES INC.

By Its Authorized Signatories



IMPERIAL GINSENG PRODUCTS LTD.

By Its Authorized Signatories

