

## SHARE EXCHANGE AGREEMENT

This share exchange agreement dated for reference October 9, 2019 (the “**Agreement**”)

AMONG:

**WATERFRONT CAPITAL CORPORATION**, a corporation existing under the laws of the province of British Columbia (“**Waterfront**”)

AND:

**WHISTLER WATER INC.**, a corporation incorporated under the laws of Canada (“**Whistler**”)

AND:

**THE UNDERSIGNED VENDORS OF Whistler**, whose names and addresses are set out in the attached Schedule A (individually, a “**Vendor**” and collectively, the “**Vendors**”)

### ARTICLE 1 BACKGROUND

- A. The Vendors are the registered and beneficial holders of all the outstanding securities of Whistler as indicated on Schedule A to this Agreement;
- B. Waterfront’s common shares are listed and posted for trading on the NEX under the symbol WFG.H;
- C. The Vendors wish to sell to Waterfront and Waterfront wishes to purchase from the Vendors the Purchased Shares (as hereinafter defined) on the terms and conditions set out in this Agreement; and
- D. The completion of the transactions contemplated by this Agreement will constitute a “Reverse Take-Over” of Waterfront for the purposes of Policy 5.2 of the TSXV Corporate Finance Manual.

**THEREFORE**, in consideration of the mutual agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree follows.

### ARTICLE 1 - DEFINITIONS, INTERPRETATION AND SCHEDULES

#### 1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words and terms have the meanings provided below:

- (a) “**affiliate**” has the meaning given to that term in the BCBCA;
- (b) “**Agreement**” means this share exchange agreement, together with the attached schedules, as amended or supplemented from time to time;
- (c) “**Alternative Transaction**” means any transaction or series of related transactions with a Previous Party (as defined in the LOI) involving (A) any take-over bid, exchange offer, plan of arrangement, merger, amalgamation, share exchange, business combination, reorganization, or recapitalization involving Whistler and the Previous Party; or (B) any acquisition or purchase (or any lease, long-

term supply agreement or other arrangement having the same economic effect as a sale), direct or indirect, in a single transaction or a series of related transactions, of all or a significant portion of the assets of, or more than 20% of any class of the share capital, voting securities or other equity interests in Whistler; or (C) any other similar transaction or series of transactions involving the Previous Party or any affiliate thereof;

- (d) “**BCBCA**” means the *Business Corporations Act* (British Columbia);
- (e) “**Business Valuation**” means the valuation of the business of Whistler, prepared by a qualified business valuator acceptable to the TSXV;
- (f) “**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks located in the City of Vancouver, British Columbia are open for business;
- (g) “**Closing**” means the completion of the Share Exchange;
- (h) “**Closing Date**” means such date as the parties may agree, subject to receipt of approval to close from the TSXV;
- (i) “**Closing Time**” means 10:00 a.m. (Vancouver time) on the Closing Date or such other time on such date as Waterfront and Whistler may agree as the time at which the Closing will take place;
- (j) “**Completion Deadline**” means the latest date by which the transactions contemplated by this Agreement are to be completed, which date is November 15, 2019 or such later date as Waterfront and Whistler may mutually agree;
- (k) “**Concurrent Offering**” means a non-brokered private placement by Waterfront of 50,000,000 units at a price per unit of \$0.10 (“**Unit Price**”) for gross proceeds to Waterfront of \$5,000,000, with each unit comprised of one Waterfront Post-Consolidation Common Share and one share purchase warrant exercisable for three years from the date of issuance to acquire one Waterfront Post-Consolidation Common Share at a price equal to \$0.20;
- (l) “**Consolidation**” has the meaning set forth in Section 2.4;
- (m) “**Contract**” means any note, mortgage, indenture, non-governmental permit or license, franchise, lease or other contract, agreement, commitment or arrangement binding upon Whistler or Waterfront, as the case may be;
- (n) “**Encumbrance**” means any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;
- (o) “**Filing Statement**” means a filing statement on TSXV Form 3D2 for a Reverse Take-Over or Change of Business;

- (p) **“Finder’s Fee”** means the transaction fee payable to Deep Cove Consulting Inc., or its nominee, as a finder’s fee, by issuance of an aggregate of 250,000 Waterfront Post-Consolidation Common Shares, pursuant to a finder’s fee agreement between Waterfront and Deep Cove Consulting Inc. dated March 7, 2019;
- (q) **“Governmental Entity”** means any applicable:
- (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign;
  - (ii) subdivision, agent, commission, board or authority of any of the foregoing;
  - (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, including without limitation, Securities Authorities; or
  - (iv) stock exchange, including the TSXV;
- (r) **“IFRS”** means International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as amended from time to time;
- (s) **“Intellectual Property”** means all intangible property and all other proprietary rights and interests used in connection with the business of Whistler, including, without limitation, and whether registered or unregistered, all trade-marks, trade or brand names, copyrightable things and copyrights therein, patents and patent applications, industrial designs, customer and contact lists, inventions, databases, computer software, trade secrets, know-how, confidential information, all rights to acquire the foregoing, all licenses for any of the foregoing, and all goodwill connected with the business of Whistler;
- (t) **“Laws”** means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, statutory body or self-regulatory authority, and the term “applicable” with respect to Laws and in the context that refers to one or more Persons, means that the Laws apply to that Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business, undertaking, property or securities;
- (u) **“Listing”** has the meaning provided in §3.3(r);
- (v) **“LOI”** means the letter of intent between Waterfront and Whistler dated March 5, 2019 in respect of the Transaction;

- (w) **“Material Adverse Change”** means any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or would reasonably be expected to have, a Material Adverse Effect on the relevant Party and its Subsidiaries on a consolidated basis;
- (x) **“Material Adverse Effect”** means any change, effect, event, occurrence or state of facts that, individually or in the aggregate, with other such changes, effects, events, occurrences or states of facts, is or would reasonably be expected to be material and adverse to the business, properties, operations, results of operations or financial condition of the applicable party and its Subsidiaries on a consolidated basis, except any change, effect, event, occurrence or state of facts resulting from or relating to:
- (i) the announcement of the execution of this Agreement or the transactions contemplated hereby or the performance of any obligation hereunder or communication by the applicable party of its plans or intentions with respect to the other party and/or any of its Subsidiaries;
  - (ii) changes in Canadian economy in general or the Canadian capital or currency markets in general;
  - (iii) the threat, commencement, occurrence or continuation of any war, armed hostilities, acts of environmental groups, civil strife, or acts of terrorism;
  - (iv) any change in applicable Laws or in the interpretation thereof by any Governmental Entity;
  - (v) any change in IFRS;
  - (vi) any natural disaster;
  - (vii) any change relating to foreign currency exchange rates; or changes affecting the bottled water industry generally, provided that, in the case of any changes referred to in clauses (ii) to (vi) above, inclusive, such changes do not have a materially disproportionate effect on the applicable party relative to comparable companies;
- (y) **“Material Contracts”** means all Contracts or other obligations or rights (and all amendments, modifications and supplements thereto and all side letters to which Whistler or Waterfront, as the case may be, is a party affecting the obligations of any party thereunder) to which Whistler or Waterfront, as the case may be, is a party or by which any of their respective assets are bound that are material to the business or assets of Whistler or Waterfront, as the case may be, taken as a whole, including to the extent any of the following are material to the business or assets of Whistler or Waterfront, as the case may be, taken as a whole, all:
- (i) employment, severance, personal services, consulting, non-competition or indemnification contracts (including any Contract to which Whistler or Waterfront, as the case may be, is a party involving employees);
  - (ii) Contracts granting a right of first refusal or first negotiation;

- (iii) partnership or joint venture agreements;
  - (iv) Contracts for the acquisition, sale or lease of material properties or assets of Whistler or Waterfront, as the case may be (by purchase or sale of assets or stock or otherwise);
  - (v) Contracts with any Governmental Entity;
  - (vi) loan or credit agreements mortgages, indentures or other Contracts or instruments evidencing indebtedness for borrowed money by Whistler or Waterfront, as the case may be, or any such agreement pursuant to which indebtedness for borrowed money may be incurred;
  - (vii) Contracts that purport to limit, curtail or restrict the ability of Whistler or Waterfront, as the case may be, to compete or acquire property (including, but not limited to, any real property or mineral tenures) in any geographic area or line of business;
  - (viii) commitments and agreements to enter into any of the foregoing; and
  - (ix) all Contracts that provide for annual payments to or from Whistler or Waterfront, as the case may be, in excess of \$10,000 per annum;
- (z) “**NEX**” means the NEX Board of the TSXV;
  - (aa) “**Person**” means an individual, individual, a corporation, partnership, limited liability company, association, trust, unincorporated organization, or other legal entity or organization, or a Governmental Entity;
  - (bb) “**Purchased Shares**” means all the Whistler Common Shares held by the Vendors at the Closing Time;
  - (cc) “**Resulting Issuer**” means the resulting issuer after the business combination of Waterfront and Whistler by means of the Share Exchange;
  - (dd) “**Securities Authorities**” means the securities commissions and/or other securities regulatory authorities in the provinces and territories of Canada;
  - (ee) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval;
  - (ff) “**Share Exchange**” means the share exchange between Waterfront and the Vendors pursuant to the terms and conditions set forth in this Agreement;
  - (gg) “**Subsidiary**” has the meaning as set out in section 2(2) of the BCBCA;
  - (hh) “**Tax**” and “**Taxes**” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes,

value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan contributions, excise, severance, social security, workers' compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

- (ii) **"Tax Act"** means the *Income Tax Act* (Canada), as amended and the regulations thereunder, as amended;
- (jj) **"Tax Returns"** means all returns, schedules, elections, declarations, reports, information returns, notices, forms, statements and other documents made, prepared or filed with any taxing authority or required to be made, prepared or filed with any taxing authority relating to Taxes;
- (kk) **"Termination Fee"** means the termination fee in the amount of \$200,000;
- (ll) **"Transaction"** means the Share Exchange and the completion of the reverse take-over of Waterfront and listing of the shares of the Resulting Issuer on the TSXV as a Tier 1 issuer;
- (mm) **"TSXV"** means the TSX Venture Exchange;
- (nn) **"Vendors"** has the meaning provided on the first page of this Agreement.
- (oo) **"Waterfront Board"** means the board of directors of Waterfront;
- (pp) **"Waterfront Financial Statements"** has the meaning provided in §3.3(l) of this Agreement;
- (qq) **"Waterfront Options"** means incentive stock options to acquire Waterfront Pre-Consolidation Common Shares;
- (rr) **"Waterfront Payment Shares"** means the Waterfront Post-Consolidation Common Shares to be issued to the Vendors pursuant to the Share Exchange;
- (ss) **"Waterfront Pre-Consolidation Common Shares"** means the common shares in the capital of Waterfront as presently constituted and prior to the Consolidation;
- (tt) **"Waterfront Post-Consolidation Common Shares"** means the common shares in the capital of Waterfront following completion of the Consolidation;
- (uu) **"Waterfront Public Documents"** means the public documents filed by Waterfront since January 1, 2015 and available on SEDAR under Waterfront' SEDAR profile;
- (vv) **"Waterfront Warrants"** means share purchase warrants to purchase Waterfront Pre-Consolidation Common Shares;

- (ww) “**Whistler**” means Whistler Water Inc.;
- (xx) “**Whistler Board**” means the board of directors of Whistler;
- (yy) “**Whistler Common Shares**” means the authorized common shares in the capital of Whistler, as presently constituted; and
- (zz) “**Whistler Financial Statements**” has the meaning provided in § 3.2(l) of this Agreement;

## **1.2 Interpretation Not Affected by Headings**

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and will not affect in any way the meaning or interpretation of this Agreement.

## **1.3 Number and Gender**

In this Agreement, unless the context otherwise requires, words importing the singular only include the plural and vice versa and words importing the use of any gender include all genders.

## **1.4 Date for any Action**

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

## **1.5 Statutory References**

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

## **1.6 Currency**

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

## **1.7 Invalidity of Provisions**

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

## **1.8 Accounting Matters**

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

**1.9 Knowledge**

Where the phrase “to the knowledge of Waterfront” or “to the knowledge of Whistler”, as applicable, is used in respect of Waterfront or Whistler, the phrase means, in respect of each representation and warranty or other statement which is qualified by one of those phrases, that the representation and warranty or other statement is being made based upon:

- (a) in the case of Waterfront, the actual knowledge of the Chief Executive Officer and Chief Financial Officer of Waterfront after appropriate inquiries and investigations; and
- (b) in the case of Whistler, the actual knowledge of Herbert He after appropriate inquiries and investigations.

**1.10 Meaning of Certain Phrases**

In this Agreement: the phrase “in the ordinary and regular course of business” means and refers to those activities that are normally conducted by corporations engaged in the business of the party to whom the phrase is being applied; and the word “or” is not exclusive and the word “including” is not limited (whether or not non-limited language, such as “without limitation” or “but not limited to” or words of similar import, is used with reference to that term).

**1.11 Subsidiaries and affiliates**

Unless the context requires otherwise or as specifically designated to the contrary in a provision of this Agreement, “Whistler” and “Waterfront” as used in this Agreement include all Subsidiaries of Whistler and Waterfront, respectively.

**1.12 Schedules**

The following schedules are attached to, and form part of, this Agreement:

- Schedule A - Vendors
- Schedule B - Whistler Financial Statements
- Schedule C - Whistler Employees
- Schedule D - Whistler Intellectual Property

**ARTICLE 2 - THE SHARE EXCHANGE**

**2.1 Terms of Share Exchange**

The parties hereby covenant and agree to implement the Share Exchange in accordance with the terms and subject to the conditions of this Agreement, as follows:

- (a) In consideration for the acquisition of the Purchased Shares, Waterfront shall issue from treasury to the Vendors *pro rata* in proportion to their holdings of Purchased Shares at the Closing Time, an aggregate of 240,000,000 Waterfront Payment Shares, free and clear of any Encumbrances. To the extent a Vendor is to receive a fractional Waterfront Payment Share, that entitlement will be rounded down to the nearest whole number and no consideration will be payable therefor. The Waterfront Payment Shares are being issued at a deemed value of \$0.10 per Waterfront Payment Share; and
- (b) as a result of the foregoing, Whistler will be a wholly-owned Subsidiary of Waterfront.



## **2.2 Application of the Tax Act**

The parties hereby acknowledge and agree that the Transaction is not intended to give rise to any income tax liability whatsoever, and it is their intention that the Share Exchange contemplated hereby be effected pursuant to the provisions of section 85.1 of the Tax Act, unless that provision is inapplicable in respect of any particular Vendor, in which case the non-application of section 85.1 to a particular Vendor is not intended to alter the application of this provision to any other Vendor.

## **2.3 Closing Date**

The Share Exchange will be completed on the Closing Date and will be effective at the Closing Time.

## **2.4 Consolidation**

Prior to the Closing, Waterfront shall complete a consolidation, whereby the issued and outstanding Waterfront Pre-Consolidation Shares will be consolidated on the basis of a ratio of two (2) to one (1) (the “**Consolidation**”).

## **2.5 Consultation**

Waterfront and Whistler will consult with each other in issuing any press release or otherwise making any public statement with respect to this Agreement or the Transaction and in making any filing with any Securities Authorities with respect thereto. Each of Waterfront and Whistler shall use its commercially reasonable efforts to enable the other to review and comment on all press releases and filings prior to their release or filing, as applicable, provided, however, that these consultation obligations will not prevent a party from making, after consultation with the other party, such disclosure as is required by applicable Laws or the rules and policies of any relevant stock exchange.

## **2.6 Vendors Representative**

The Vendors hereby severally (and not jointly) appoint Herbert He as their agent and attorney, without any personal liability, to take any action that is required or to execute and deliver any documents on their behalf, including, without limitation, for the purposes of all Closing matters and deliveries of documents and to do and cause to be done all such acts and things as may be necessary or desirable in connection with the Transaction. This appointment is coupled with an interest and is irrevocable. Without limiting the generality of the foregoing, Herbert He may, on behalf of himself and the Vendors, extend the Closing Date, modify or waive any conditions contemplated herein, negotiate, settle and deliver the final forms of this Agreement and any other documents that are necessary or desirable to give effect to the Transaction. The Vendors hereby acknowledge and agree that any decision or exercise of discretion required to be made by Herbert He under this Agreement and any other ancillary documents relating to the Transaction, will be final and binding upon the Vendors so long as the decision or exercise of discretion by Herbert He was made *bona fide*.

# **ARTICLE 3 - REPRESENTATIONS AND WARRANTIES**

## **3.1 Representations and Warranties of the Vendors**

Each of the Vendors hereby severally (and not jointly) represents and warrants to Waterfront as follows, with respect to itself and not with respect to any other Vendor, and hereby acknowledges that Waterfront is relying upon these representations and warranties in connection with entering into this Agreement and agreeing to complete the Share Exchange, as follows:

- (a) the Vendor is the sole registered and beneficial owner of the number of Purchased Shares set out opposite the Vendor’s name in Schedule A;

- (b) the Purchased Shares held by the Vendor are free and clear of all Encumbrances;
- (c) the Vendor has the power and authority to enter into, deliver, and perform this Agreement on the terms and conditions set out in this Agreement and to transfer the legal and beneficial title and ownership of the Purchased Shares owned by the Vendor to Waterfront;
- (d) no Person has any agreement or option or a right capable of becoming an agreement for the purchase of the Purchased Shares owned by the Vendor, other than Waterfront under this Agreement;
- (e) if the Vendor is a corporation, all necessary corporate action on the part of Vendor will, at Closing, validly authorize the signing, delivery, and performance of this Agreement and the completion of the Share Exchange;
- (f) this Agreement constitutes a legal, valid and binding obligation of the Vendor enforceable against the Vendor in accordance with its terms, except as may be limited by laws of general application affecting the rights of creditors;
- (g) the performance of this Agreement will not violate any applicable Laws or any agreement or other instrument to which the Vendor is a party;
- (h) the Vendor is not indebted or under obligation to Whistler on any account;
- (i) the Vendor is resident in the jurisdiction indicated on Schedule A; and
- (j) the Vendor has been encouraged to obtain and has had opportunity to seek independent legal and tax advice regarding the Share Exchange and matters related thereto as they affect the Vendor and his or its associates and affiliates, and the Vendor is satisfied with the results thereof.

### 3.2 Representations and Warranties of Whistler

Whistler hereby represents and warrants to Waterfront, and hereby acknowledges that Waterfront is relying upon these representations and warranties in connection with entering into this Agreement and agreeing to complete the Share Exchange, as follows:

- (a) **Organization.** Whistler has been incorporated and, validly exists under the laws of its governing jurisdiction and is in good standing under applicable corporate laws and has full corporate and legal power and authority to own its assets and to conduct its business as currently owned and conducted. Whistler is registered, licensed, or otherwise qualified in each jurisdiction where the nature of its business or the location or character of the assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Whistler.
- (b) **Subsidiaries and Other Interests.** Whistler has no Subsidiaries except World Choice Bottling Inc., a *Canada Business Corporations Act* corporation and does not own any securities issued by, or any equity or ownership interest in, any other Persons. Whistler is not subject to any obligation to

make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.

- (c) **Capitalization.** Whistler is authorized to issue an unlimited number of Whistler Common Shares. As of the date of this Agreement, there are outstanding 24,022,748 Whistler Common Shares. Except as disclosed in and pursuant to this Agreement, as of the date hereof, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Whistler to issue or sell any Whistler Common Shares or any securities or obligations of any kind convertible into or exchangeable for any Whistler Common Shares. All outstanding Whistler Common Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, except for outstanding loans in the amount of \$800,000 owed by Whistler to a shareholder, there are no outstanding bonds, debentures or other evidences of indebtedness of Whistler. There are no outstanding contractual obligations of Whistler to repurchase, redeem or otherwise acquire any outstanding Whistler Common Shares or with respect to the voting or disposition of any outstanding Whistler Common Shares.
- (d) **Authority.** Whistler has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Whistler as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Whistler and the completion by Whistler of the Transaction have been authorized by the Whistler Board and, subject to the execution of this Agreement by the Vendors, no other corporate proceedings on the part of Whistler are necessary to authorize this Agreement or the completion by Whistler of the Transaction. This Agreement has been executed and delivered by Whistler and constitutes a legal, valid and binding obligation of Whistler, enforceable against Whistler in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Whistler of this Agreement and the performance by Whistler of its obligations hereunder and the completion of the Transaction, do not and will not:
- (i) result in a violation, contravention or breach or constitute a default under, or entitle any party to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:
    - A. the constating documents of Whistler;
    - B. any applicable Law, or
    - C. any credit arrangement, note, bond, mortgage, indenture, deed of trust, lease, franchise, concession, easement, contract, agreement, licence, permit or other instrument to which Whistler is bound or is subject to or of which Whistler is the beneficiary;
    - D. in each case, which would, individually or in the aggregate, have a Material Adverse Effect on Waterfront; cause any indebtedness owing by Waterfront to come due

before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Waterfront;

- (ii) cause any indebtedness owing by Whistler to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Whistler;
  - (iii) result in the imposition of any Encumbrance upon any of the assets of Whistler or give any Person the right to acquire any of Whistler's assets, or restrict, hinder, impair or limit the ability of Whistler or to conduct the business of Whistler as and where it is now being conducted which would, individually or in the aggregate, have a Material Adverse Effect on Whistler;
  - (iv) result in or accelerate the time for payment or vesting of, or increase the amount of any severance, unemployment compensation, "golden parachute", change of control provision, bonus, termination payments, retention bonus or otherwise, becoming due to any director or officer of Whistler or increase any benefits otherwise payable under any pension or benefits plan of Whistler or result in the acceleration of the time of payment or vesting of any such benefits.
- (e) **Consents.** No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by Whistler in connection with the execution and delivery of this Agreement or the completion by Whistler of the Transaction other than:
- (i) filings with and approvals by the TSXV; and
  - (ii) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Whistler.
- (f) **Directors' Approvals.** The Whistler Board has unanimously:
- (i) determined that the Share Exchange is in the best interests of Whistler; and
  - (ii) authorized the entering into of this Agreement, and the performance of Whistler's obligations hereunder.
- (g) **Contracts.** Each of the Material Contracts to which Whistler is a party constitutes a valid and legally binding obligation of Whistler, enforceable in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general principles of equity).
- (h) **Waivers, Consents.** There are no waivers, consents, notices or approvals required to complete the Transaction from other parties to the Material Contracts of Whistler or otherwise.

- (i) **No Defaults.** Whistler is not in default under, and, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Whistler under any credit arrangement, note, bond, mortgage, indenture, deed of trust, lease, franchise, concession, easement, Contract of Whistler, agreement, licence, permit or other instrument that is material to the conduct of the business of Whistler to which Whistler is a party or by which Whistler is bound or subject to that would, individually or in the aggregate, have a Material Adverse Effect on Whistler. No party to any Contract of Whistler has given written notice to Whistler of or made a claim against Whistler with respect to any breach or default thereunder, in any such case in which such breach or default constitutes a Material Adverse Effect on Whistler.
- (j) **Absence of Changes.** Except as disclosed to Waterfront in writing prior to the date hereof, since December 31, 2018:
- (i) Whistler has conducted its business only in the ordinary and regular course of business consistent with past practice;
  - (ii) Whistler has not incurred or suffered a Material Adverse Change;
  - (iii) there has not been any acquisition or sale by Whistler of any material property or assets thereof;
  - (iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Whistler of any debt for borrowed money, any creation or assumption by Whistler of any Encumbrance, any making by Whistler of any loan, advance or capital contribution to or investment in any other Person or any entering into, amendment of, relinquishment, termination or non-renewal by Whistler of any contract, agreement, licence, lease transaction, commitment or other right or obligation that would, individually or in the aggregate, have a Material Adverse Effect on Whistler;
  - (v) Whistler has not declared or paid any dividends or made any other distribution in respect of any of the Whistler Common Shares;
  - (vi) Whistler has not effected or passed any resolution to approve a split, consolidation, or reclassification of any of the outstanding Whistler Common Shares;
  - (vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable by Whistler to any of its directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement (including, without limitation, the granting of incentive stock options) made to, for, or with any of the directors, officers, employees or consultants;
  - (viii) Whistler has not effected any material change in its accounting methods, principles or practices, other than as disclosed in the Whistler Financial Statements; and

- (ix) Whistler has not adopted any, or amended any, collective bargaining agreement, bonus, pension, profit sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.
- (k) **Employment Agreements.** Whistler:
  - (i) has no employees other than those employees named in Schedule C, all written employment agreements with respect to those employees have been provided to Waterfront, and there are no outstanding amounts payable to employees other than in the ordinary course of business or as disclosed in the Whistler Financial Statements.
  - (ii) is not a party to any written or oral policy, agreement, obligation or understanding providing for retention bonuses, severance or termination payments to, or any employment or consulting agreement with, any director or officer of Whistler that would be triggered by Whistler's entering into this Agreement or the completion of the Share Exchange;
  - (iii) has no employee or consultant whose employment or contract with Whistler cannot be terminated by Whistler in accordance with the provisions of the relevant employment or consultant contract following the completion of the Share Exchange;
  - (iv) is not a party to any collective bargaining agreement;
  - (v) is not, to the knowledge of Whistler, subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement; and
  - (vi) is not subject to any current, or, to the knowledge of Whistler, pending or threatened strike or lockout.
- (l) **Financial Matters.** The financial statements of Whistler for the years ended December 31, 2018 and December 31, 2017 and the respective notes thereto, attached hereto as Schedule B (the "Whistler Financial Statements"), fairly present in all material respects the financial condition of Whistler at the respective dates indicated and the results of operations of Whistler for the periods covered. Except as disclosed in the Whistler Financial Statements or otherwise disclosed in writing to Waterfront, as of the date hereof Whistler does not have any liability or obligation, whether accrued, absolute, contingent or otherwise, or any related party transactions or off-balance sheet transactions not reflected in the corporate records and minute books of Whistler, except liabilities and obligations incurred in the ordinary and regular course of business, which liabilities or obligations would not reasonably be expected to have a Material Adverse Effect on Whistler.
- (m) **Books and Records.** The corporate records and minute books of Whistler have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Whistler.
- (n) **Litigation.** There is no claim, action, proceeding, or investigation pending or in progress or, to the knowledge of Whistler, threatened against or relating to Whistler, or affecting any of its assets

before any Governmental Entity which individually or in the aggregate has, or could reasonably be expected to have, a Material Adverse Effect on Whistler, and Whistler is not aware of any existing ground on which any such claim, action, proceeding, or investigation might be commenced with any reasonable likelihood of success. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Whistler, threatened against or relating to Whistler before any Governmental Entity. Neither Whistler nor any of its assets is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict the right or ability of Whistler to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the completion of the Transaction, except to the extent any such matter would not, individually or in the aggregate, have a Material Adverse Effect on Whistler.

- (o) **Assets.** Whistler has good and marketable title to its assets, free and clear of any Encumbrances whatsoever, except as disclosed to Waterfront in writing prior to the date hereof.
- (p) **Intellectual Property.** Schedule D sets forth a complete and correct list and brief description of all Intellectual Property used in or in association with the business of Whistler which has been registered or patented or for which applications for registration or a patent have been filed and are pending, and all material Intellectual Property used in or in association with the business of Whistler, whether or not registered or patented or the subject of a pending application for registration or issuance of a patent.
- (q) **Owned Intellectual Property.** Except as disclosed in Schedule D, Whistler has the sole and exclusive right to use and is the sole and exclusive owner of all right, title and interest in and to all Intellectual Property owned by Whistler, free and clear of all Encumbrances and without payment of any royalty or other fees.
- (r) **Licensed Intellectual Property.** Except as disclosed in Schedule D, the Intellectual Property that is not owned by Whistler is being used by Whistler with the consent of or license from the rightful owner thereof without payment of any royalty or other fees and all such licenses are in full force and effect.
- (s) **Licenses to Third Parties.** Except as disclosed in Schedule D, no Person is licensed to use any of the Intellectual Property, whether with or without payment of any royalty or other fees, and if Schedule D discloses any licenses by Whistler of any of the Intellectual Property to any Person, that license is in full force and effect and neither Whistler nor, to Whistler's knowledge, the licensee is in breach of or default under that license.
- (t) **Enforceability.** Except as disclosed in Schedule D, the Intellectual Property is valid, in full force and effect and has not been used or enforced or failed to be used or enforced in a manner that would result in the abandonment, cancellation or unenforceability of any of the Intellectual Property or any application, registration or patent in respect thereof.
- (u) **No Infringement by Others.** Except as disclosed in Schedule D, to Whistler's knowledge, no Person has infringed the rights of Whistler in its Intellectual Property or challenged Whistler's rights to the ownership and use of its Intellectual Property;

- (v) **No Notice of Claim.** Except as disclosed in Schedule D, Whistler has not received any notice, threat or claim of adverse ownership, invalidity or other opposition to or conflict with any Intellectual Property nor of any pending or threatened suit, proceeding, claim, demand, action or investigation of any nature or kind against Whistler relating to the Intellectual Property;
- (w) **No Infringement.** Except as disclosed in Schedule D, Whistler has not received any notice or claim, nor has any knowledge that, the business of Whistler or any activity in which Whistler is engaged or any product or service which Whistler sells or provides, or the use of any of the Intellectual Property, breaches, violates, infringes or interferes with any intellectual property rights of any third party or requires payment for the use of any patent, trade-name, trade secret, trade-mark, copyright or other intellectual property right or technology of another.
- (x) **Insurance.** Whistler maintains policies of insurance in amounts and in respect of such risks as are normal and usual for companies of a similar size and business and those policies are in full force and effect as of the date hereof.
- (y) **Tax Matters.** Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Whistler:
  - (i) Whistler has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon;
  - (ii) Whistler has:
    - A. duly and timely paid all Taxes due and payable by it;
    - B. duly and timely withheld all Taxes and other amounts required by applicable Laws to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by applicable Laws to be remitted by it; and
    - C. duly and timely collected all amounts on account of sales or transfer Taxes, including goods and services, harmonized sales and provincial or territorial sales Taxes, required by applicable Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by applicable Laws to be remitted by it;
  - (iii) the charges, accruals and reserves for Taxes reflected on the Whistler Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of Whistler, adequate under IFRS to cover Taxes with respect to Whistler accruing through the date hereof;
  - (iv) there are no proceedings, investigations, audits, assessments, reassessments or claims now pending or, to the knowledge of Whistler, threatened against Whistler that propose to assess Taxes in addition to those reported in the Tax Returns; and



- (v) no waiver of any statutory limitation period with respect to Taxes has been given or requested with respect to Whistler.
- (z) **Compliance with Laws.** Whistler has complied with and is not in violation of any applicable Laws other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Whistler.
- (aa) **No Option on Assets.** Except as disclosed to Waterfront in writing prior to the date hereof, no Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Whistler of any of the material assets of Whistler.
- (bb) **Certain Contracts.** Whistler is not a party to or bound by any non-competition agreement or, except as disclosed to Waterfront in writing prior to the date hereof, any other agreement, obligation, judgment, injunction, order or decree that purports to:
  - (i) limit the manner or the localities in which all or any material portion of the business of Whistler is conducted; or
  - (ii) limit any business practice of Whistler in any material respect.
- (cc) **No Broker's Commission.** Except as disclosed to Waterfront in writing prior to the date hereof, Whistler has not entered into any agreement that would entitle any Person to any valid claim against Whistler for a broker's commission, finder's fee or any like payment in respect of the Share Exchange or any other matter contemplated by this Agreement.
- (dd) **Securities.** The Purchased Shares to be transferred to Waterfront pursuant to the Share Exchange are issued as fully paid and non-assessable.
- (ee) **No Shareholdings in Waterfront.** Whistler does not, legally or beneficially, own, directly or indirectly, any securities of Waterfront and does not have any right, agreement or obligation to purchase any securities of Waterfront or any securities or obligations of any kind convertible into or exchangeable for any securities of Waterfront.
- (ff) **Restrictions on Business Activities.** There is no agreement, judgment, injunction, order or decree binding upon Whistler that has or could be reasonably expected to have the effect of prohibiting, restricting or materially impairing any business practice of Whistler, or the conduct of business by Whistler as currently conducted.
- (gg) **Right to Use Personal Information.** All personal information in the possession of Whistler has been collected, used, and disclosed in compliance with all applicable privacy Laws in those jurisdictions in which Whistler conducts its business. There are no claims pending or, to the knowledge of Whistler, threatened, with respect to Whistler's collection, use or disclosure of personal information.
- (hh) **Full disclosure.** No representation or warranty by Whistler or the Vendors in this Agreement or any certificate or other document furnished or to be furnished to Waterfront under this Agreement contains or will contain any untrue statement of a material fact, or omits to state a

material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

### 3.3 Representations and Warranties of Waterfront

Waterfront hereby represents and warrants to Whistler and the Vendors, and hereby acknowledges that Whistler and the Vendors are relying upon these representations and warranties in connection with entering into this Agreement and agreeing to complete the Share Exchange, as follows:

- (a) **Organization.** Waterfront has been continued and validly exists under the laws of its governing jurisdiction and is in good standing under applicable corporate laws and has full corporate and legal power and authority to own its assets and to conduct its business as currently owned and conducted. Waterfront is registered, licensed or otherwise qualified in each jurisdiction where the nature of the business or the location or character of the assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Waterfront.
- (b) **Subsidiaries and Other Interests.** Waterfront has no Subsidiaries and does not own any securities issued by, or any equity or ownership interest in, any other Persons, except for 34,876 common shares of Magnum Goldcorp Inc. Waterfront is not subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.
- (c) **Capitalization.** As of the date of this Agreement, Waterfront is authorized to issue an unlimited number of Waterfront Pre-Consolidation Common Shares and, as of Closing, Waterfront will be authorized to issue an unlimited number of Waterfront Post-Consolidation Common Shares. As of the date of this Agreement, there were outstanding:
  - (i) 44,684,906 Waterfront Pre-Consolidation Common Shares; and
  - (ii) Waterfront Warrants to acquire an aggregate of up to 18,318,800 Waterfront Pre-Consolidation Common Shares;
  - (iii) 2,873,000 Waterfront Options

Except for the Waterfront Warrants and the Waterfront Options, and except pursuant to this Agreement and the transactions contemplated hereby, including the Concurrent Offering, as of the date hereof, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Waterfront to issue or sell any shares of Waterfront or any securities or obligations of any kind convertible into or exchangeable for any shares of Waterfront. All outstanding Waterfront Pre-Consolidation Common Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Waterfront. There are no outstanding contractual obligations of Waterfront to repurchase, redeem or otherwise acquire any outstanding Waterfront Pre-Consolidation Common Shares or Waterfront Post-Consolidation Common Shares or with respect to the voting or disposition of any outstanding Waterfront Pre-Consolidation Common Shares or Waterfront Post-Consolidation Common Shares.

- (d) **Authority.** Waterfront has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Waterfront as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Waterfront and the completion by Waterfront of the Transaction have been authorized by the Waterfront Board, and no other corporate proceedings on the part of Waterfront are necessary to authorize this Agreement or the completion by Waterfront of the Transaction. This Agreement has been executed and delivered by Waterfront and constitutes a legal, valid and binding obligation of Waterfront, enforceable against Waterfront in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Waterfront of this Agreement and the performance by it of its obligations hereunder and the completion of the Transaction contemplated hereby, do not and will not:
- (i) result in a violation, contravention or breach or constitute a default under, or entitle any party to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:
    - A. the constating documents of Waterfront;
    - B. any applicable Law or rule or policy of the TSXV (except that the approval of the TSXV, which is required for the completion by Waterfront of the Transaction, will be applied for by Waterfront but has not been obtained as of the date hereof); or
    - C. any credit arrangement, note, bond, mortgage, indenture, deed of trust, lease, franchise, concession, easement, contract, agreement, licence, permit or other instrument to which Waterfront is bound or is subject to or of which Waterfront is the beneficiary;
    - D. in each case, which would, individually or in the aggregate, have a Material Adverse Effect on Waterfront; cause any indebtedness owing by Waterfront to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Waterfront;
  - (ii) result in the imposition of any Encumbrance upon any of the property or assets of Waterfront or give any Person the right to acquire any of Waterfront's assets, or restrict, hinder, impair or limit the ability of Waterfront to conduct the business of Waterfront as and where it is now being conducted which would, individually or in the aggregate, have a Material Adverse Effect on Waterfront; or
  - (iii) result in or accelerate the time for payment or vesting of, or increase the amount of any severance, unemployment compensation, "golden parachute", change of control provision, bonus, termination payments, retention bonus or otherwise, becoming due to any director or officer of Waterfront or increase any benefits otherwise payable under any pension or benefits plan of Waterfront or result in the acceleration of the time of payment or vesting of any such benefits.

- (e) **Consents.** No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by Waterfront in connection with the execution and delivery of this Agreement or the completion by Waterfront of the Transaction other than:
  - (i) filings with and approvals by the TSXV;
  - (ii) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Waterfront.
  
- (f) **Directors' Approvals.** The Waterfront Board has unanimously:
  - (i) determined that the Share Exchange is in the best interests of Waterfront; ; and
  - (ii) authorized the entering into of this Agreement, and the performance of Waterfront's obligations hereunder.
  
- (g) **Contracts.** Each of the Material Contracts to which Waterfront is a party constitutes a valid and legally binding obligation of Waterfront, enforceable in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general principles of equity).
  
- (h) **Waivers, Consents.** There are no waivers, consents, notices or approvals required to complete the Transaction from other parties to the Material Contracts of Waterfront or otherwise, except for consent of the TSXV.
  
- (i) **No Defaults.** Waterfront is not in default under, and, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Waterfront under any credit arrangement, note, bond, mortgage, indenture, deed of trust, lease, franchise, concession, easement, Contract of Waterfront, agreement, licence, permit or other instrument that is material to the conduct of the business of Waterfront to which it is a party or by which it is bound or subject to that would, individually or in the aggregate, have a Material Adverse Effect on Waterfront. No party to any Contract of Waterfront has given written notice to Waterfront of or made a claim against Waterfront with respect to any breach or default thereunder, in any such case in which such breach or default constitutes a Material Adverse Effect on Waterfront.
  
- (j) **Absence of Changes.** Except as disclosed in the Waterfront Public Documents, since December 31, 2018:
  - (i) Waterfront has conducted its business only in the ordinary and regular course of business consistent with past practice;
  - (ii) Waterfront has not incurred or suffered a Material Adverse Change;
  - (iii) there has not been any acquisition or sale by Waterfront of any material property or assets thereof;

- (iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Waterfront of any debt for borrowed money, any creation or assumption by Waterfront of any Encumbrance, any making by Waterfront of any loan, advance or capital contribution to or investment in any other Person or any entering into, amendment of, relinquishment, termination or non-renewal by Waterfront, of any contract, agreement, licence, lease transaction, commitment or other right or obligation that would, individually or in the aggregate, have a Material Adverse Effect on Waterfront;
  - (v) Waterfront has not declared or paid any dividends or made any other distribution in respect of any of the Waterfront Pre-Consolidation Common Shares;
  - (vi) Except as contemplated hereunder, Waterfront has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Waterfront Pre-Consolidation Common Shares;
  - (vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable by Waterfront to any of its directors, officers, employees or consultants or any grant to any director, officer, employee or consultant of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement (including, without limitation, the granting of Waterfront Options) made to, for or with any of such directors, officers, employees or consultants;
  - (viii) Waterfront has not effected any material change in its accounting methods, principles or practices, other than as disclosed in the Waterfront Financial Statements; and
  - (ix) Waterfront has not adopted any, or amended any, collective bargaining agreement, bonus, pension, profit-sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.
- (k) **Employment Agreements.** Waterfront:
- (i) is not a party to any written or oral policy, agreement, obligation or understanding providing for retention bonuses, severance or termination payments to, or any employment or consulting agreement with any director or officer of Waterfront that would be triggered by Waterfront entering into this Agreement or the completion of the Share Exchange;
  - (ii) does not have any employee or consultant whose employment or contract with Waterfront cannot be terminated by Waterfront in accordance with the provisions of the relevant employment or consultant contract following the completion of the Share Exchange; and
  - (iii) is not a party to any collective bargaining agreement;
  - (iv) is not, to the knowledge of Waterfront, subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement; or

- (v) is not subject to any current, or to the knowledge of Waterfront, pending or threatened strike or lockout.
- (l) **Financial Matters.** The audited financial statements of Waterfront for the years ended December 31, 2018 and ended December 31, 2017 and the respective notes thereto (collectively, the “**Waterfront Financial Statements**”) were prepared in accordance with IFRS consistently applied, and fairly present in all material respects the consolidated financial condition of Waterfront at the respective dates indicated and the results of operations of Waterfront for the period covered on a consolidated basis. Except as disclosed in the Waterfront Financial Statements, as of the date hereof Waterfront does not have any liability or obligation, whether accrued, absolute, contingent or otherwise, or any related party transactions or off-balance sheet transactions not reflected in the Waterfront Financial Statements, except liabilities and obligations incurred in the ordinary and regular course of business since December 31, 2018, which liabilities or obligations would not reasonably be expected to have a Material Adverse Effect on Waterfront.
- (m) **Books and Records.** The corporate records and minute books of Waterfront have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Waterfront.
- (n) **Litigation.** There is no claim, action, proceeding, or investigation pending or in progress or, to the knowledge of Waterfront threatened against or relating to Waterfront or affecting any of its assets before any Governmental Entity which individually or in the aggregate has, or could reasonably be expected to have, a Material Adverse Effect on Waterfront, and Waterfront is not aware of any existing ground on which any such claim, action, proceeding, or investigation might be commenced with any reasonable likelihood of success. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Waterfront, threatened against or relating to Waterfront before any Governmental Entity. Neither Waterfront nor any of its assets are subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict the right or ability of Waterfront to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the completion of the Transaction, except to the extent any such matter would not, individually or in the aggregate, have a Material Adverse Effect on Waterfront.
- (o) **Assets.** Waterfront has good and marketable title to its assets free and clear of any Encumbrances whatsoever, except as disclosed in the Waterfront Public Documents.
- (p) **Insurance.** Waterfront maintains policies of insurance in amounts and in respect of such risks as are normal and usual for companies of a similar size and business and those policies are in full force and effect as of the date hereof.
- (q) **Tax Matters.** Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Waterfront:

- (i) Waterfront has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon;
- (ii) Waterfront has:
  - A. duly and timely paid all Taxes due and payable by it;
  - B. duly and timely withheld all Taxes and other amounts required by applicable Laws to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by applicable Laws to be remitted by it; and
  - C. duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by applicable Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by applicable Laws to be remitted by it;
- (iii) the charges, accruals and reserves for Taxes reflected on the Waterfront Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of Waterfront, adequate under IFRS, as applicable, to cover Taxes with respect to Waterfront accruing through the date hereof;
- (iv) there are no proceedings, investigations, audits, assessments, reassessments or claims now pending or to the knowledge of Waterfront, threatened against Waterfront that propose to assess Taxes in addition to those reported in the Tax Returns; and
- (v) no waiver of any statutory limitation period with respect to Taxes has been given or requested with respect to Waterfront.
- (r) **Reporting Status.** Waterfront is a reporting issuer in good standing in the provinces of British Columbia and Alberta. The Waterfront Pre-Consolidation Common Shares are listed on the NEX (the "**Listing**") and Waterfront is in material compliance with the rules, regulations, and policies of the NEX and the TSXV.
- (s) **Reports.** Since January 1, 2015, Waterfront has filed with the Securities Authorities, all applicable self-regulatory authorities and the TSXV, a true and complete copy of all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by it, including the Waterfront Public Documents. The Waterfront Public Documents, at the time filed or, if amended, as of the date of such amendment:
  - (i) did not contain any misrepresentation (as defined in the Securities Act (British Columbia)) and did not contain an untrue statement of a material fact or omit to state a material fact

necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

- (ii) complied in all material respects with the requirements of applicable securities Laws and the rules, policies and instruments of all Governmental Entities having jurisdiction over Waterfront; and
- (iii) Waterfront has not filed any confidential material change or other report or other document with any Securities Authority, which at the date hereof remains confidential.
- (t) **Compliance with Laws.** Waterfront has complied with and is not in violation of any applicable Laws other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Waterfront.
- (u) **No Cease Trade.** Other than the halt on the trading of the Waterfront Pre-Consolidation Common Shares on the NEX pursuant to TSXV and NEX policies, Waterfront is not subject to any cease trade or other order of any applicable stock exchange or Securities Authority and, to the knowledge of Waterfront, no investigation or other proceedings involving Waterfront that may operate to prevent or restrict trading of any securities of Waterfront are currently in progress or pending before any applicable stock exchange or Securities Authority.
- (v) **Certain Contracts.** Waterfront is not a party to or bound by any non-competition agreement or any other agreement, obligation, judgment, injunction, order or decree that purports to:
  - (i) limit the manner or the localities in which all or any material portion of the business of Waterfront is conducted; or
  - (ii) limit any business practice of Waterfront in any material respect.
- (w) **No Broker's Commission.** Except in respect of the Concurrent Offering and the Finder's Fee, Waterfront has not entered into any agreement that would entitle any Person to any valid claim against Waterfront for a broker's commission, finder's fee or any like payment in respect of the Share Exchange or any other matter contemplated by this Agreement.
- (x) **Shares.** The Waterfront Post-Consolidation Common Shares to be issued pursuant to the Share Exchange will, upon issue, (i) be issued as fully paid and non-assessable; (ii) be free-trading shares, subject to any applicable escrow provisions under the rules of the TSXV or applicable securities Laws; and (iii) subject to the approval of the TSXV, be listed for trading on the TSXV.
- (y) **No Shareholdings in Whistler.** Waterfront does not, legally or beneficially, own, directly or indirectly, any securities of Whistler and does not have any right, agreement or obligation to purchase any securities of Whistler or any securities or obligations of any kind convertible into or exchangeable for any securities of Whistler, except as otherwise set out in this Agreement.
- (z) **Restrictions on Business Activities.** There is no agreement, judgment, injunction, order or decree binding upon Waterfront or that has or could be reasonably expected to have the effect of



prohibiting, restricting or materially impairing any business practice of Waterfront, or the conduct of business by Waterfront as currently conducted.

- (aa) **Right to Use Personal Information.** All personal information in the possession of Waterfront has been collected, used, and disclosed in compliance with all applicable privacy Laws in those jurisdictions in which Waterfront conducts its business. There are no claims pending or, to the knowledge of Waterfront, threatened, with respect to Waterfront's collection, use or disclosure of personal information.
- (bb) **Full disclosure.** No representation or warranty by Waterfront in this Agreement or any certificate or other document furnished or to be furnished to Whistler or the Vendors under this Agreement contains or will contain any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

### **3.4 Survival of Representations and Warranties**

The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished upon the date that is one year after the Closing Date.

### **3.5 Vendors' Acknowledgements**

Each Vendor acknowledges and agrees that a portion of the Waterfront Payment Shares to be issued to the Vendors pursuant to the Share Exchange may be subject to escrow provisions under the rules of the TSXV or applicable securities Laws.

## **ARTICLE 4 - COVENANTS**

### **4.1 Covenants of Whistler**

Whistler covenants and agrees with Waterfront that until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with its terms, it shall:

- (a) in a timely and expeditious manner, prepare a submission to the TSXV for a sponsorship waiver for the Transaction;
- (b) in a timely and expeditious manner, prepare the Filing Statement with respect to the Transaction, including providing certain financial statements and such information in relation to the business, affairs, and assets of Whistler as may be necessary to comply with applicable laws and the policies of the NEX and the TSXV;
- (c) ensure that the Filing Statement does not contain a misrepresentation as it relates to Whistler, including in respect of its assets, liabilities, operations, and business;
- (d) except with respect to an Alternative Transaction, not solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or

transaction or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or “takeover bid,” exempt or otherwise, within the meaning of the *Securities Act* (British Columbia), for securities or assets of Whistler, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Transaction, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. If Whistler, including any of its officers or directors, receives any form of offer or inquiry, Whistler shall forthwith (in any event within one business day following receipt) notify Waterfront of the offer or inquiry and provide Waterfront with such details as it may request;

- (e) make available and afford Waterfront and its authorized representatives (and, if requested by Waterfront, provide a copies of) all contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents and information relating to Whistler. Whistler shall afford Waterfront and its authorized representatives every reasonable opportunity to have free and unrestricted access to Whistler’s assets, undertaking, records and documents. At the request of Waterfront, Whistler will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of Whistler’s business or to enable Waterfront or its authorized representatives to obtain full access to all files and records relating to any of the assets of Whistler maintained by a Governmental Entity. The obligations in this §4.1(e) are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such a circumstance Whistler will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of Waterfront under this §4.1(e) will not limit or otherwise affect the representations and warranties of Whistler hereunder;
- (f) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance Whistler will be required to disclose that information has been withheld on this basis), furnish promptly to Waterfront a copy of each notice, report, schedule or other document or communication delivered, filed or received by Whistler in connection with or related to the Transaction, any filings under applicable Laws and any dealings with any Governmental Entity in connection with or in any way affecting the Transaction as contemplated herein (other than in respect of an Alternative Transaction);
- (g) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using commercially reasonable efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other Contracts; and

- (ii) effect all necessary registrations and filings and submissions of information requested by any Governmental Entity required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either Whistler or Waterfront before any Governmental Entity to the extent permitted by the Governmental Entity.
- (h) subject to applicable Laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the completion of the Transaction;
- (i) conduct and operate its business and affairs only in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and, for greater certainty, it will not enter into any material transaction out of the ordinary course of business consistent with past practice without the prior consent of Waterfront, and Whistler shall keep Waterfront fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained;
- (j) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its articles or by-laws as the same exist at the date of this Agreement;
- (k) except pursuant to an Alternative Transaction, not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:
  - (i) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;
  - (ii) increase or decrease its paid-up capital or purchase or redeem any shares; or
  - (iii) issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire any such shares;
- (l) take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the Purchased Shares to Waterfront.

## **4.2 Covenants of the Vendors**

Each of the Vendors covenants and agrees with the other parties hereto that until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with its terms, it shall:

- (a) in a timely and expeditious manner, provide such information with respect to the Vendor as Waterfront may reasonably require in connection with the preparation of the Filing Statement with respect to the Transaction and as may be necessary to comply with applicable Laws and the policies of the NEX and TSXV;
- (b) enter into such escrow arrangements in respect of the Waterfront Payment Shares as may be required in accordance with applicable securities Laws or the policies of the TSXV;
- (c) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance the Vendor will be required to disclose that information has been withheld on this basis), furnish promptly to Waterfront a copy of each notice, report, schedule or other document or communication delivered, filed or received by such Vendor in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Entity in connection with or in any way affecting, the Transaction as contemplated herein (other than in respect of an Alternative Transaction);
- (d) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using commercially reasonable efforts to effect all necessary registrations and filings and submissions of information requested by any Governmental Entity required to be effected by it in connection with the Transaction.
- (e) subject to Applicable Laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to significantly impede the completion of the Transaction; and
- (f) not encumber in any manner the Purchased Shares and ensure that at the Closing Time the Purchased Shares are free and clear of all Encumbrances.

## **4.3 Covenants of Waterfront**

Waterfront hereby covenants and agrees with Whistler and the Vendors that until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with the terms of this Agreement, it shall:

- (a) use its reasonable commercial efforts to complete the Concurrent Offering;
- (b) in a timely and expeditious manner, assist Whistler in the preparation of a submission to the TSXV for a sponsorship waiver;
- (c) in a timely and expeditious manner, assist Whistler to prepare the Filing Statement with respect to the Transaction, including providing certain financial statements and such information in

relation to the business, affairs, assets and properties of Waterfront as may be necessary to comply with applicable laws and the policies of the NEX and the TSXV;

- (d) ensure that the Filing Statement does not contain a misrepresentation as it relates to Waterfront, including in respect of its assets, liabilities, operations, business and properties;
- (e) not solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or “takeover bid,” exempt or otherwise, within the meaning of the *Securities Act* (British Columbia), for securities or assets of Waterfront, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Transaction, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event Waterfront, including any of its officers or directors, receives any form of offer or inquiry, Waterfront shall forthwith (in any event within one business day following receipt) notify Whistler of such offer or inquiry and provide Whistler with such details as it may request;
- (f) to make available and afford Whistler and its authorized representatives (and, if requested by Whistler, provide copies of) all contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents and information relating to Waterfront. Waterfront shall afford Whistler and its authorized representatives every reasonable opportunity to have free and unrestricted access to Waterfront’s assets, undertaking, records and documents. At the request of Whistler, Waterfront shall execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of Waterfront’s business or to enable Whistler or its authorized representatives to obtain full access to all files and records relating to any of the assets of Waterfront maintained by a Governmental Entity. The obligations in this §4.3(f) are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance Waterfront will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of Whistler under this §4.3(f) will not mitigate or otherwise affect the representations and warranties of Waterfront hereunder.
- (g) make application to the TSXV and diligently pursue the approval of the Transaction (including the obligation of Waterfront to issue the Waterfront Payment Shares), the Concurrent Offering, and the listing of the Waterfront Payment Shares;
- (h) preserve and protect the Listing;

- (i) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance Waterfront will be required to disclose that information has been withheld on this basis), furnish promptly to Whistler (on behalf of the Vendors) a copy of each notice, report, schedule or other document or communication delivered, filed or received by Waterfront in connection with or related to the Transaction, any filings under applicable Laws and any dealings with any Governmental Entity in connection with or in any way affecting the Transaction as contemplated herein;
- (j) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Transaction, including using commercially reasonable efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other Contracts, as applicable; and
  - (ii) effect all necessary registrations and filings and submissions of information requested by any Securities Authority required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either Waterfront or Whistler before any Securities Authority to the extent permitted by such authorities.
- (k) subject to applicable Laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the completion of the Transaction;
- (l) conduct and operate its business and affairs only in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and, for greater certainty, other than in respect of the Concurrent Offering, it will not enter into any material transaction out of the ordinary course of business consistent with past practice without the prior consent of Whistler and Waterfront will keep Whistler fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained;
- (m) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its notice of articles or articles as the same exist at the date of this Agreement;
- (n) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such

representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:

- (i) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;
  - (ii) increase or decrease its paid-up capital or purchase or redeem any shares except: (A) pursuant to the Concurrent Offering; or (B) upon the exercise of Waterfront Warrants or Waterfront Options; or
  - (iii) issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire, any such shares, except: (A) pursuant to the Concurrent Offering; or (B) upon the exercise of Waterfront Warrants or Waterfront Options;
- (o) take all necessary corporate action and proceedings to approve and authorize the issuance of the Waterfront Payment Shares to the Vendors;
  - (p) not to borrow money or incur any indebtedness for money borrowed, except as agreed to by Whistler in writing;
  - (q) not to make loans, advances or other payments, excluding routine advances to directors or officers of Waterfront for expenses incurred in the ordinary course, or as is agreed to by Whistler in writing;
  - (r) take all necessary corporate action and proceedings to approve and authorize the Concurrent Offering and the issuance of the securities under the Concurrent Offering;
  - (s) prepare and file with all applicable Securities Authorities such notifications and fees necessary to permit, or that are required in connection with, the issuance of the Waterfront Payment Shares to the Vendors on a basis exempt from the prospectus and registration requirements of the applicable securities Laws in the jurisdictions in which the Vendors are resident; and
  - (t) not to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of Waterfront (including those that are convertible or exchangeable into securities of Waterfront), other than as contemplated under this Agreement, including the issuance of securities under the Concurrent Offering, or pursuant to the exercise or conversion of the Waterfront Warrants or Waterfront Options.

## **ARTICLE 5 - CHANGE IN DIRECTORS AND OFFICERS AND NAME CHANGE**

### **5.1 New Directors of Waterfront as Resulting Issuer**

Effective at the Closing, Waterfront shall cause the Waterfront Board to be restructured, through resignations and appointments, so that it consists of the following five individuals:

- (a) Herbert He;

- (b) Brayden Sutton;
- (c) Doug Mason;
- (d) Scott Ellis; and
- (e) Josh Taylor,

forming the initial Resulting Issuer Board immediately following Closing.

## **5.2 New Officers of Waterfront as Resulting Issuer**

Effective at the Closing, the officers of the Resulting Issuer following the Transaction will be determined by the reconstituted Board per §5.1 , and Waterfront and Whistler agree to take necessary action as permitted under applicable Laws so that the senior officers of the Resulting Issuer will be the following individuals:

- (a) Herbert He, as chief executive officer;
- (b) Bruce Gemmell, as president, chief operating officer and corporate secretary; and
- (c) Sead Hamzagic, as chief financial officer.

## **5.3 PIFs**

Whistler shall cause to be delivered to the TSXV (with copies to Waterfront) a TSXV Form 2A - Personal Information/Consent Form (or Form 2C1 Declaration, if applicable) duly completed by each of the proposed directors and officers and identified in §5.1 and §5.2, on or before the Closing Date.

## **5.4 Resignations**

At the Closing, Waterfront shall deliver resignations of all directors and officers of Waterfront who will not be directors and officers of the Resulting Issuer, such resignations to include waivers in respect of any liabilities of Waterfront to them in a form acceptable to Whistler, acting reasonably.

## **5.5 Name Change**

Concurrent with the Closing, Waterfront shall change its name to “Whistler Water Inc.” or another name selected by Whistler in its sole discretion; in either case provided the name is acceptable to the British Columbia Registrar of Companies. If required, Whistler shall provide its consent to that change of name.

# **ARTICLE 6 - CONDITIONS TO CLOSING**

## **6.1 Mutual Conditions in Favour of Waterfront and Whistler**

The respective obligations of Whistler and Waterfront to complete the Share Exchange are subject to the fulfillment of the following conditions at or before the Closing Time or such other time as is specified below:



- (a) the Concurrent Offering will have been completed, or if completed in escrow pending the Closing, then all conditions necessary to release the escrow will have been satisfied (other than the completion of the Transaction);
- (b) all shareholder approvals required for completion of the Transaction will have been obtained;
- (c) there will be no action taken under any applicable law by any court or Governmental Entity that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to Waterfront or Whistler or that could reasonably be expected to impose any condition or restriction upon Waterfront or Whistler which, after giving effect to the Transaction, would so materially and adversely impact the economic or business benefits of the Transaction as to render inadvisable the completion of the Transaction;
- (d) the TSXV will have provided its conditional acceptance of the Reverse Take-Over and listing of the Resulting Issuer as a Tier 1 issuer on the TSXV, including the approval of the principals of Whistler proposed as directors and officers of the Resulting Issuer;
- (e) neither party will be subject to unresolved litigation or court proceedings; and
- (f) the Closing Date will occur on or before the Completion Deadline.

The foregoing conditions precedent are for the benefit of all parties and may be waived by Whistler (on its own behalf and on behalf of the Vendors) and Waterfront, in whole or in part, without prejudice to any party's right to rely on any other condition in favour of any party.

## **6.2 Conditions in Favour of Whistler and Vendors**

The obligation of Whistler and the Vendors to complete the Share Exchange is subject to the fulfillment of the following additional conditions at or before the Closing Time or such other time as is specified below:

- (a) Whistler will be satisfied, in its sole discretion, with its due diligence investigations of Waterfront;
- (b) Whistler will have obtained a Business Valuation of its business acceptable to Whistler in its sole discretion;
- (c) Waterfront will have tendered all closing deliveries as set forth in §5.3;
- (d) the representations and warranties made by Waterfront in this Agreement that are subject to a materiality qualifier will be true and correct as of the Closing Date as if made on and as of that date (except to the extent that any representations and warranties speak as of an earlier date, in which event those representations and warranties will be true and correct as of the earlier date), and all other representations and warranties made by Waterfront in this Agreement will be true and correct in all material respects as of the Closing Date as if made on and as of that date (except to the extent that any representations and warranties speak as of an earlier date, in which event those representations and warranties will be true and correct as of the earlier date);
- (e) from the date of this Agreement to the Closing Date, there will not have occurred a Material Adverse Change in respect of Waterfront;

- (f) the Consolidation shall have been completed and, at the Closing Time, prior to the issuance of the Waterfront Payment Shares pursuant to the terms of this Agreement and the provision of the Finder's Fee, Waterfront shall have 22,592,453 Waterfront Post-Consolidation Common Shares issued and outstanding;
- (g) Waterfront will have complied in all material respects with its covenants herein; and
- (h) the Waterfront Board will have adopted all necessary resolutions and all other necessary corporate action will have been taken by Waterfront to permit the completion of the Share Exchange and the Transaction pursuant to the terms of this Agreement.

The foregoing conditions are for the benefit of Whistler and may be waived, in whole or in part, by Whistler in writing at any time.

### **6.3 Conditions in Favour of Waterfront**

The obligation of Waterfront to complete the Transaction is subject to the fulfillment of the following additional conditions at or before the Closing Time or such other time as is specified below:

- (a) Waterfront will be satisfied, in its sole discretion, with its due diligence investigations of Whistler;
- (b) Whistler will have tendered all closing deliveries on behalf of Whistler and the Vendors as set forth in §5.4;
- (c) the representations and warranties made by Whistler in this Agreement that are subject to a materiality qualifier will be true and correct as of the Closing Date as if made on and as of that date (except to the extent that any representations and warranties speak as of an earlier date, in which event those representations and warranties will be true and correct as of the earlier date), and all other representations and warranties made by Whistler in this Agreement will be true and correct in all material respects as of the Closing Date as if made on and as of that date (except to the extent that any representations and warranties speak as of an earlier date, in which event those representations and warranties will be true and correct as of the earlier date);
- (d) from the date of this Agreement to the Closing Date, there will not have occurred a Material Adverse Change in respect of Whistler;
- (e) Whistler will have complied in all material respects with its covenants herein; and
- (f) the Whistler Board will have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Whistler to permit the completion of the Share Exchange and the Transaction pursuant to the terms of this Agreement.

The foregoing conditions are for the benefit of Waterfront and may be waived, in whole or in part, by Waterfront in writing at any time.

## **ARTICLE 7 - CLOSING AND POST CLOSING ARRANGEMENTS**

## **7.1 Closing**

The Closing will take place on the Closing Date by way of an exchange of documents between the solicitors for Waterfront and the solicitors for Whistler and the deliveries and acts as provided in this Agreement to be done upon Closing, or on such other date and in such other manner as the parties may agree in writing.

## **7.2 Closing Deliveries of Waterfront**

At the Time of Closing, Waterfront shall deliver or cause to be delivered:

- (a) share certificates evidencing the Waterfront Payment Shares registered as directed by the Vendors, provided, however, that certificates evidencing any Waterfront Payment Shares required to be held in escrow in accordance with the requirements of the Securities Authorities, or otherwise, will be delivered directly to the escrow agent;
- (b) the resignations of those of Waterfront's directors and officers who are not continuing as directors and officers of the Resulting Issuer, including waivers in respect of any liabilities of Waterfront and the Resulting Issuer to them in a form acceptable to Whistler, acting reasonably;
- (c) if required, an escrow agreement in a form satisfactory to the TSXV, among Waterfront as Resulting Issuer, the escrow agent and those of the Vendors required by the TSXV to be parties thereto, duly executed by Waterfront;
- (d) a certificate of one of Waterfront's senior officers, dated as of the Closing Date, certifying: (i) that the representations and warranties of Waterfront set out in §3.3 are true and correct in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier) on and as of Closing, and (ii) confirming that the covenants of Waterfront set out in §4.3 have been completed as at the Closing Date;
- (e) a certificate of good standing for Waterfront;
- (f) evidence satisfactory to Whistler, acting reasonably, of the completion of the Concurrent Offering (and, if applicable, the satisfaction of all conditions precedent for the release from escrow of the proceeds thereof (other than the completion of the Transaction)); and
- (g) a favourable legal opinion regarding customary corporate and securities law matters from counsel to Waterfront, in form and substance satisfactory to Whistler and their counsel, each acting reasonably.

## **7.3 Closing Deliveries of Whistler and the Vendors**

At the Time of Closing, Whistler shall deliver or cause to be delivered:

- (a) with respect to each Vendor, share certificates representing the Purchased Shares owned by the Vendor, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers;

- (b) if required by the TSXV, an escrow agreement in a form satisfactory to the TSXV, among Waterfront as the Resulting Issuer, the escrow agent and those of the Vendors required by the TSXV to be parties thereto, duly executed by those Vendors;
- (c) consents to act for proposed directors of the Resulting Issuer and personal information forms for proposed directors and officers of the Resulting Issuer, if not previously provided;
- (d) a certificate of one of Whistler's senior officers, dated as of the Closing Date, certifying: (i) that the representations and warranties of Whistler set out in §3.2 are true and correct in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier) on and as of Closing, and (ii) confirming that the covenants of Whistler set out in §4.1 have been completed as at the Closing Date;
- (e) a certificate of good standing for Whistler; and
- (f) a favourable legal opinion regarding customary corporate law matters from counsel to Whistler, in form and substance satisfactory to Waterfront and its counsel, each acting reasonably.

## **ARTICLE 8 - TERMINATION**

### **8.1 Termination**

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

- (a) by mutual written agreement by Whistler and Waterfront;
- (b) by either Whistler or Waterfront if the Closing has not been completed on or prior to the Completion Deadline, without liability to the terminating party on account of such a termination; provided that the right to terminate this Agreement pursuant to this §8.1 will not be available to a party whose breach or violation of any representation, warranty, covenant, obligation or agreement under this Agreement has been the cause of or has resulted in the failure of the Closing to occur on or before the Completion Deadline;
- (c) by Whistler, in order to enter into an Alternative Transaction;
- (d) by Waterfront, if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Whistler or the Vendors set forth in this Agreement has occurred that would cause the conditions set forth in §6.3 not to be satisfied, and such conditions are incapable of being satisfied by the Completion Deadline, as reasonably determined by Waterfront, and on condition that Waterfront is not then in breach of this Agreement so as to cause any condition in §6.3 not to be satisfied;
- (e) by Whistler, if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Waterfront set forth in this Agreement has occurred that would cause the conditions set forth in §6.2 not to be satisfied, and such conditions are incapable of being satisfied by the Completion Deadline, as reasonably determined by Whistler, and on condition

that Whistler is not then in breach of this Agreement so as to cause any condition in §6.2 not to be satisfied; and

- (f) by any party, if any permanent injunction or other order of a court or other competent authority preventing the Closing shall have become final and non-appealable; provided, however, that no party shall be entitled to terminate this Agreement if that party's material breach of this Agreement or any of the documents contemplated hereby has resulted in the permanent injunction or order.

## **8.2 Effect of Termination**

### **(a) Termination Fee Payable by Whistler in Respect of Alternative Transaction.**

- (i) If this Agreement is terminated pursuant to §8.1(c), Whistler shall pay to Waterfront an amount equal to the Termination Fee in cash or immediately available funds within ten Business Days following the date of completion of an Alternative Transaction. Whistler shall pay the Termination Fee in respect of any Alternative Transaction in respect of which Whistler enters into a binding agreement within three months of termination of this Agreement pursuant to §8.1(c).
- (ii) Each of Whistler and Waterfront acknowledges and agrees that the Termination Fee paid in accordance with this Agreement is in lieu of any damages or any other payment or remedy which Waterfront may be entitled to and will constitute payment of liquidated damages which are a genuine estimate of the damages which Waterfront will suffer or incur as a result of the event giving rise to such damages and the resultant termination of this Agreement and is not a penalty. Whistler irrevocably waives any right it may have to raise as a defense that any such liquidated damages are excessive or punitive. For greater certainty, Waterfront agrees that the payment of any amount pursuant to §8.2(a)(i) is the sole monetary remedy available to it if Whistler terminates this Agreement pursuant to §8.1(c) and that it will not have any alternative right or remedy against Whistler for damages, whether for consequential damages or otherwise related to an Alternative Transaction.

- (b) Upon termination of this Agreement in accordance with the terms hereof, the parties hereto shall have no further obligations under this Agreement, other than the obligations contained in §8.2 (Termination Fee) §9.1 (Confidentiality) and §9.4 (Expenses).

## ARTICLE 9 - GENERAL

### 9.1 Confidentiality

Prior to Closing and, if the Transaction is not completed, at all times thereafter, each of the parties hereto shall keep confidential and refrain from using all information obtained by it in connection with the Transaction relating to any other party hereto, provided however that such obligation does not apply to any information that was in the public domain at the time of its disclosure to a party or that subsequently comes into the public domain other than as a result of a breach of the receiving party's obligations under this §9.1. For greater certainty, nothing contained herein will prevent any disclosure of information that may be required pursuant to applicable Laws or pursuant to an order in judicial or administrative proceedings or any other order made by any Governmental Entity.

### 9.2 Notices

All notices, requests, consents, and other communications required or permitted under this Agreement must be in writing and addressed to the persons indicated below, as applicable, and will be deemed given when: (i) delivered personally; (ii) when sent by confirmed facsimile or email (with a copy sent by another means specified herein) during business hours in the destination; (iii) five Business Days after having been sent by registered mail; or (iv) one Business Day after deposit with a recognized next day courier, with written verification of receipt. Either party may change its address or representative or both by giving notice pursuant to this section.

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

if to Whistler and the Vendors:

Whistler Water Inc.  
3600 Bainbridge Ave.  
Burnaby, BC V5A 4X2  
Attn: Herbert He  
Email: he@whistlerwater.com

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

Segev LLP  
905 West Pender St. – 6th Floor  
Vancouver, BC V6C 1L6  
Attn: Aadam Tejpar  
Email: a.tejpar@segev.ca

If to Waterfront:

Waterfront Capital Corporation  
2489 Bellevue Ave.  
West Vancouver, BC V7V 1E1  
Attn: Douglas Mason

Email: dmason@waterfrontgroup.com

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

DuMoulin Black LLP  
595 Howe St. – 10th floor  
Vancouver, BC V6C 2T5

Attn: David Gunasekera

Email: dgunasekera@dumoulinblack.com

### **9.3 Amendments**

No amendment of any provision of this Agreement will be binding on any party unless consented to in writing by that party.

### **9.4 Expenses**

The Parties agree that each party shall pay for its costs incurred in connection with this Agreement and the transactions contemplated hereby, the preparation of the Information Circular, including legal and accounting fees, printing costs, financial advisor fees and all disbursements by advisors, shall be paid by the Party hereto incurring such expense and that nothing in this Agreement shall be construed so as to prevent the payment of such expenses, whether or not the Share Exchange is completed. The provisions of this §9.4 will survive the termination of this Agreement.

### **9.5 Time of the Essence**

Time is of the essence of this Agreement.

### **9.6 Entire Agreement**

This Agreement, together with the agreements and other documents herein or therein referred to, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof, including by way of example and not limitation, the LOI. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

### **9.7 Further Assurances**

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

### **9.8 Governing Law**

This Agreement is governed by and to be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. The parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

### **9.9 Independent Legal Advice**

The Vendors acknowledge that DuMoulin Black is acting as counsel for Waterfront and Segev LLP is acting as counsel for Whistler with respect to the matters contemplated in this Agreement, and each of the Vendors acknowledge that they have been advised to obtain and have been given the opportunity to obtain their own independent legal advice with respect to the terms of this Agreement prior to its execution.

### **9.10 Waiver**

No waiver or release by any Party hereto shall be effective unless in writing and executed by the Party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence. Waivers may only be granted upon compliance with the provisions governing amendments set forth in §9.3.

### **9.11 No Personal Liability**

- (a) No director or officer of Whistler shall have any personal liability whatsoever (other than in the case of fraud, negligence or wilful misconduct) to Waterfront under this Agreement or any other document delivered in connection with this Agreement or the Share Exchange by or on behalf of Whistler.
- (b) No director or officer of Waterfront shall have any personal liability whatsoever (other than in the case of fraud, negligence or wilful misconduct) to Whistler or the Vendors under this Agreement or any other document delivered in connection with this Agreement or the Share Exchange by or on behalf of Waterfront.

### **9.12 Enurement and Assignment**

This Agreement will enure to the benefit of and be binding upon the parties and their respective heirs, executors, personal representatives, successors, and permitted assigns. No party may assign any rights or transfer any obligations under this Agreement without the prior written agreement of the parties.

### **9.13 Execution in Counterparts**

This Agreement may be executed in one or more counterparts and delivered by electronic means, each of which will be deemed an original, and all counterparts together will be deemed to constitute one and the same agreement.

*[Signature page follows]*



The parties hereto have executed this Agreement with effect as of the date of the last signature to this Agreement.

**WATERFRONT CAPITAL CORPORATION**

**WHISTLER WATER INC.**

*"Authorized Signatory"*

*"Authorized Signatory"*

\_\_\_\_\_  
Authorized signatory  
Date: \_\_\_\_\_

\_\_\_\_\_  
Authorized signatory  
Date: \_\_\_\_\_

**QINGHUAN HE**

**FANYI BAO**

*"Qinguan He"* \_\_\_\_\_  
Date: \_\_\_\_\_

*"Fanyi Bao"* \_\_\_\_\_  
Date: \_\_\_\_\_

**ZHEN PARTNERS FUND IV, L.P.**

**ORCA CAPITAL LIMITED**

*"Authorized Signatory"*  
\_\_\_\_\_  
Authorized signatory  
Date: \_\_\_\_\_

*"Authorized Signatory"*  
\_\_\_\_\_  
Authorized signatory  
Date: \_\_\_\_\_

**PRECISE ASSET INVESTMENTS LTD.**

*"Authorized Signatory"*  
\_\_\_\_\_  
Authorized signatory  
Date: \_\_\_\_\_

**SCHEDULE A**  
**VENDORS**

<b>Name and address of Vendor</b>	<b>Number of Whistler Common Shares held</b>	<b>% of issued and outstanding Whistler Common Shares</b>	<b>Number of Waterfront Payment Shares to be Issued</b>
Qingquan He	<i>Redacted</i>	<i>Redacted</i>	<i>Redacted</i>
Fanyi Bao	<i>Redacted</i>	<i>Redacted</i>	<i>Redacted</i>
ZHEN PARTNERS FUND IV, L.P.	<i>Redacted</i>	<i>Redacted</i>	<i>Redacted</i>
Orca Capital Limited	<i>Redacted</i>	<i>Redacted</i>	<i>Redacted</i>
Precise Asset Investments Ltd.	<i>Redacted</i>	<i>Redacted</i>	<i>Redacted</i>
<b>TOTAL</b>	<b>24,022,748</b>	<b>100.0%</b>	<b>240,000,000</b>

**Redacted information in table is personal and confidential information**

**SCHEDULE B**  
**WHISTLER FINANCIAL STATEMENTS**  
**See attached.**

*REDACTED – Confidential information*

**SCHEDULE C  
WHISTLER EMPLOYEES**

*REDACTED – Personal and Confidential information*

**SCHEDULE D**  
**WHISTLER INTELLECTUAL PROPERTY**

*REDACTED – Confidential information*