SEDAR Filing Version

WORLD CLASS EXTRACTIONS INC.

as the Buyer

and

QUADRON CANNATECH CORPORATION

as the Company

ARRANGEMENT AGREEMENT

APRIL 15, 2019

This Arrangement Agreement (this "**Agreement**"), dated as of April 15, 2019 is entered into between Quadron Cannatech Corporation, a corporation incorporated under the laws of the Province of British Columbia (the "**Company**") and World Class Extractions Inc., a corporation incorporated under the laws of the Province of British Columbia (the "**Buyer**").

Recitals

WHEREAS, the Buyer proposes to acquire all of the outstanding common shares of the Company by way of a plan of arrangement on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Company Board has unanimously determined, after receiving financial and legal advice, that the Consideration to be received by the Company Shareholders is fair from a financial point of view and that the Arrangement is in the best interests of the Company and its security holders, and the Company Board has unanimously resolved to recommend that the Company Shareholders vote in favour of the Arrangement Resolution, all subject to the terms and conditions contained in this Agreement;

WHEREAS, the Buyer has entered into the Company Lock-Up Agreements with the Company Locked-Up Shareholders pursuant to which, among other things, each such Company Locked-Up Shareholder has agreed to vote in favour of the Arrangement Resolution, all securities of the Company now held or hereafter acquired by them that are entitled to vote on the matter, on the terms and subject to the conditions set forth in such Company Lock-Up Agreements; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
INTERPRETATION

Section 1.01 Definitions. As used in this Agreement, the following terms have the following meanings:

"**Acquisition Proposal**" means, other than the transactions contemplated by this Agreement, any offer, proposal or inquiry (whether written or oral) from any Person or group of Persons other than the Buyer (or any affiliate of the Buyer) after the date of this Agreement relating to: (a) any direct or indirect sale, disposition, alliance or joint venture (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale), in a single transaction or series of related transactions, of assets (including shares of Subsidiaries of the Company) representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue, as applicable, of the Company and its Subsidiaries, taken as a whole; (b) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in a Person or group of Persons beneficially

owning 20% or more of any class of voting or equity securities of the Company; (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, share reclassification, business combination, reorganization, recapitalization, liquidation, dissolution or winding up involving the Company or any of its Subsidiaries; or (d) any other similar transaction or series of transactions involving the Company or any of its Subsidiaries.

"**affiliate**" has the meaning specified in National Instrument 45-106 - Prospectus Exemptions.

"**Agreement**" means this arrangement agreement, together with the schedules attached hereto and the Company Disclosure Letter, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"**Arrangement**" means an arrangement pursuant to provisions of Division 5 of Part 9 of the BCBCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith, herewith or made at the direction of the Court either in the Interim Order or the Final Order with the consent of the Company and the Buyer, each acting reasonably.

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the Company Meeting substantially in the form set out in Schedule B.

"**associate**" has the meaning specified in the *Securities Act* (British Columbia).

"**Authorization**" means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Bridge Loan**" means the bridge loan extended by the Buyer to the Company on March 25, 2019 in the initial amount of $500,000, and which the Parties contemplate that the Buyer will advance additional instalments of $1,250,000 in on the 25th day of April, and $1,000,000 on the 25th day of each month following the date hereof.

"**Bridge Loan Notes**" means the promissory notes among the Buyer and the Seller in respect of each instalment of the Bridge Loan, with the first such promissory note dated as of March 25, 2019.

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday, in the city of Vancouver, British Columbia or Toronto, Ontario.

"**Buyer**" has the meaning set forth in the preamble.

“**Buyer Board**” means the board of directors of the Buyer as constituted from time to time.

“**Buyer Change in Recommendation**” has the meaning set forth in Section 8.03(c).

“**Buyer Filings**” means all documents publicly filed by or on behalf of the Company on SEDAR since August 15, 2018.

“**Buyer Matching Period**” has the meaning set forth in Section 7.04(a)(v).

“**Buyer Material Adverse Effect**” means any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, states of facts or circumstances, is or would reasonably be expected to be material and adverse to the business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise) or liabilities (contingent or otherwise) of the Buyer and its Subsidiaries, taken as a whole, except any such change, event, occurrence, effect, state of facts or circumstances resulting from: (a) any change affecting any of the industries in which the Buyer or any of its Subsidiaries operate; (b) any change in general economic, business, regulatory, political, financial, capital, securities or credit market conditions in Canada; (c) any outbreak of war or act of terrorism; (d) any change in Law or GAAP; (e) any action taken (or omitted to be taken) by the Buyer or any of its Subsidiaries which is required to be taken (or omitted to be taken) pursuant to this Agreement or that is consented to by the Company in writing; (f) the announcement of this Agreement or consummation of the Arrangement or the transactions contemplated hereby; (g) any matter that has been disclosed by the Buyer in the Buyer Filings prior to the date hereof; (h) the failure of the Buyer to meet any internal or published projections, forecasts, guidance or estimate of revenues, earnings or cash flows (it being understood that the causes underlying such failure may be taken into account in determining whether a Buyer Material Adverse Effect has occurred); or (i) any change in the market price or trading volume of any securities of the Buyer (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Buyer Material Adverse Effect has occurred); *provided*, however, (i) if any change, event, occurrence, effect, state of facts or circumstance in clauses (a) through and including (d) above has a materially disproportionate effect on the Buyer and its Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the industries in which the Buyer or any of its Subsidiaries operate, such effect may be taken into account in determining whether a Buyer Material Adverse Effect has occurred, and (ii) references in certain Sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative for purposes of determining whether a “Buyer Material Adverse Effect” has occurred.

“**Buyer Nominees**” means Anthony Durkacz and Dr. Raza Bokhari, or such other individuals as the Buyer may determine.

"**Buyer Shares**" means the common shares in the capital of the Buyer.

"**Buyer Termination Fee**" has the meaning set forth in Section 7.07(b).

"**Canaccord Engagement Agreement**" means the engagement agreement between Canaccord Genuity Corp. and the Buyer dated April 1, 2019.

"**Buyer Termination Fee Event**" has the meaning set forth in Section 7.07(b).

"**Company**" has the meaning set forth in the preamble, and includes any successor to the Company.

"**Company Board**" means the board of directors of the Company as constituted from time to time.

"**Company Change in Recommendation**" has the meaning set forth in Section 8.03(b).

"**Company Circular**" means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices, and exhibits to, and information incorporated by reference in, such management information circular, to be sent to Company Shareholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

"**Company Data Room**" means the material contained in the virtual data room established by the Company as at 10:00 a.m. on April 15, 2019, the index of documents of which is attached to the Disclosure Letter.

"**Company Disclosure Letter**" means the disclosure letter dated the date of this Agreement and delivered by the Company to the Buyer with this Agreement.

"**Company Employees**" means the officers and employees of the Company and its Subsidiaries.

"**Company Filings**" means all documents publicly filed by or on behalf of the Company on SEDAR since January 1, 2018.

"**Company Financial Advisor**" means M Partners Inc.

"**Company Lock-Up Agreements**" means the voting and support agreements between the Buyer and the Company Locked-Up Shareholders dated as of March 25, 2019.

"**Company Locked-Up Shareholders**" means the officers, directors and certain other significant shareholders of the Company that own, or exercise control or direction over, Company Shares or securities convertible into, or exchangeable for, Company Shares, as set forth in Schedule C;

“**Company Matching Period**” has the meaning set forth in Section 7.05(a)(v).

“**Company Material Adverse Effect**” means any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, states of facts or circumstances, is or would reasonably be expected to be material and adverse to the business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise) or liabilities (contingent or otherwise) of the Company and its Subsidiaries, taken as a whole, except any such change, event, occurrence, effect, state of facts or circumstances resulting from: (a) any change affecting any of the industries in which the Company or any of its Subsidiaries operate; (b) any change in general economic, business, regulatory, political, financial, capital, securities or credit market conditions in Canada; (c) any outbreak of war or act of terrorism; (d) any change in Law or GAAP; (e) any action taken (or omitted to be taken) by the Company or any of its Subsidiaries, which is required to be taken (or omitted to be taken) pursuant to this Agreement or that is consented to by the Buyer in writing; (f) the announcement of this Agreement or consummation of the Arrangement or the transactions contemplated hereby; (g) any matter that has been disclosed by the Company in the Company Disclosure Letter or in the Company Filings prior to the date hereof; (h) the failure of the Company to meet any internal or published projections, forecasts, guidance or estimate of revenues, earnings or cash flows (it being understood that the causes underlying such failure may be taken into account in determining whether a Company Material Adverse Effect has occurred); (i) any change in the market price or trading volume of any securities of the Company (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Company Material Adverse Effect has occurred); or (j) an event of default in the Bridge Loan Notes; *provided*, however, (i) if any change, event, occurrence, effect, state of facts or circumstance in clauses (a) through and including (d) above has a disproportionate effect on the Company and its Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the industries in which the Company or any of its Subsidiaries operate, such effect may be taken into account in determining whether a Company Material Adverse Effect has occurred, and (ii) references in certain Sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative for purposes of determining whether a “Company Material Adverse Effect” has occurred.

“**Company Meeting**” means the special meeting of Company Shareholders, including any adjournment or postponement thereof in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Company Circular and agreed to in writing by the Buyer.

“**Company Nominees**” means Rosy Mondin and David Beck.

"**Company Options**" means the outstanding options to purchase Company Shares issued pursuant to the Company's Stock Option Plan.

"**Company Share**" means a common share in the capital of the Company.

"**Company Shareholders**" means the registered and/or beneficial owners of the Company Shares, as the context requires.

"**Company Stock Option Plan**" means the Company's stock option plan most recently approved by the Company Shareholders on January 31, 2019**.**

"**Company Termination Fee**" has the meaning set forth in Section 7.06(b).

"**Company Termination Fee Event**" has the meaning set forth in Section 7.06(b).

"**Competing Transaction**" means any unsolicited bona fide written Acquisition Proposal from a Person who is an arm's length third party made after the date of this Agreement: (i) to acquire all of the outstanding Buyer Shares not beneficially owned by such arm's length third party or all or substantially all of the assets of the Buyer on a consolidated basis; (ii) that complies with Securities Laws in all material respects and did not result from or involve a breach of ARTICLE VII; (iii) that is reasonably capable of being completed without undue delay relative to the Arrangement, taking into account all financial, legal, regulatory and other aspects of such proposal and the Person making such proposal; (iv) that is not subject to any financing condition and in respect of which adequate arrangements have been made to ensure that the required funds or other consideration will be available to effect payment in full for all of the Buyer Shares or assets, as the case may be; (v) is not subject to any due diligence or access condition; and (vi) that is conditional upon the Buyer not proceeding with the Arrangement.

"**Company Warrants**" means the outstanding warrants to purchase Company Shares.

"**Confidentiality Agreement**" means the confidentiality agreement between the Company and the Buyer dated April 15, 2019.

"**Consideration**" means the consideration to be received by Company Shareholders pursuant to the Plan of Arrangement as consideration for their Company Shares, consisting of two Buyer Shares for each Company Share, subject to adjustment in the manner and in the circumstances contemplated in Section 2.13 of this Agreement, on the basis set out in the Plan of Arrangement.

"**Consideration Shares**" means the Company Shares to be issued as the Consideration pursuant to the Arrangement.

"**Contract**" means any legally binding agreement, commitment, engagement, contract, licence, lease, obligation, undertaking or joint venture to which the

Company or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or affected or to which any of their respective properties or assets is subject.

"**Court**" means the Supreme Court of British Columbia.

"**CSE**" means the Canadian Securities Exchange.

"**Depositary**" means such trust company, bank or other financial institution as the Company may appoint to act as depositary in relation to the Arrangement, with the approval of the Buyer, acting reasonably.

"**Dissent Rights**" means the rights of dissent provided for in the Plan of Arrangement.

"**Effective Date**" means the date upon which the Arrangement becomes effective pursuant to the Plan of Arrangement.

"**Effective Time**" has the meaning given to such term in the Plan of Arrangement.

"**Employee Plans**" means all employee benefit, health, dental or other medical, life, disability or other insurance (whether insured or self-insured) welfare, mortgage insurance, employee loan, employee assistance, supplemental unemployment benefit, bonus, profit sharing, option, incentive, incentive compensation, deferred compensation, share purchase, share compensation, share appreciation, pension, retirement, savings, supplemental retirement, severance or termination pay, and any other material plans, programs, practices, policies, agreements or arrangements (whether written or unwritten) for the benefit of employees, former employees, directors or former directors of the Company or its Subsidiaries, or their respective dependents or beneficiaries, which are maintained by or binding upon the Company or its Subsidiaries or in respect of which the Company or its Subsidiaries has any actual or potential liability, other than benefit plans established pursuant to statute.

"**Environmental Laws**" means all Laws and agreements with Governmental Entities and all other statutory requirements relating to public health and safety, noise control, pollution, reclamation or the protection of the environment, and all Authorizations issued pursuant to such Laws, agreements or statutory requirements.

"**Fairness Opinion**" has the meaning ascribed thereto in Section 3.01(c).

"**Final Order**" means the order of the Court, in form and substance satisfactory to each Party, acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably) at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended (provided that such amendment is satisfactory to each of the Parties, acting reasonably) on appeal.

"**First Republic Engagement Agreement**" means the engagement agreement between First Republic Capital Corporation, World Class Extractions Inc. and the Buyer dated September 20, 2018, as amended by written instrument dated effective April 13, 2019.

"**GAAP**" means generally accepted accounting principles as set forth in the *CPA Canada Handbook - Accounting* for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis.

"**Governmental Entity**" means: (a) any international, multi-national, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign; (b) any subdivision or authority of any of the foregoing; (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) any stock exchange, including, for greater certainty, the CSE.

"**Intellectual Property**" means domestic and foreign intellectual property rights, including: (a) inventions, patents, applications for patents and reissues, divisions, continuations, re-examinations, renewals, extensions and continuations-in-part of patents or patent applications; (b) copyrights, copyright registrations and applications for copyright registration; (c) mask works, mask work registrations and applications for mask work registrations; (d) designs and similar rights, design registrations, design registration applications, and integrated circuit topographies and similar rights; (e) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade-mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; and (f) trade secrets, confidential information and know-how.

"**Intellectual Property Rights**" has the meaning set forth in Section 3.01(z).

"**Interim Order**" means the interim order of the Court providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of each of the Parties, acting reasonably.

"**Joint Nominee**" means one individual that shall be appointed, by mutual agreement of the Buyer and the Company, in each case acting reasonably and in good faith, to the board of directors of the Buyer upon completion of the Arrangement.

"**Key Employees**" means Rosy Mondin and Leo Chamberland.

"**Key Employment Agreements**" has the meaning ascribed thereto in Section 5.01(b).

"**Law**" means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended, unless expressly specified otherwise.

"**Leased Properties**" has the meaning given to such term in Section 3.01(x).

"**Lien**" means any mortgage, charge, pledge, encumbrance, hypothec, security interest, prior claim or lien (statutory or otherwise), in each case, whether contingent or absolute.

"**Material Contract**" means: (a) any Contract that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Company Material Adverse Effect; (b) any Contract relating directly or indirectly to the guarantee of any liabilities or obligations or to indebtedness for borrowed money in excess of $25,000 in the aggregate; (c) any Contract under which indebtedness in excess of $25,000 is or may become outstanding, other than a Contract between two or more wholly-owned Subsidiaries of the Company or between the Company and one or more of its wholly owned Subsidiaries; (d) any Contract under which the Company or any of its Subsidiaries is obligated to make or expects to receive payments in excess of $25,000 over the remaining term; (e) any Contract that creates an exclusive dealing arrangement or right of first offer or refusal; (f) any Contract providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset where the purchase or sale price or agreed value or fair market value of such property or asset exceeds $25,000; (g) any Contract that limits or restricts in any material respect (i) the ability of the Company or any Subsidiary to engage in any line of business or carry on business in any geographic area, or (ii) the scope of Persons to whom the Company or any of its Subsidiaries may sell products; or (h) any Contract providing for the establishment, investment in, organization or formation of any joint venture, partnership or other revenue sharing arrangements in which the interest of the Company or its Subsidiaries has a fair market value which exceeds $25,000.

"**Misrepresentation**" has the meaning ascribed thereto under Securities Laws.

"**Order**" means all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, rulings, determinations, awards, decrees or similar actions taken by, or applied by, any Governmental Entity (in each case, whether temporary, preliminary or permanent).

"**ordinary course of business**" or any similar reference means, with respect to an action taken or to be taken by any Person, that such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day business and operations of such Person and, in any case, is not unreasonable or unusual in the circumstances when considered in the context of the provisions of this Agreement.

"**Outside Date**" means June 30, 2019 or such later date as may be agreed to in writing by the Parties.

"**Parties**" means the Buyer and the Company, and "**Party**" means either one of them.

"**Permitted Liens**" means, as of any particular time and in respect of any Person, each of the following Liens: (a) the reservations, limitations, provisos and conditions expressed in the original grant from the Crown and recorded against title and any statutory exceptions to title; (b) inchoate or statutory liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of real or personal property; (c) easements, servitudes, restrictions, restrictive covenants, party wall agreements, rights of way, licences, permits and other similar rights in real property (including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, wires and cables) that do not, individually or in the aggregate, materially and adversely impair the current use and operation thereof (assuming its continued use in the manner in which it is currently used); (d) encroachments that do not materially impair or affect the current use or value of any real property and minor defects or irregularities in title to any real property; (e) Liens for Taxes not yet due in respect of which an applicable reserve has been made; (f) Liens imposed by Law and incurred in the ordinary course of business for obligations not yet due or delinquent; (g) Liens in respect of pledges or deposits under workers' compensation, social security or similar Laws, other than with respect to amounts which are due and delinquent, unless such amounts are being contested in good faith by appropriate proceedings; (h) zoning and building by-laws and ordinances and airport zoning regulations made by public authorities and other restrictions affecting or controlling the use or development of any real property; (i) agreements affecting real property with any municipal, provincial or federal governments or authorities and any public utilities (including subdivision agreements, development agreements and site control agreements) that do not, individually or in the aggregate, materially and adversely impair the current use and operation thereof (assuming its continued use in the manner in which it is currently used); (j) any notices of leases registered on title and licences of occupation; (k) purchase money liens and liens securing rental payments under capital lease arrangements; (l) Liens as listed and described in Section 1.01 of the Company Disclosure Letter; and (m) such other imperfections or irregularities of title or Lien that, in each case, do not materially adversely affect the use of the

properties or assets subject thereto or otherwise materially adversely impair business operations of such properties.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative or government (including any Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means the plan of arrangement of the Company under the BCBCA substantially in the form and content of Schedule A attached hereto and any amendment or variation thereto made in accordance with the Plan of Arrangement or this Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Parties, each acting reasonably.

"**Regulatory Approvals**" means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration and filing with, any Governmental Entity, or the expiry of any waiting period imposed by Law or a Governmental Entity, in each case in connection with this Agreement or the Arrangement.

"**Representative**" has the meaning set forth in Section 7.01(a).

"**Section 3(a)(10) Exemption**" means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof.

"**Securities Authorities**" means the British Columbia Securities Commission and the applicable securities commissions or securities regulatory authority of a province or territory of Canada.

"**Securities Laws**" means the *Securities Act* (British Columbia) and all other applicable Canadian provincial and territorial securities laws, rules, regulations, instruments and published policies thereunder.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Subsidiary**" has the meaning specified in *National Instrument 45-106 - Prospectus Exemptions*.

"**Superior Proposal**" means any bona fide written Acquisition Proposal to acquire, directly or indirectly, not less than all of the outstanding Company Shares or all or substantially all of the assets of the Company on a consolidated basis that did not result from a breach of ARTICLE VII and: (a) that is reasonably capable of being completed, without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the Person making such Acquisition Proposal; (b) that is not subject to a financing condition and in respect of which it has been demonstrated to the satisfaction of the Company Board, after receipt of advice from its financial advisors and outside legal counsel, that adequate arrangements have been made in respect of any financing required

to complete such Acquisition Proposal; (c) that is not subject to a due diligence condition or access condition; (d) in respect of which the Company Board determines, in its good faith judgment, after receiving the advice of its outside legal counsel and its financial advisors, that it would, if consummated in accordance with its terms (but without assuming away the risk of non-completion), result in a transaction which is more favourable, from a financial point of view, to Company Shareholders than the Arrangement (including any adjustment to the terms and conditions of the Arrangement proposed by the Buyer pursuant to Section 7.04(a)(vi)); and (e) the Person making the Acquisition Proposal has irrevocably and unconditionally agreed in writing, in favour of the Buyer, to pay, or cause the Company to pay, the principal amount, together with all accrued and unpaid interest, outstanding under the Bridge Loan in immediately available funds contemporaneously with or prior to the time of payment of the Company Termination Fee under Section 7.06; (f) complies with Securities Laws in all material respects; (g) did not result from or involve a breach of this Agreement, or any other agreement between the Person making the Acquisition Proposal and the Company or any of its Subsidiaries; and (h) in the event that the Company does not have the financial resources to pay the Termination Payment, the terms of such Acquisition Proposal provide that the Person making such Acquisition Proposal shall advance or otherwise provide the Company with the cash for the Company to make the Termination Payment, and such amount shall be advanced or provided on or before the date such Termination Payment becomes payable.

"**Superior Proposal Notice**" has the meaning set forth in Section 7.04(a)(iii).

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Taxes**" means: (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, licence, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export and including all licence and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts described in clause (a) above or this clause (b); (c) any liability for the payment of any amounts of the type described in clauses (a) or (b) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (d) any liability for the payment of any amounts described in clauses

(a) or (b) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

"**Tax Returns**" means any and all returns, reports, declarations, elections, notices, forms, designations, filings and statements (including estimated tax returns and reports, withholding tax returns and reports and information returns and reports) filed or required to be filed in respect of Taxes.

"**Third-Party Beneficiaries**" has the meaning set forth in Section 9.07.

"**U.S. Exchange Act**" means the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder.

"**U.S. Securities Act**" means the United States *Securities Act of 1933*.

Section 1.02 Interpretation Not Affected by Headings. The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 1.03 Currency. All references to dollars or to $ are references to Canadian dollars unless otherwise specified.

Section 1.04 Number and Gender. In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa and words importing gender shall include all genders.

Section 1.05 Date for Any Action. If the date on which any action is required to be taken hereunder by a Party is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

Section 1.06 Schedules.

(a) The schedules attached to this Agreement and the Company Disclosure Letter form an integral part of this Agreement for all purposes of it.

(b) The Company Disclosure Letter itself and all information contained in it is confidential information and may not be disclosed except in accordance with the terms of the Confidentiality Agreement.

Section 1.07 Accounting Terms. Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under GAAP and all determinations of an accounting nature required to be made shall be made in a manner consistent with GAAP.

Section 1.08 Knowledge. In this Agreement, references to "to the knowledge of" means the actual knowledge of the "Executive Officers" of the Company and the Buyer, as the case may be, after making due inquiry regarding the relevant matter. For purposes of this Section 1.08,

"Executive Officers", in the case of the Company, means Leo Chamberland, President, and, in the case of the Buyer, means Donal Carroll, Chief Financial Officer.

Section 1.09 Other Definitional and Interpretive Provisions

(a) References in this Agreement to the words "include", "includes" or "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.

(b) Any capitalized terms used in any exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement.

(c) References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

(d) Any reference in this Agreement to a Person includes the heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns of that Person.

(e) References to a particular statute or Law shall be to such statute or Law and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated thereunder or amended from time to time.

ARTICLE II
THE ARRANGEMENT

Section 2.01 The Arrangement. The Company and the Buyer agree that the Arrangement shall be implemented in accordance with the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

Section 2.02 Obligations of the Company. Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, the Company shall take all action necessary in accordance with all applicable Laws to:

(a) make and diligently pursue an application to the Court for the Interim Order in respect of the Arrangement in a manner acceptable to the Buyer, acting reasonably;

(b) subject to obtaining the approvals as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and appear at Court to seek the Final Order as soon as reasonably practicable and, in any event, within five Business Days following the approval of the Arrangement Resolution at the Company Meeting; and

(c) file any documents as required pursuant to Section 292 of the BCBCA, and such other documents as may be required to give effect to the Arrangement pursuant to Division 5 of Part 9 of the BCBCA.

Section 2.03 Interim Order. As soon as reasonably practicable after the date of this Agreement, but in any event on or before May 30, 2019, the Company shall apply in a manner reasonably acceptable to the Buyer pursuant to Section 292 of the BCBCA and, in co-operation with the Buyer, prepare, file and diligently pursue an application for the Interim Order which shall provide, among other things:

(a) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the Company Meeting and for the manner in which such notice is to be provided;

(b) that the required level of approval for the Arrangement Resolution shall be two thirds of the votes cast on the Arrangement Resolution by Company Shareholders present in person or by proxy at the Company Meeting (such that each Company Shareholder is entitled to one vote for each Company Share held);

(c) that the Company Meeting may be adjourned or postponed from time to time in accordance with this Agreement without the need for additional approval by the Court;

(d) that the record date for Company Shareholders entitled to notice of and to vote at the Company Meeting will not change as a result of any adjournments of the Company Meeting, unless required by applicable Laws;

(e) that, in all other respects, other than as ordered by the Court, the terms, restrictions and conditions of the constating documents of the Company, including quorum requirements and all other matters, shall apply in respect of the Company Meeting;

(f) for the grant of the Dissent Rights to registered Company Shareholders as set forth in the Plan of Arrangement;

(g) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;

(h) that it is Buyer’s intention to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of the Buyer Shares pursuant to the Arrangement, based on the Court’s approval of the Arrangement; and

(i) for such other matters as Buyer may reasonably require, subject to the consent of the Company, acting reasonably.

Section 2.04 Court Proceedings. Subject to the terms of this Agreement, the Buyer shall cooperate with and assist the Company in seeking the Interim Order and the Final Order, including by providing to the Company on a timely basis any information reasonably required to be supplied by the Buyer in connection therewith. The Company shall provide legal counsel to the Buyer with a reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement and shall give reasonable consideration to all such comments. Subject to applicable Law, the Company will not file any material with the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated by this Section 2.04 or with the Buyer's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; *provided that*, nothing herein shall require the Buyer to agree or consent to any increase in the Consideration or other modification or amendment to such filed or served materials that expands or increases the Buyer's obligations set forth in any such filed or served materials or under this Agreement or the Arrangement. The Company shall also provide to the Buyer's legal counsel on a timely basis copies of any notice of appearance or other Court documents served on the Company in respect of the application for the Interim Order or the Final Order or any appeal therefrom and of any notice, whether written or oral, received by the Company indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order. The Company shall ensure that all materials filed with the Court in connection with the Arrangement are consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, the Company will not object to legal counsel to the Buyer making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate; *provided that*, the Company is advised of the nature of any submissions prior to the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement.

Section 2.05 Company Circular

(a) As promptly as reasonably practicable following execution of this Agreement, the Company shall prepare and complete, in consultation with the Buyer as contemplated by this Section 2.05, the Company Circular together with any other documents required by applicable Laws in connection with the Company Meeting and the Company shall, promptly after obtaining the Interim Order, cause the Company Circular and such documents to be filed with the Securities Authorities or any other Governmental Entity and sent to each Company Shareholder and other Persons as required by the Interim Order and applicable Laws.

(b) The Company shall ensure that the Company Circular complies in all material respects with applicable Law and the Interim Order, does not contain any Misrepresentation regarding the Company and provides Company Shareholders with sufficient information to permit them to form a reasoned judgment concerning the matters to be placed before the Company Meeting. Without limiting the generality of the foregoing, the Company Circular must include: (i) a copy of the Fairness Opinion; (ii) a statement that the Company Board has received the Fairness Opinion, and has unanimously determined, after receiving financial and legal advice, that the Consideration to be received by the Company Shareholders is fair from a financial point of view and that the Arrangement is in

the best interests of Company and its security holders and that the Company Board unanimously recommends that the Company Shareholders vote in favour of the Arrangement Resolution (the "**Company Board Recommendation**"); (iii) a statement that each director and officer of the Company intends to vote all of such individual's Company Shares in favour of the Arrangement Resolution and against any resolution submitted by any Company Shareholder that is inconsistent with the Arrangement, the whole in accordance with their Company Lock-Up Agreements; and (iv) a statement that certain other Company Shareholders have entered into Company Lock-Up Agreements and specifying the percentage of the issued and outstanding Company Shares covered by such Company Lock-Up Agreements.

(c) The Buyer shall provide to the Company all necessary information concerning the Buyer and the Buyer Shares as required by the Interim Order or applicable Laws for inclusion in the Company Circular. The Buyer shall also use commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the Company Circular and to the identification in the Company Circular of each such advisor. The Buyer shall ensure that any such information will not include any Misrepresentation concerning the Buyer or the Buyer Shares.

(d) The Buyer and its legal counsel shall be given a reasonable opportunity to review and comment on drafts of the Company Circular and other related documents and reasonable consideration shall be given to any comments made by the Buyer and its legal counsel; *provided that*, all information relating solely to the Buyer and the Buyer Shares included in the Company Circular shall be in form and substance satisfactory to the Buyer, acting reasonably. The Company shall provide the Buyer with final copies of the Company Circular prior to its mailing to the Company Shareholders.

(e) Each Party shall promptly notify the other Party if it becomes aware that the Company Circular contains a Misrepresentation or otherwise requires an amendment or supplement and the Parties shall co-operate in the preparation of any amendment or supplement to the Company Circular as required or appropriate and the Company shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Company Circular to the Company Shareholders and, if required by the Court or applicable Laws, file the same with the Securities Authorities or any other Governmental Entity.

Section 2.06 Company Meeting. The Company shall:

(a) convene and conduct the Company Meeting in accordance with the Interim Order, the Company's constating documents and applicable Laws as promptly as practicable, but in any event not later than June 30, 2019, and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Company Meeting without the prior written consent of the Buyer, except as

required or permitted under Section 6.04 or Section 7.04(e) or as required for quorum purposes (in which case, the Company Meeting shall be adjourned and not cancelled) or as required by applicable Laws or a Governmental Entity;

(b) subject to the terms of this Agreement, use its commercially reasonable efforts to solicit proxies in favour of the approval of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement, including, at the Company's discretion or if so requested by the Buyer, acting reasonably, using dealer and proxy solicitation services and co-operating with any Persons engaged by the Buyer to solicit proxies in favour of the Arrangement Resolution;

(c) as soon as reasonably practicable following the execution of this Agreement and in any event not later than May 30, 2019, the Company will convene a meeting of the Company Board to approve the Company Circular;

(d) provide the Buyer with copies of or access to information regarding the Company Meeting generated by any dealer or proxy solicitation services firm, as requested from time to time by the Buyer;

(e) consult with the Buyer in fixing the date of the Company Meeting and the record date of the Company Meeting, give notice to the Buyer of the Company Meeting and allow the Buyer's representatives and legal counsel to attend the Company Meeting;

(f) at the reasonable request of the Buyer from time to time, provide the Buyer with a list (in both written and electronic form) of the: (i) registered Company Shareholders, together with their addresses and respective holdings of Company Shares; (ii) names, addresses and holdings of all Persons owning securities which entitle the holder to subscribe for or otherwise acquire Company Shares; (iii) the names, addresses and holdings of all Persons having rights issued by the Company to acquire Company Shares (including holders of Company Options and Company Warrants) and (iii) participants and book-based nominee registrants such as CDS & Co., CEDE & Co. and DTC, and non-objecting beneficial owners of Company Shares and other holders of Company securities, together with their addresses and respective holdings of Company Shares, all as of a date that is as close as reasonably practicable prior to the date of delivery of such lists and shall from time to time require that its registrar and transfer agent furnish the Buyer with such additional information, including updated or additional lists of Company Shareholders and lists of securities positions and other assistance as the Buyer may reasonably request;

(g) promptly advise the Buyer, at such times as the Buyer may reasonably request, including, as applicable, on a daily basis on each of the last 10 Business Days prior to the date of the Company Meeting, as to the aggregate tally of proxies received by the Company in respect of the Arrangement Resolution;

(h) promptly advise the Buyer of any material communication (written or oral) from or claims brought by (or threatened to be brought by) any Person in opposition to the Arrangement and any purported exercise or withdrawal of Dissent Rights by Company Shareholders;

(i) not change the record date for the Company Shareholders entitled to vote at the Company Meeting in connection with any adjournment or postponement of the Company Meeting unless required by applicable Laws;

(j) not make any payment or settlement offer, or agree to any payment or settlement with respect to Dissent Rights, without the prior written consent of the Buyer; and

(k) not propose or submit for consideration at the Company Meeting any business other than the Arrangement without the Buyer's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed.

Section 2.07 Final Order. If the Interim Order is obtained and the Arrangement Resolution is passed at the Company Meeting as provided for in the Interim Order, the Company shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to the BCBCA, as soon as practicable, but in any event not later than five Business Days after the Arrangement Resolution is passed at the Company Meeting.

Section 2.08 Plan of Arrangement and Effective Time.

(a) Unless another time or date is agreed to in writing by the Parties, on the third Business Day following satisfaction or, where not prohibited, the waiver of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver of those conditions as of the Effective Date) set forth in ARTICLE VI, each of the Parties shall execute and deliver such closing documents and instruments and such other documents as may be required to give effect to the Arrangement and the Company shall proceed to file any documents as required pursuant to Section 292 of the BCBCA, and such other documents as may be required to give effect to the Arrangement pursuant to Division 5 of Part 9 of the BCBCA. Without limiting the foregoing, the Buyer shall, following receipt of the Final Order and satisfaction, or, where not prohibited, the waiver, of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction, or, where not prohibited, the waiver, of those conditions as of the Effective Date) set forth in ARTICLE VI but prior to the filing by the Company of the documents referred to above, deliver or cause to be delivered sufficient Buyer Shares to satisfy the consideration issuable to Company Shareholders pursuant to the Plan of Arrangement (other than registered Company Shareholders validly exercising Dissent Rights and who have not withdrawn their notice of objection).

(b) The Arrangement shall become effective at the Effective Time on the Effective Date, whereupon, the transactions comprising the Arrangement shall be deemed to occur in the order set out in the Plan of Arrangement without any further act or formality.

(c) Each Company Option and Company Warrant will be dealt with as provided in the Plan of Arrangement.

(d) From and after the Effective Time, the Plan of Arrangement shall have all of the effects provided by applicable Law, including the BCBCA. The Company agrees to negotiate in good faith with the Buyer to amend the Plan of Arrangement at any time prior to the Effective Time in accordance with Section 9.01 of this Agreement to include such other terms determined to be necessary or desirable by the Buyer, acting reasonably, provided that the Plan of Arrangement shall not be amended in any manner which is inconsistent with the provisions of this Agreement, which would reasonably be expected to delay, impair or impede the satisfaction of any condition set forth in ARTICLE VI or which has the effect of reducing the Buyer Shares or which is otherwise prejudicial to the Company Shareholders or other parties to be bound by the Plan of Arrangement.

Section 2.09 Payment of Consideration. The Buyer shall, prior to the filing by the Company of any documents as required pursuant to Section 292 of the BCBCA, and such other documents as may be required to give effect to the Arrangement pursuant to Division 5 of Part 9 of the BCBCA in accordance with Section 2.08, provide or cause to be provided the Depositary with an irrevocable direction for the issuance of the Consideration Shares (the terms and conditions of such escrow and direction to be satisfactory to the Company and the Buyer, acting reasonably), in order to pay and deliver the aggregate Consideration as provided in the Plan of Arrangement.

Section 2.10 Public Communications. The Parties agree to issue jointly a news release with respect to this Agreement as soon as practicable after its due execution. Thereafter, the Buyer and the Company agree to co-operate and participate in presentations to investors regarding the Arrangement prior to the making of such presentations and to promptly advise, consult and co-operate with each other in issuing any news releases or otherwise making public statements with respect to this Agreement or the Arrangement and in making any filing with any Governmental Entity or with any stock exchange, including the CSE, with respect thereto. Each Party shall: (i) not issue any news release or otherwise make public statements with respect to this Agreement or the Arrangement without the consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; and (ii) enable the other Party to review and comment on all such news releases prior to the release thereof and shall enable the other Party to review and comment on such filings prior to the filing thereof; *provided*, however, that the foregoing shall be subject to each Party’s overriding obligation to make disclosure in accordance with applicable Laws and, if such disclosure is required and the other Party has not reviewed or commented on the disclosure, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other Party and, if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing. For the avoidance of doubt, the foregoing shall not prevent either Party from making internal announcements to employees and having discussions with shareholders and financial analysts

and other stakeholders so long as such statements and announcements are consistent with the most recent news releases, public disclosures or public statements made by the Parties.

Section 2.11 Withholding Taxes. The Company, the Buyer and the Depositary, as applicable, shall be entitled to deduct or withhold from any consideration payable or otherwise deliverable to any Person, including Company Shareholders exercising Dissent Rights, pursuant to the Arrangement and from all dividends, other distributions or other amount otherwise payable to any former Company Shareholders, such Taxes or other amounts as the Company, the Buyer or the Depositary are required, entitled or permitted to deduct or withhold with respect to such payment under the Tax Act, or any other provisions of any applicable Laws, in each case, as amended. To the extent that Taxes or other amounts are so deducted or withheld, such deducted or withheld Taxes or other amounts shall be treated for all purposes under this Agreement as having been paid to the Person in respect of which such deduction or withholding was made, provided that such deducted or withheld Taxes or other amounts are actually remitted to the appropriate taxing authority.

Section 2.12 Buyer Directors. The Buyer shall take all necessary actions to ensure that upon the completion of the Arrangement the Buyer Board will be reconstituted such that the Buyer Board will be comprised solely of the (i) Company Nominees; (ii) Buyer Nominees; and (iii) Joint Nominee. Subject to the Buyer's fiduciary duties under applicable Law, the Buyer hereby covenants and agrees that, following the completion of the Arrangement, each Company Nominee and the Joint Nominee shall be nominated by the Buyer for election at the next two (2) annual meetings of the Buyer at which directors are to be elected.

Section 2.13 Adjustment of Consideration Shares. If on or after the date hereof, either Party: (a) splits, consolidates or reclassifies any of its common shares; (b) undertakes any other capital reorganization; or (c) declares, sets aside or pays any dividend or other distribution to its shareholders of record as of a time prior to the Effective Date, the Parties hereto shall make such adjustments to the Arrangement, including the number or fraction of Consideration Shares deliverable per Company Share under the Arrangement, as they determine acting in good faith to be necessary to restore the original intention of the Parties in the circumstances.

Section 2.14 United States Securities Law Matters

(a) The Parties agree that the Arrangement will be carried out with the intention that, assuming the Final Order is granted by the Court, all Consideration Shares issued under the Arrangement to the holders of Company Shares will be issued by the Buyer in reliance on the Section 3(a)(10) Exemption. In order to ensure the availability of the exemption under the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:

   (i) the Arrangement will be subject to the approval of the Court;

   (ii) the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption prior to the hearing required to approve the Arrangement;

(iii) the Court will be required to satisfy itself as to the fairness of the Arrangement to the Company Shareholders, subject to the Arrangement;

(iv) the Company will ensure that each Person entitled to receive Consideration Shares on completion of the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right and that there shall not be any improper impediments to the appearance at the hearing of any Company Shareholder;

(v) each Company Shareholder in the United States entitled to receive Consideration Shares will be advised that the Consideration Shares issued pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act and will be issued by the Buyer in reliance on the Section 3(a)(10) Exemption, and may be subject to restrictions on resale under the applicable securities laws of the United States, including Rule 144 under the U.S. Securities Act with respect to affiliates of the Company and the Buyer;

(vi) the Interim Order approving the Company Meeting will specify that each Company Shareholder will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as they deliver an appearance within a reasonable time;

(vii) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to the Company Shareholders. The Company shall request that the Final Order shall include a statement to substantially the following effect:

“This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that act, regarding the distribution of securities of World Class Extractions Inc., pursuant to the Plan of Arrangement.”; and

(viii) under no circumstances shall the Buyer offer cash consideration to any Company Shareholder for Company Shares.

(b) The Buyer shall take all steps as may be required to cause the securities to be issued under the Plan of Arrangement to be issued pursuant to an exemption from the prospectus and registration requirements of applicable Securities Laws.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Section 3.01 Representations and Warranties of the Company. Except as disclosed in the Company Disclosure Letter, the Company represents and warrants to and in favour of the Buyer as follows and acknowledges that the Buyer is relying upon such representations and warranties in entering into this Agreement:

(a) **Organization and Qualification.** The Company and each of its Subsidiaries is a corporation or entity incorporated or organized, as applicable, validly existing under the laws of the jurisdiction of its incorporation, organization or formation, as applicable, and has the power and capacity to own, lease and operate its assets and properties and conduct its business as now owned and conducted. The Company and each of its Subsidiaries is duly qualified, licensed or registered to carry on business in each jurisdiction in which its assets are located or it conducts business, except where the failure to be so qualified, licensed or registered would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect. No steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Company or any of its Subsidiaries.

(b) **Corporate Authorization.** The Company has the corporate power and capacity to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Company of its obligations under this Agreement have been duly authorized by all necessary corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the consummation of the Arrangement and the other transactions contemplated hereby other than: (i) approval by the Company Board of the Company Circular; (ii) the Arrangement Resolution being approved by the Company Shareholders at the Company Meeting in accordance with the Interim Order and applicable Laws; (iii) filings with the Court in respect of the Arrangement; and (iv) filings of the required records and information with the Registrar of Companies under the BCBCA.

(c) **Directors' Approvals.** The Company Board, after consultation with its legal and financial advisors (i) has unanimously determined that the Arrangement is in the best interests of the Company; and (ii) has approved the entering into of this Agreement and the making of a recommendation that Company Shareholders vote in favour of the Arrangement Resolution. The Company Board has received opinions from the Company Financial Advisors to the effect that the consideration to be received under the Arrangement is fair from a financial point of view to the Company Shareholders (the "**Fairness Opinion**"), and such opinion has not been withdrawn, revoked or modified.

(d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company enforceable against it in accordance with its terms subject only to

any limitation on bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

(e) **Governmental Authorization.** The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the Arrangement do not require any other Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity other than: (i) the Interim Order; (ii) the Final Order; (iii) filings with the Registrar of Companies under the BCBCA; (iv) any actions or filings with the Securities Authorities or the CSE; and (v) any consents, waivers, approvals or actions or filings or notifications, the absence of which would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(f) **Non-Contravention.** The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the Arrangement do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):

(i) contravene, conflict with, or result in any violation or breach of the articles, by-laws or other constating documents of the Company or any of its Subsidiaries;

(ii) assuming compliance with the matters referred to in Section 3.01(e), contravene, conflict with or result in a violation or breach of any applicable Laws; or

(iii) allow any Person to exercise any right, require any consent or notice under or other action by any Person, or constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Company or any of its Subsidiaries is entitled (including by triggering any rights of first refusal or first offer, change in control provisions or other restrictions or limitations) under any Contract or any Authorization to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

with such exceptions, in the case of clauses (ii) and (iii) as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(g) **Residence of the Company.** The Company is not a non-resident of Canada within the meaning of the Tax Act.

(h) **Third Party Consents.** Except as contemplated in this Agreement, no consent, waiver or approval from other parties to the Material Contracts is (i) required to be obtained by the Company or its Subsidiaries in connection with the execution, delivery and performance by the Company of this Agreement or the consummation of the Arrangement, or (ii) required in order to maintain the

Material Contracts in full force and effect immediately upon the consummation of the Arrangement, except for such consents, the absence of which would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(i) **Capitalization**

(i) The authorized capital of the Company consists of an unlimited number of Company Shares. As of the date of this Agreement, there were (i) 71,650,447 Company Shares issued and outstanding; (ii) an aggregate of up to 6,702,500 Company Shares are issuable upon the exercise of 6,702,500 Company Options; and (iii) up to 10,719,358 Company Shares are issuable upon the exercise of 10,719,358 Company Warrants.

(ii) The Company Disclosure Letter contains a list, as of the date of this Agreement, of (i) the number of Company Options and Company Warrants, (ii) the date on which such Company Options and Company Warrants were granted or issued, (iii) the exercise price and vested percentage, as applicable, of such Company Options and Company Warrants. All grants of Company Options and Company Warrants were validly issued and properly approved by the Board (or a duly authorized committee or subcommittee thereof) in compliance in all material respects with all Laws and the Company Stock Option Plan (in the case of Company Options issued pursuant to the terms thereof), and recorded on the Company's financial statements in accordance with GAAP. All of the Company Shares issuable upon the exercise of the Company Options and Company Warrants have been duly authorized and, upon issuance in accordance with their respective terms, will be validly issued as fully paid and non-assessable and are not and will not be subject to or issued in violation of any preemptive rights.

(iii) Except for outstanding Company Options and Company Warrants, there are no issued and outstanding or authorized options, equity-based awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation or other rights, or any other agreements, arrangements, instruments or commitments of any kind that obligate the Company or any of its Subsidiaries to, directly or indirectly, issue or sell any securities of the Company or any of its Subsidiaries, or give any Person a right to subscribe for or acquire any securities of the Company or any of its Subsidiaries.

(iv) There are no bonds, debentures or other evidences of indebtedness of the Company or any of its Subsidiaries outstanding having the right to vote (or that are convertible or exerciseable for securities having the right to vote) with Company Shareholders on any matter.

(v) There are no issued, outstanding or authorized obligations on the part of the Company to repurchase, redeem or otherwise acquire any securities of the Company or to qualify securities for public distribution in Canada, the U.S. or elsewhere or with respect to voting or disposition of any securities of the Company.

(vi) All outstanding securities of the Company have been issued in material compliance with all applicable Laws, including Securities Laws.

(vii) The Company Data Room contains a true and complete copy of the Company Stock Option Plan.

(j) **Significant Shareholders**. Except as disclosed the Company Filings, to the knowledge of the Company, no Person beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the votes attached to the Company Shares.

(k) **Shareholders' and Similar Agreements.** Neither the Company nor any of its Subsidiaries is subject to any unanimous shareholders agreement and is not a party to any shareholder, pooling, voting, voting trust or other similar arrangement or agreement relating to the ownership or voting of any of the securities of the Company or of any of its Subsidiaries or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in the Company or in any of its Subsidiaries and the Company has not adopted a shareholders' rights plan or any similar plan or agreement.

(l) **Subsidiaries**

(i) The following information with respect to each Subsidiary of the Company is accurately set out in Section 3.01(l)(i) of the Company Disclosure Letter: (A) its name; (B) the number, type and principal amount, as applicable, of its outstanding equity securities or other equity interests; (C) the percentage of its outstanding equity securities or other equity interests owned directly or indirectly by the Company, and a list of registered holders of equity securities or other equity interests; and (D) its jurisdiction of incorporation, organization or formation.

(ii) The Company is, directly or indirectly, the registered and beneficial owner of all of the outstanding shares or other equity interests of each of its Subsidiaries, free and clear of any Liens (other than Permitted Liens), and all such shares or other equity interests so owned by the Company have been duly authorized and validly issued as fully paid and non-assessable, as the case may be, in material compliance with all applicable Laws, and no such shares or other equity interests have been issued in violation of any pre-emptive or similar rights.

(iii) Neither the Company nor its Subsidiaries, beneficially or of record, owns any equity interest of any kind in any other Person.

(m) **Securities Law Matters**

(i) The Company is a reporting issuer under applicable Securities Laws in the Provinces of British Columbia, Alberta, and Ontario (collectively, the "**Qualifying Provinces**"). The Company Shares are listed and posted for trading on the CSE. The Company is not in default of any material requirements of any Securities Laws or the rules and regulations of the CSE.

(ii) The Company has not taken any action to cease to be a reporting issuer in any province or territory of Canada nor has the Company received notification from any Securities Authority to revoke the reporting issuer status of the Company. As of the date of this Agreement, no delisting, suspension of trading or cease trade or other restriction with respect to any securities of the Company is pending or, to the knowledge of the Company, threatened.

(iii) The Company has filed with the Securities Authorities all material forms, reports, schedules and other documents required to be filed under applicable Securities Laws since January 1, 2018. The documents comprising the Company Filings complied as filed in all material respects with applicable Securities Laws and did not, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such subsequent filing), contain any Misrepresentation. The Company has not filed any confidential material change report which at the date of this Agreement remains confidential. To the knowledge of the Company, neither the Company nor any of the Company Filings is subject to an ongoing audit, review, comment or investigation by any Securities Authority or the CSE.

(n) **Company Filings.** The Company has filed all documents required to be filed by it in accordance with applicable Securities Laws and/or the CSE. The Company has timely filed or furnished all Company Filings required to be filed or furnished by the Company with any Governmental Entity (including "documents affecting the rights of securityholders" and "material contracts" required to be filed by Part 12 of National Instrument 51-102 – *Continuous Disclosure Obligations*). Each of the Company Filings complied as filed in all material respects with applicable Securities Laws and did not, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing), contain any Misrepresentation. The Company has not filed any confidential material change report which at the date of this Agreement remains confidential.

(o) **Auditors.** To the knowledge of the Company, the Company's auditors, who audited the Company's financial statements and provided their audit report, were, at the relevant time, independent public accountants as required under the Securities Laws of the Qualifying Provinces and there has never been a reportable event (within the meaning of National Instrument 51-102 – *Continuous*

Disclosure Obligations) between the Company and such auditors or, to the knowledge of the Company, any former auditors of the Company or its Subsidiaries.

(p) **Financial Statements**

(i) The Company's audited annual consolidated financial statements (including any of the notes or schedules thereto, the auditor's report thereon and the related management's discussion and analysis) and unaudited consolidated interim financial statements (including any of the notes or schedules thereto and the related management's discussion and analysis) included in the Company Filings were prepared in accordance with GAAP and applicable Laws and fairly present, in all material respects, the consolidated financial position of the Company and its Subsidiaries at the respective dates thereof and the consolidated results of the Company's operations and cash flows for the periods indicated therein (except as may be expressly indicated in the notes to such financial statements). The Company does not intend to correct or restate, nor, to the knowledge of the Company, is there any basis for any correction or restatement of, any aspect of the Company's financial statements included in the Company Filings. There are no, nor are there any commitments to become party to, any off-balance sheet transaction, arrangement, obligation (including contingent obligations) or other similar relationships of the Company or any of its Subsidiaries with unconsolidated entities or other Persons.

(ii) The financial books, records and accounts of the Company and each of its Subsidiaries: (A) have been maintained, in all material respects, in accordance with GAAP; (B) are stated in reasonable detail; (C) accurately and fairly reflect all the material transactions, acquisitions and dispositions of the Company and its Subsidiaries; and (D) accurately and fairly reflect the basis of the Company's financial statements.

(q) **Disclosure Controls and Internal Controls over Financial Reporting**

(i) The Company has established and maintains a system of disclosure controls and procedures (as such term is defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings) that are designed to ensure that material information required to be disclosed by the Company in its reports filed or submitted under applicable Securities Laws is recorded, processed and reported on a timely basis and accumulated and reported to the Company's management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

(ii) The Company has established and maintains a system of internal control over financial reporting (as such term is defined in National Instrument

52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings) that is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

(iii) Based on the Company's most recent evaluation of internal controls prior to the date of this Agreement, there is no material weakness (as such term is defined in National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings) relating to the design, implementation or maintenance of its internal control over financial reporting or fraud, whether or not material, that involves management or other employees who have a significant role in the internal control over financial reporting of the Company. As of the date of this Agreement, none of the Company, any of its Subsidiaries or, to the Company's knowledge, any director, officer, auditor, accountant or representative of the Company or any of its Subsidiaries has received or otherwise obtained knowledge of any complaint, allegation, assertion or claim that the Company or any of its Subsidiaries has engaged in questionable accounting or auditing practices or any expression of concern from its employees regarding questionable accounting or auditing matters.

(r) **Absence of Undisclosed Liabilities.** There are no liabilities or obligations of the Company or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than liabilities or obligations: (i) disclosed in the Company's audited consolidated financial statements as at April 30, 2018; (ii) incurred in the ordinary course of business since April 30, 2018; (iii) incurred in connection with this Agreement; or (iv) that would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(s) **Absence of Certain Changes or Events.** Since April 30, 2018, other than the transactions contemplated in this Agreement, the business of the Company and its Subsidiaries has been conducted only in the ordinary course of business and there has not been any event, occurrence, fact, effect or circumstance that has had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(t) **Books and Records.** All accounting and financial books and records of the Company and its Subsidiaries have been maintained in accordance with sound business practices.

(u) **Compliance with Laws.** The Company and each of its Subsidiaries is and has been in compliance with applicable Laws and, to the knowledge of the Company, none of the Company or any of its Subsidiaries is under any investigation with respect to, has been charged or threatened to be charged with, or has received notice of, any violation or potential violation of any applicable Laws, except for failures to comply or violations that have not had or would not be reasonably

expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(v) **Licences and Authorizations.** Except as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect: (i) all Authorizations which are necessary for the Company and its Subsidiaries to own its assets or conduct its business as presently owned or conducted have been obtained and are in full force and effect in accordance with their terms; (ii) the Company and its Subsidiaries have complied with all such Authorizations and are not in breach or default under any such Authorizations; (iii) the Company and its Subsidiaries have not received written, or to the knowledge of the Company, other notice, of any alleged breach of or alleged default under any such Authorization or of any intention of any Governmental Entity to revoke or not renew any such Authorizations; and (iv) no proceedings are pending or, to the knowledge of the Company, threatened which could reasonably be expected to result in the revocation of such Authorizations.

(w) **Material Contracts.** Except as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect: (i) each Material Contract is legal, valid and binding and in full force and effect and is enforceable by the Company or a Subsidiary, as applicable, in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction; (ii) the Company and its Subsidiaries, as applicable, have performed the obligations required to be performed by the Company or a Subsidiary, as applicable, under each Material Contract (iii) none of the Company or any of its Subsidiaries is in breach or default under any Material Contract nor does the Company have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default; and (iv) as of the date of this Agreement, none of the Company or any of its Subsidiaries knows of, or has received any notice (whether written or oral) of, any breach, default, cancellation, termination or non-renewal under any Material Contract by any party to a Material Contract. Section 3.01(w) of the Company Disclosure Letter sets out a complete and accurate list of all Material Contracts as of the date of this Agreement. True and complete copies of the Material Contracts have been disclosed in the Company Data Room and no Material Contract has, since such disclosure, been modified, rescinded or terminated.

(x) **Real Property and Leased Properties**

(i) The Company and its Subsidiaries do not own any real or immovable property.

(ii) Except as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect: (A) each lease or sublease for real and immovable property leased or subleased by the Company or

any of its Subsidiaries (the "**Leased Properties**") creates a good and valid leasehold estate in the premises thereby demised and is in full force and effect; (B) none of the Company or any of its Subsidiaries is in breach of, or default under, such lease or sublease and no event has occurred which, with notice, lapse of time or both, would constitute such a breach or default by the Company or any of its Subsidiaries or permit termination, modification or acceleration by any third party thereunder; and (C) to the knowledge of the Company, no third party has repudiated or has the right to terminate or repudiate any such lease or sublease (except for the normal exercise of remedies in connection with a default thereunder or any termination rights set forth in the lease or sublease) or any provision thereof. Section 3.01(x)(ii) of the Company Disclosure Letter sets out a complete and accurate list of the Leased Properties.

(y) **Personal Property.** The Company and its Subsidiaries have valid, good and marketable title to all personal property owned by them, except as would not, individually or in the aggregate, be reasonably expected to have a Company Material Adverse Effect.

(z) **Intellectual Property.** Except as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect: (i) the Company and its Subsidiaries, as applicable, own or possess, or have a licence to or otherwise have the right to use, all Intellectual Property which is material and necessary for the conduct of its business as presently conducted (collectively, the "**Intellectual Property Rights**"); (ii) to the knowledge of the Company, all such Intellectual Property Rights that are owned by the Company and its Subsidiaries are valid and enforceable subject only to any limitation under bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction and does not infringe in any material way upon the rights of others; and (iii) to the knowledge of the Company, no third party is infringing upon the Intellectual Property Rights owned or licensed by the Company or its Subsidiaries.

(aa) **Litigation.** There are no claims, actions, suits, arbitrations, inquiries, investigations or proceedings pending or, to the knowledge of the Company, threatened against or relating to the Company or any of its Subsidiaries, the business of the Company of any of its Subsidiaries or affecting any of their respective current or former properties or assets by or before any Governmental Entity that, if determined adverse to the interests of the Company or its Subsidiaries would have, or be reasonably expected to have, a Company Material Adverse Effect or would restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the consummation of the Arrangement, nor, to the knowledge of the Company, are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, suit, arbitration, inquiry, investigation or proceeding.

(bb) **Environmental Matters.** The Company and its Subsidiaries have not been charged with or convicted of any offence, violation and/or breach of or non-compliance with Environmental Laws, or been fined or otherwise sentenced or settled any prosecution short of conviction under Environmental Laws. Except as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect: (i) no written notice, order, complaint or penalty has been received by the Company or any of its Subsidiaries alleging that the Company or any of its Subsidiaries is in violation of, or has any liability or potential liability under, any Environmental Laws and there are no judicial, administrative or other actions, suits or proceedings pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries which alleges a violation of, or any liability or potential liability under, any Environmental Laws; (ii) the Company and each of its Subsidiaries has all environmental permits necessary for the operation of their respective businesses and to comply with all Environmental Laws; and (iii) the operations of the Company and each of its Subsidiaries are in compliance with Environmental Laws.

(cc) **Health Canada.** As of April 30, 2018, all Material Contracts and written correspondence or written notice received from Health Canada in relation to any Authorization from Health Canada have been provided to the Buyer or made available in the Company Data Room.

(dd) **Employees.**

(i) The Company and its Subsidiaries are in material compliance with all terms and conditions of employment and all applicable Laws respecting employment, including pay equity, wages, hours of work, overtime, vacation, human rights and work safety and health.

(ii) All amounts due or accrued due for all salary, wages, bonuses, commissions, vacation with pay, sick days and benefits under Employee Plans and other similar accruals have been either paid or are accurately reflected in all material respects in the books and records of the Company and its Subsidiaries.

(iii) There are no material Company Employee related claims, complaints, investigations or orders under all applicable Laws that could reasonably be expected to have a Company Material Adverse Effect respecting employment now pending or, to the knowledge of the Company, threatened against the Company and its Subsidiaries by or before any Governmental Entity as of the date of this Agreement.

(iv) No Company Employee has any agreement as to length of notice or severance payment required to terminate his or her employment other than such as results from applicable Law from the employment of an employee without an agreement as to notice or severance.

(v) There are no change of control payments, golden parachutes, severance payments, retention payments, Contracts or other agreements with current or former Company Employees providing for cash or other compensation or benefits upon the consummation of, or relating to, the Arrangement, including a change of control of the Company or any of its Subsidiaries.

(vi) There are no material outstanding assessments, penalties, fines, liens, charges, surcharges or other amounts due or owing pursuant to any workplace safety, workers compensation or insurance legislation and neither the Company nor any Subsidiary has been reassessed in any material respect under such legislation during the past three years and, to the knowledge of the Company, no audit of the Company or any Subsidiary is currently being performed pursuant to any applicable workplace safety, workers compensation or insurance legislation. As of the date of this Agreement, to the Company's knowledge, there are no claims or potential claims which may materially adversely affect the Company and its Subsidiaries' accident cost experience.

(vii) The Company has disclosed in the Company Data Room all orders and material inspection reports under applicable occupational health and safety legislation. There are no charges pending under applicable occupational health and safety legislation. The Company has complied in all material respects with any orders issued under applicable occupational health and safety legislation and there are no appeals of any orders under applicable occupational health and safety legislation currently outstanding.

(ee) **Employee Plans**

(i) The Company has delivered or otherwise made available to the Buyer true, complete and up-to-date copies of all Employee Plans or summaries of the material terms thereof.

(ii) Except as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect, all of the Employee Plans are and have been established, registered, qualified and administered in accordance with all applicable Laws and in accordance with their terms, the terms of the material documents that support such Employee Plans and the terms of agreements between the Company and its Subsidiaries and Company Employees (present and former) who are members of, or beneficiaries under, the Employee Plans. To the knowledge of the Company, no fact or circumstance exists which could adversely affect the registered status of any such Employee Plan. Neither the Company nor, to the knowledge of the Company, any of its agents or delegates, has breached any fiduciary obligation with respect to the administration or investment of any Employee Plan.

(iii) Except as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect: (A) all current obligations of the Company regarding the Employee Plans have been satisfied; and (B) all contributions, premiums or Taxes required to be made or paid by the Company by applicable Laws or under the terms of each Employee Plan have been made in a timely fashion in accordance with applicable Laws and the terms of the applicable Employee Plan.

(iv) To the knowledge of the Company, no Employee Plan is subject to any pending investigation, examination, action, claim (including claims for Taxes, interest, penalties or fines) or any other proceeding initiated by any Person (other than routine claims for benefits) which, if adversely determined, would be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect and, to the knowledge of the Company, there exists no state of facts which could reasonably be expected to give rise to any such investigation, examination, action, claim or other proceeding.

(v) Except as provided in this Agreement, the execution, delivery and performance of this Agreement and the consummation of the Arrangement will not: (A) result in any material payment (including bonus, golden parachutes, retirement, severance, unemployment compensation or other benefit or enhanced benefit) becoming due or payable to any of the Company Employees (present or former); (B) materially increase the compensation or benefits otherwise payable to any Company Employee (present or former); or (C) result in the acceleration of the time of payment or vesting of any material benefits or entitlements otherwise available pursuant to any Employee Plan (except for outstanding Company Options).

(vi) Except as required by applicable Law, none of the Employee Plans (other than registered or other pension plans) provide for retiree or post-termination benefits or for benefits to retired or terminated employees or to the beneficiaries or dependants of retired or terminated employees.

(vii) With respect to each Employee Plan that is a registered pension plan except as disclosed in the Company Disclosure Letter: (A) all contribution holidays under and any surplus withdrawals from the Employee Plan have been taken in accordance with applicable Law; (B) no Employee Plan that is a defined benefit registered pension plan has received a transfer of assets from or been merged with another registered pension plan or has been subject to a partial wind-up in respect of which surplus assets relating to the partial wind-up group were not dealt with at the time of the partial wind-up; (C) no assets have been applied other than for proper payments of benefits, refunds of over-contributions and permitted payments of reasonable expenses incurred by or in respect of an Employee Plan; and (D) no conditions have been imposed by any Person and no undertakings

or commitments have been given to any employee, union or any other Person concerning the use of assets relating to any Employee Plan or any related funding medium or any deviation from any Employee Plan.

(ff) **Insurance.** Each of the Company and its Subsidiaries is, and has been continuously since October 6, 2017, insured by reputable third-party insurers with reasonable and prudent policies appropriate for the size and nature of the business of the Company and its Subsidiaries and their respective assets. A true and complete list of all material insurance policies currently in effect that insure the physical properties, business, operations and assets of the Company and its Subsidiaries has been provided in the Company Data Room. To the knowledge of the Company, each material insurance policy currently in effect that insures the physical properties, business, operations and assets of the Company and its Subsidiaries is valid and binding and in full force and effect and there is no material claim pending under any such policies as to which coverage has been questioned, denied or disputed. There is no material claim pending under any insurance policy of the Company or any Subsidiary that has been denied, rejected, questioned, or disputed by any insurer or as to which any insurer has made any reservation of rights or refused to cover all or any material portion of such claims. All material proceedings covered by any insurance policy of the Company or its Subsidiaries have been properly reported to and accepted by the applicable insurer.

(gg) **United States Securities Law Matters.** (i) The Company does not have, nor is it required to have, any class of securities registered under the U.S. Exchange Act, nor is the Company subject to any reporting obligation (whether active or suspended) pursuant to Section 15(d) of the U.S. Exchange Act, and (ii) the Company is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the U.S. Exchange Act, and is not an investment company registered or required to be registered under the Investment Company Act of 1940 of the United States of America.

(hh) **Research and Development.** All product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Company and its Subsidiaries in connection with its business is being conducted in accordance with Health Canada requirements and best industry practices and in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to the Company's business, and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects.

(ii) **Taxes**

(i) All material Tax Returns required by applicable Laws to be filed with any Governmental Entity by, or on behalf of, the Company or any of its Subsidiaries have been filed when due in accordance with applicable Laws

(taking into account any applicable extensions), and all such material Tax Returns are complete and correct in all material respects.

(ii) The Company and each of its Subsidiaries has paid, or has had paid on its behalf, or has collected, withheld and remitted to the appropriate Governmental Entity all material Taxes due and payable by them on a timely basis, other than those Taxes being contested in good faith and in respect of which reserves have been provided in the most recently published consolidated financial statements of the Company. The Company and its Subsidiaries have provided adequate accruals in accordance with GAAP in the most recently published consolidated financial statements of the Company for any Taxes of the Company and each of its Subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due in any Tax Returns. Since the date of publication of the most recent consolidated financial statements of the Company, no material liability in respect of Taxes not reflected in such financial statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business.

(iii) No material deficiencies, litigation, proposed adjustments or other matters in controversy exist or have been asserted with respect to Taxes of the Company or any of its Subsidiaries and neither the Company nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes and no such event has been asserted or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries or any of their respective assets.

(iv) There are no currently effective material elections, agreements or waivers extending the statutory period or providing for any extension of time with respect to the assessment or reassessment of any material Taxes, or of the filing of any material Tax Return or any payment of material Taxes, by the Company or any of its Subsidiaries.

(v) The Company and each of its Subsidiaries has made available to the Buyer true, correct and complete copies of all Tax Returns for which applicable statutory periods of limitations have not expired.

(jj) **Related Party Transactions.** Neither the Company nor any of its Subsidiaries is indebted to any director, officer, employee or agent of, or independent contractor to, the Company or any of its Subsidiaries or any of their respective affiliates or associates (except for amounts due in the ordinary course of business as salaries, bonuses, directors' fees or the reimbursement of ordinary course expenses). There are no Contracts (other than employment arrangements) with, or advances, loans, guarantees, liabilities or other obligations to, on behalf or for the benefit of, any shareholder, officer or director of the Company or any of its Subsidiaries, or any of their respective affiliates or associates.

(kk) **Money Laundering Laws.** The operations of the Company and its Subsidiaries are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements of the *Canadian Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, as amended and the money laundering statutes of all other applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any applicable Governmental Entity (collectively, "**Money Laundering Laws**") and no action, suit or proceeding by or before any regulatory authority involving the Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(ll) **Finder's Fee.** Except for the engagement letter between the Company and the Company Financial Advisor and the fees payable under or in connection with such engagement, no investment banker, broker, finder, financial advisor, or other intermediary has been retained by or is authorized to act on behalf of the Company or any of its Subsidiaries, or any of their respective officers, directors or employees, or is entitled to any fee, commission or other payment from the Company or any of its Subsidiaries, or any of their respective directors, officers or employees, in connection with this Agreement. A true and correct copy of the engagement letter between the Company and the Company Financial Advisor has been provided to the Buyer and the Company has made true and complete disclosure to the Buyer of all fees, commissions or other payments that may be incurred pursuant to the engagement of the Company Financial Advisor or that may otherwise be payable to the Company Financial Advisor.

(mm) **Restrictions on Business Activities.** There is no agreement, judgment, injunction, order or decree binding upon the Company or any of its Subsidiaries that has or would reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of the Company or its Subsidiaries or the conduct of business by the Company or any of its Subsidiaries as currently conducted other than such agreements, judgments, injunctions orders or decrees as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(nn) **No "Collateral Benefit".** No person will receive a "collateral benefit" (within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*) from the Company or its affiliates as a consequence of the Arrangement.

(oo) **Sufficient Funds.** The Company has sufficient immediately available funds (through existing credit arrangements or otherwise) to pay when due the aggregate of all of its fees and expenses related to the transactions contemplated by this Agreement, including, without limitation, the Termination Fee.

Section 3.02 Survival of Representations and Warranties. The representations and warranties of the Company contained in this Agreement shall not survive the completion of the

Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE BUYER

Section 4.01 Representations and Warranties. The Buyer represents and warrants to and in favour of the Company as follows and acknowledges that the Company is relying upon such representations and warranties in entering into this Agreement:

(a) **Organization and Qualification.** The Buyer is a corporation incorporated and existing under the Laws of the Province of British Columbia and has the corporate power and capacity to own, lease and operate its assets and properties and conduct its business as now owned and conducted. The Buyer is duly qualified, licensed or registered to carry on business in each jurisdiction in which its assets are located or it conducts business, except where the failure to be so qualified, licensed or registered would not be reasonably expected to have, individually or in the aggregate, a Buyer Material Adverse Effect.

(b) **Corporate Authorization.** The Buyer has the corporate power and capacity to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Buyer of its obligations under this Agreement have been duly authorized by all necessary corporate action on the part of the Buyer and no other corporate proceedings on the part of the Buyer are necessary to authorize this Agreement or the consummation of the Arrangement and the other transactions contemplated hereby.

(c) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Buyer and constitutes a legal, valid and binding agreement of the Buyer enforceable against it in accordance with its terms subject only to any limitation on bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

(d) **Governmental Authorization.** The execution, delivery and performance by the Buyer of its obligations under this Agreement and the consummation of the Arrangement do not require any other Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity other than: (i) the Interim Order; (ii) the Final Order; (iii) filings with the Registrar of Companies under the BCBCA; (iv) any actions or filings with the Securities Authorities or the CSE; and (v) any consents, waivers, approvals or actions or filings or notifications, the absence of which would not reasonably be expected to materially impede or delay the ability of the Buyer to consummate the Arrangement.

(e) **Non-contravention.** The execution, delivery and performance by the Buyer of its obligations under this Agreement and the consummation of the Arrangement do

not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):

(i) contravene, conflict with, or result in any violation or breach of any of the articles, by-laws or constating documents of the Buyer;

(ii) assuming compliance with all matters referred to in Section 4.01(d), contravene, conflict with or result in a violation or breach of any Law applicable to the Buyer; or

(iii) allow any Person to exercise any rights, require any consent or notice under or other action by any Person, or constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Buyer or any of its Subsidiaries is entitled (including by triggering any rights of first refusal or first offer or other restrictions or limitations) under any material contract;

with such exceptions in the case of clauses (ii) and (iii) as would not be reasonably expected to have, individually or in the aggregate, a Buyer Material Adverse Effect.

(f) **Buyer Shares.** The authorized capital of the Buyer consists of an unlimited number of Buyer Shares. As of the date of this Agreement, there were 451,180,147 Buyer Shares issued and outstanding. Other than options exercisable to purchase an aggregate of 24,100,000 Buyer Shares, broker warrants exercisable to purchase an aggregate of 19,082,400 Buyer Shares, warrants exercisable to purchase an aggregate of 5,600,000 Buyer Shares, and Buyer Shares issuable pursuant to the Canaccord Engagement Agreement and the First Republic Engagement Agreement, there are no issued and outstanding or authorized options, equity-based awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation or other rights, or any other agreements, arrangements, instruments or commitments of any kind that obligate the Buyer or any of its Subsidiaries to, directly or indirectly, issue or sell any securities of the Buyer or any of its Subsidiaries, or give any Person a right to subscribe for or acquire any securities of the Buyer or any of its Subsidiaries. The Consideration Shares to be issued pursuant to the Arrangement, upon issuance, will be validly issued and outstanding as fully paid and non-assessable shares in the capital of the Buyer.

(g) **Securities Law Matters**

(i) The Buyer is a reporting issuer under applicable Securities Laws in the Provinces of Alberta and British Columbia. The Buyer Shares are listed and posted for trading on the CSE. The Buyer is not in default of any material requirements of any Securities Laws or the rules and regulations of the CSE.

(ii) As of the date of this Agreement, the Buyer has not taken any action to cease to be a reporting issuer in any province or territory of Canada nor has the Buyer received notification from any Securities Authority to revoke the reporting issuer status of the Buyer. As of the date of this Agreement, no delisting, suspension of trading or cease trade or other restriction with respect to any securities of the Buyer is pending or, to the knowledge of the Buyer, threatened.

(iii) The Buyer has filed with the Securities Authorities all material forms, reports, schedules and other documents required to be filed under applicable Securities Laws since August 15, 2018. The documents comprising the Buyer Filings complied as filed in all material respects with applicable Securities Laws and did not, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such subsequent filing), contain any Misrepresentation. The Buyer has not filed any confidential material change report which at the date of this Agreement remains confidential. To the knowledge of the Buyer, neither the Buyer nor any of the Buyer Filings is subject to an ongoing audit, review, comment or investigation by any Securities Authority or the CSE.

(h) **Litigation.** Except as disclosed in the Buyer Filings, there are no claims, actions, suits, arbitrations, inquiries, investigations or proceedings pending or, to the knowledge of the Buyer, threatened against or relating to the Buyer or any of its Subsidiaries, the business of the Buyer of any of its Subsidiaries or affecting any of their respective current or former properties or assets by or before any Governmental Entity that, if determined adverse to the interests of the Buyer or its Subsidiaries would have, or be reasonably expected to have, a Buyer Material Adverse Effect or would restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the consummation of the Arrangement, nor, to the knowledge of the Buyer, are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, suit, arbitration, inquiry, investigation or proceeding

(i) **Financial Statements.** The Buyer's audited annual consolidated financial statements (including any of the notes or schedules thereto, the auditor's report thereon and the related management's discussion and analysis) and unaudited consolidated interim financial statements (including any of the notes or schedules thereto and the related management's discussion and analysis) included in the Buyer Filings were prepared in accordance with GAAP and applicable Laws and fairly present, in all material respects, the consolidated financial position of the Buyer and its Subsidiaries at the respective dates thereof and the consolidated results of the Buyer's operations and cash flows for the periods indicated therein (except as may be expressly indicated in the notes to such financial statements).

(j) **Absence of Undisclosed Liabilities.** There are no liabilities or obligations of the Buyer or any of its Subsidiaries of any kind whatsoever, whether accrued,

contingent, absolute, determined, determinable or otherwise, other than liabilities or obligations: (i) disclosed in the Buyer's audited consolidated financial statements as at December 31, 2018; (ii) disclosed in the audited consolidated financial statements of World Class Extractions (Ontario) Inc. as at December 31, 2018; (ii) incurred in the ordinary course of business since December 31, 2018; (iii) incurred in connection with the Buyer's reverse takeover transaction with an Ontario corporation formerly named "World Class Extractions Inc." (iv) incurred in connection with this Agreement; or (v) that would not be reasonably expected to have, individually or in the aggregate, a Buyer Material Adverse Effect.

(k) **Insolvency.** No act or proceeding has been taken by or against the Buyer or any of its Subsidiaries in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of the Buyer or any of its Subsidiaries or for the appointment of a trustee, receiver, manager or other administrator of the Buyer or any of its Subsidiaries or any of its properties or assets nor, to the knowledge of the Buyer, is any such act or proceeding threatened. The Buyer (nor any of its Subsidiaries) has not sought protection under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation. Neither the Buyer nor any of its Subsidiaries nor any of their respective properties or 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 the Buyer or any of its Subsidiaries to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement.

(l) **Absence of Certain Changes or Events.** Since March 25, 2019, other than the transactions contemplated in this Agreement, the business of the Buyer and its Subsidiaries has been conducted only in the ordinary course of business and there has not occurred a Buyer Material Adverse Effect.

(m) **Compliance with Laws.** The business of the Buyer has been and is currently being conducted in compliance in all material respects with all applicable Laws, and the Buyer has no knowledge of any alleged non-compliance or violation of any such Laws by the Buyer. The Buyer does not have any knowledge of any future or potential changes in any Law that may materially impact the business, operations, financial condition, prospects or otherwise of the Buyer or its Subsidiaries. Without limiting the generality of the foregoing, all issued and outstanding Buyer Shares have been issued in compliance, in all material respects, with all applicable Securities Laws.

Section 4.02 Survival of Representations and Warranties. The representations and warranties of the Buyer contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE V
COVENANTS

Section 5.01 Conduct of Business of the Company. The Company covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms, unless otherwise: (i) agreed to in writing by the Buyer (such agreement not be unreasonably withheld, conditioned or delayed); (ii) required or expressly permitted or specifically contemplated by this Agreement; (iii) required by applicable Law; or (iv) as contemplated by Section 5.01 of the Company Disclosure Letter:

(a) the business of the Company and its Subsidiaries shall be conducted only in, and the Company and its Subsidiaries shall not take any action except in, the ordinary course of business, and the Company shall use all commercially reasonable efforts to maintain and preserve its and their business organization, assets, properties, employees, goodwill and business relationships with customers, suppliers, partners and other Persons with which the Company or any of its Subsidiaries has material business relationships;

(b) the Company shall use commercially reasonable efforts to assist the Buyer in finalizing employment agreements with the Key Employees (collectively, the "**Key Employment Agreements**"), in form and substance reasonably satisfactory to the Buyer prior to the Effective Date, provided that, notwithstanding the foregoing, the Key Employment Agreements must include the following provisions:

(i) [REDACTED];

(ii) [REDACTED];

(iii) [REDACTED]; and

(iv) [REDACTED],

(c) the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(i) amend its notice of articles, articles or other constating documents or, in the case of any Subsidiary which is not a corporation, its similar organizational documents;

(ii) split, combine or reclassify any shares or other securities of the Company or of any Subsidiary or declare, set aside or pay any dividends or make any other distributions;

(iii) amend the terms of any outstanding securities;

(iv) redeem, repurchase or otherwise acquire or offer to redeem, repurchase or otherwise acquire any outstanding shares or other securities of the Company or any of its Subsidiaries;

(v) issue, grant, deliver, sell, pledge or otherwise encumber, or authorize the issuance, grant, delivery, sale, pledge or other encumbrance of, any shares or other securities, or any options, warrants or similar rights exerciseable or exchangeable for or convertible into shares or other securities, of the Company or any of its Subsidiaries, except for: (A) the issuance of Company Shares issuable upon the exercise of the currently outstanding Company Options and Company Warrants; or (B) the issuance of Company Options in the ordinary course of business consistent with past practice;

(vi) acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series of related transactions, any assets, securities, properties, interests or business having a cost, on a per transaction or series of related transactions basis, in excess of $10,000 and subject to a maximum of $50,000 for all such transactions, other than acquisitions of supplies, equipment and inventory in the ordinary course of business consistent with past practice;

(vii) sell, lease or otherwise transfer, directly or indirectly, in one transaction or in a series of related transactions, any assets of the Company or of any of its Subsidiaries or any interest in any assets of the Company or any of its Subsidiaries having a value greater than $10,000 in the aggregate, other than the sale, lease or disposition or other transfer of inventories or other assets in the ordinary course of business consistent with past practice;

(viii) other than as reflected in the Company's budget for this fiscal year, make any capital expenditure or commitment to do so which individually or in the aggregate exceeds $50,000;

(ix) reorganize, amalgamate or merge the Company or any Subsidiary;

(x) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Company or any Subsidiary;

(xi) make any material Tax election, information schedule, return or designation, settle or compromise any material Tax claim, assessment, reassessment or liability, file any materially amended Tax return, file any notice of appeal or otherwise initiate any action with respect to Taxes, enter into any material agreement with a Governmental Entity with respect to Taxes, surrender any right to claim a material Tax abatement, reduction, deduction, exemption, credit or refund, consent to the extension, or waiver of a limitation period applicable to any material tax matter or materially

amend or change any of its methods of reporting income, deductions or accounting for income Tax purposes except as may be required by applicable Law;

(xii) prepay any indebtedness before its scheduled maturity, other than repayments of indebtedness in the ordinary course of business consistent with past practice under the Company's or any Subsidiary's existing credit facilities; *provided that*, no material breakage or other costs or penalties are payable in connection with any such prepayment;

(xiii) with exception to the Bridge Loan Notes, create, incur, assume or otherwise become liable, in one transaction or in a series of related transactions, with respect to any indebtedness for borrowed moneys or guarantees thereof in an amount, on a per transaction or series of related transactions basis, in excess of $25,000;

(xiv) make any loan or advance to, or assume, guarantee or otherwise become liable with respect to the liabilities or obligations of any Person (other than in respect of a liability of a wholly-owned Subsidiary that is not restricted hereunder from incurring that liability or obligation);

(xv) make any material change in the Company's accounting principles, except as required by concurrent changes in GAAP or pursuant to written instructions, comments or orders of a Securities Authority;

(xvi) grant to any employee any increase in compensation in any form, except in the ordinary course of business consistent with past practice;

(xvii) increase any severance, change of control or termination pay to (or amend any existing Contract in this regard from that in effect on the date hereof) with any officer or director of the Company or any of its Subsidiaries or increase the benefits payable under any existing severance or termination pay policies with any officer or director of the Company or any of its Subsidiaries;

(xviii) waive, release, surrender, abandon, let lapse, grant or transfer any material right or amend, modify or change, or agree to amend, modify or change, any existing material Authorization, right to use, lease or contract other than in the ordinary course, as required by applicable Law, or where same would not individually or in the aggregate have a Material Adverse Effect;

(xix) enter into or amend any employment, deferred compensation or similar Contract (or amend any such existing Contract) with any officer or director of the Company or any of its Subsidiaries;

(xx) adopt any new Employee Plan or amend or modify, in any material way, any existing Employee Plan;

(xxi) commence, waive, release, assign, settle or compromise any litigation, proceedings or governmental investigations in excess of an amount of $5,000 individually or $25,000 in aggregate or which would reasonably be expected to impede, prevent or delay the consummation of the transactions contemplated by this Agreement;

(xxii) amend or modify in any material respect or terminate or waive any material right under any Material Contract or enter into any contract or agreement that would be a Material Contract if in effect on the date hereof;

(xxiii) except as contemplated in Section 5.07(b), amend, modify, terminate, cancel or let lapse any material insurance (or re-insurance) policy of the Company or any Subsidiary in effect on the date of this Agreement, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies for substantially similar premiums are in full force and effect;

(xxiv) enter into or amend any Contract with any broker, finder or investment banker; or

(xxv) authorize, agree, resolve or otherwise commit to do any of the foregoing.

Section 5.02 Conduct of Business of the Buyer. The Buyer covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms, the Buyer shall not, directly or indirectly, unless otherwise: (i) agreed to in writing by the Company (such agreement not to be unreasonably withheld, conditioned or delayed); (ii) required or expressly permitted or specifically contemplated by this Agreement; or (iii) required by applicable Law:

(a) split, combine, reclassify or amend the terms of the Buyer Shares;

(b) amend its articles of incorporation, by-laws or other constating documents in a manner that would have a material and adverse impact on the value of the Buyer Shares;

(c) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Buyer; or

(d) authorize, agree, resolve or otherwise commit to do any of the foregoing.

Section 5.03 Covenants Relating to the Arrangement.

(a) Each of the Company and the Buyer shall use its reasonable best efforts to take, or cause to be taken, all actions and to do or cause to be done all things required or advisable under applicable Laws to consummate and make effective, as soon as

reasonably practicable, the transactions contemplated by this Agreement, including:

(i) using reasonable best efforts to satisfy, or cause the satisfaction of, all conditions precedent in this Agreement and take all steps set forth in the Interim Order and Final Order applicable to it and comply promptly with all requirements imposed by applicable Law with respect to this Agreement or the Arrangement;

(ii) using reasonable best efforts to obtain, as soon as practicable following the execution of this Agreement, and maintain all third-party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are: (A) necessary to be obtained under the Material Contracts in connection with the Arrangement or this Agreement; or (B) required in order to maintain the Material Contracts in full force and effect following the completion of the Arrangement, in each case, on terms that are reasonably satisfactory to the Buyer;

(iii) using reasonable best efforts to oppose, lift or rescind any injunction, restraining or other order, decree, judgment or ruling seeking to restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the consummation of the Arrangement and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement or this Agreement; and

(iv) not taking any action, or refrain from taking any commercially reasonable action, or permitting any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by this Agreement.

(b) The Company shall promptly notify the Buyer in writing of:

(i) any Company Material Adverse Effect;

(ii) any notice or other written communication from any Person: (A) alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with the Arrangement or this Agreement; or (B) to the effect that such Person is terminating or otherwise materially adversely modifying its relationship with the Company or any of its Subsidiaries as a result of the Arrangement or this Agreement; or

(iii) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving the Company or any of its Subsidiaries that relate to the Arrangement or this Agreement.

(c) The Buyer shall promptly notify the Company in writing of:

(i) any Buyer Material Adverse Effect;

(ii) any notice or other written communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with the Arrangement or this Agreement; or

(iii) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving the Buyer or any of its Subsidiaries that relate to the Arrangement or this Agreement.

Section 5.04 Covenants Related to Regulatory Approvals. Each Party, as applicable to that Party, covenants and agrees with respect to obtaining all Regulatory Approvals that, subject to the terms and conditions of this Agreement, until the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms:

(a) each Party shall use its reasonable best efforts to obtain all Regulatory Approvals and co-operate with the other Party in connection with all Regulatory Approvals sought by the other Party and shall use its reasonable best efforts to effect all necessary registrations, filings and submissions of information required by Government Entities relating to the Arrangement or this Agreement;

(b) each Party shall use reasonable best efforts to respond promptly to any request or notice from any Governmental Entity requiring that Party to supply additional information that is relevant to the review of the transactions contemplated by this Agreement in respect of obtaining or concluding the Regulatory Approvals sought by either Party and each Party shall co-operate with the other Party and shall furnish to the other Party such information and assistance as a Party may reasonably request in connection with preparing any submission or responding to such notice from a Governmental Entity;

(c) each Party shall permit the other Party an opportunity to review in advance any proposed substantive applications, notices, filings, submissions, undertakings, correspondence and communications (including responses to requests for information and inquiries from any Governmental Entity) in respect of obtaining or concluding the Regulatory Approvals and shall provide the other Party with a reasonable opportunity to comment thereon and agree to consider those comments in good faith and each Party shall provide the other Party with any substantive applications, notices, filings, submissions, undertakings or other substantive correspondence provided to a Governmental Entity or any substantive communications received from a Governmental Entity, in respect of obtaining or concluding the Regulatory Approvals; and

(d) each Party shall keep the other Party reasonably informed on a timely basis of the status of discussions relating to obtaining or concluding the Regulatory Approvals

sought by each such Party and, for greater certainty, no Party shall participate in any substantive meeting (whether in person, by telephone or otherwise) with a Governmental Entity in respect of obtaining or concluding the required Regulatory Approvals unless it advises the other Party in advance and gives such other Party an opportunity to attend.

Section 5.05 Additional Listing Application. As soon as reasonably practicable, the Buyer shall apply to list the Consideration Shares issuable pursuant to the Arrangement and shall use its reasonable best efforts to obtain approval, subject to customary conditions, for the listing of such Consideration Shares on the CSE.

Section 5.06 Access to Information. From the date hereof until the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms, subject to applicable Law and the terms of any existing Contracts, the Company shall give to the Buyer and its representatives reasonable access to the books and records and Material Contracts of the Company and its Subsidiaries and to its management personnel during normal business hours and in such a manner as to not unreasonably interfere with the conduct of the business of the Company and its Subsidiaries and furnish to the Buyer such financial and operating data and other information as the Buyer may reasonably request. Without limiting the generality of the provisions of the Confidentiality Agreement, the Buyer acknowledges that all information provided to it under this Section 5.06 or otherwise pursuant to this Agreement or in connection with the transactions contemplated under this Agreement is subject to the Confidentiality Agreement which will remain in full force and effect in accordance with its terms notwithstanding any other provisions of this Agreement or any termination of this Agreement.

Section 5.07 Indemnification and Insurance

(a) The Buyer shall, from and after the Effective Time, honour all rights to indemnification or exculpation now existing in favour of present and former officers and directors of the Company and its Subsidiaries and acknowledges that such rights shall survive the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date.

(b) Prior to the Effective Date, the Company shall purchase customary "tail" or "run-off" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate than the protection provided by the policies maintained by the Company and its Subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date and the Buyer will, or will cause the Company and its Subsidiaries to, maintain such policies in effect without any reduction in scope or coverage for a period of not less than six years from the Effective Date.

(c) If the Buyer, the Company or any of its Subsidiaries, or any of their respective successors or assigns: (i) consolidates with or merges into any other Person and is not a continuing or surviving corporation or entity of such consolidation or

merger; or (ii) transfers all or substantially all of its properties and assets to any Person, the Buyer shall ensure that any such successor or assign (including, as applicable, any acquiror of substantially all of the properties and assets of the Company and its Subsidiaries) assumes all of the obligations set forth in this Section 5.07.

Section 5.08 CSE Delisting. Subject to Laws, the Buyer and the Company shall use their commercially reasonable efforts to cause the Company Shares to be de-listed from the CSE with effect promptly following the acquisition by Buyer of the Company Shares pursuant to the Arrangement.

ARTICLE VI
CONDITIONS

Section 6.01 Mutual Conditions. The Parties are not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the mutual consent of each of the Parties:

(a) the Interim Order shall have been granted on terms consistent with this Agreement and the Interim Order shall not have been set aside or modified in a manner unacceptable to either Party, acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved and adopted by the Company Shareholders at the Company Meeting in accordance with the Interim Order;

(c) the Final Order shall have been granted on terms consistent with this Agreement and the Final Order shall not have been set aside or modified in a manner unacceptable to either Party, acting reasonably, on appeal or otherwise;

(d) the issuance of the Consideration Shares will be exempt from the registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption;

(e) the necessary approvals of the CSE, if any, will have been obtained; and

(f) no Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Buyer from consummating the Arrangement or any of the other transactions contemplated in this Agreement.

Section 6.02 Additional Conditions to the Obligations of the Buyer. The Buyer is not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of the Buyer and may only be waived, in whole or in part, by the Buyer in its sole discretion:

(a) the representations and warranties made by the Company in this Agreement shall be true and correct as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a Company Material Adverse Effect (and, for this purpose, any reference to "material", "Company Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored) and the Company shall have provided to the Buyer a certificate of two senior officers of the Company certifying the foregoing and dated the Effective Date;

(b) the Company shall have fulfilled or complied in all material respects with its covenants contained in this Agreement to be fulfilled or complied with by it on or before the Effective Time and the Company shall have provided to the Buyer a certificate of two senior officers of the Company certifying the foregoing dated the Effective Date;

(c) there is no action or proceeding (whether, for greater certainty, by a Governmental Entity or any other Person) pending or threatened in any jurisdiction to:

(i) cease trade, enjoin or prohibit or impose any limitations, damages or conditions on, the Buyer's ability to acquire, hold or exercise full rights of ownership over, any Company Shares, including the right to vote the Company Shares;

(ii) impose terms or conditions on the completion of the Arrangement or on the ownership or operation by the Buyer of the business or assets of the Buyer, the Company and their respective Subsidiaries, affiliates and related entities; or

(iii) prevent or materially delay the consummation of the Arrangement.

(d) there shall not have been or occurred a Company Material Adverse Effect;

(e) the Company shall have received resignations and releases from each director of Company, effective as of the Effective Date, against receipt by such Persons of commercially reasonable releases from the Company and, in both cases, acceptable to the Buyer, acting reasonably, and no change of control or similar payments shall become owing by the Company or the Buyer as a result of the completion of the Arrangement;

(f) the Company Lock-Up Agreements shall not have been terminated in accordance with their terms;

(g) the Key Employees shall execute the Key Employment Agreements;

(h) no default or event of default shall be existing under the Bridge Loan Notes; and

(i) holders of no more than 5% of all of the issued and outstanding Company Shares shall have validly exercised Dissent Rights (and shall not have withdrawn such rights) in respect of the Arrangement.

Section 6.03 Additional Conditions to the Obligations of the Company. The Company is not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of the Company and may only be waived, in whole or in part, by the Company in its sole discretion:

(a) the representations and warranties made by the Buyer in this Agreement shall be true and correct as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a Buyer Material Adverse Effect (and, for this purpose, any reference to "material", "Buyer Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored) and the Buyer shall have provided to the Company a certificate of two senior officers of the Buyer certifying the foregoing dated the Effective Date;

(b) the Buyer shall have fulfilled or complied in all material respects with its covenants contained in this Agreement to be fulfilled or complied with by it on or before the Effective Time and the Buyer shall have provided to the Company a certificate of two senior officers of the Buyer certifying the foregoing dated the Effective Date;

(c) the Buyer shall have complied with its obligations under Section 2.09 and the Depositary shall have confirmed receipt of the Consideration Shares;

(d) the Buyer shall have received resignations and releases from each Person from whom it may be required in order to give effect to the Key Employment Agreements, effective as of the Effective Date, against receipt by such Persons of commercially reasonably releases from the Buyer and, in both cases, acceptable to the Company, acting reasonably, and no change of control or similar payments shall be owing by the Buyer or the Company as a result of the completion of the Arrangement;

(e) there will not have occurred prior to the date hereof a Buyer Material Adverse Effect in respect of the Buyer that has not been publically disclosed or disclosed to the Company in writing by the Buyer prior to the date hereof and, between the date hereof and the Effective Time, there will not have occurred a Buyer Material Adverse Effect or any event, occurrence, circumstance or development that would reasonably be expected to have a Buyer Material Adverse Effect;

(f) the Buyer shall have delivered evidence satisfactory to the Company, acting reasonably, of the approval of (i) the issuance of the Consideration Shares (and

the issuance of Buyer Shares upon the valid exercise of Company Options and Company Warrants in accordance with their terms, as adjusted by the Plan of Arrangement) by the board of directors of the Buyer as fully paid and non-assessable shares of the Buyer, and (ii) the listing and posting for trading on the CSE of the Consideration Shares, subject only in each case to the satisfaction of the customary listing conditions of the CSE, as the case may be

Section 6.04 Notice and Cure Provisions. Each Party shall promptly notify the other Party of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be likely to:

(a) cause any of the representations or warranties of such Party contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the Effective Time; or

(b) result in the failure, in any material respect, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party under this Agreement.

The Buyer may not elect to exercise its right to terminate this Agreement pursuant to Section 8.03(a) and the Company may not elect to exercise its right to terminate this Agreement pursuant to Section 8.04(a), unless the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, inaccuracies of representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition or the availability of a termination right, as the case may be. If any such notice is delivered with respect to a matter that is capable of being cured, provided that a Party is proceeding diligently to cure such matter, no Party may terminate this Agreement until the earlier of: (i) the Outside Date; and (ii) the date that is 10 Business Days from the date of receipt of such notice, if such matter has not been cured by such date. If such notice has been delivered prior to the date of the Company Meeting, the Company shall postpone or adjourn the Company Meeting until the expiry of such period (without causing a breach of any other provisions contained herein).

Section 6.05 Merger of Conditions. Subject to applicable Law, the conditions set out in Section 6.01, Section 6.02 and Section 6.03 shall be conclusively deemed to have been satisfied, waived or released upon the Effective Date.

ARTICLE VII
ADDITIONAL AGREEMENTS

Section 7.01 Non-Solicitation

(a) Except as expressly provided in this ARTICLE VII, a Party shall not, directly or indirectly, through any officer, director, employee, representative (including any financial or other adviser) or an agent of it or any of its respective Subsidiaries (collectively "**Representatives**", which for greater certainty does not include a shareholder of a Party who is not otherwise an officer, director, employee,

representative (including any financial or other adviser) or an agent of such Party or any of its respective Subsidiaries), or otherwise, and shall not permit any such Person to:

(i) solicit, initiate, knowingly facilitate, encourage or promote (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of the Party or any Subsidiary or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(ii) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than the other Party or any of its affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal, it being acknowledged and agreed that the Party may communicate with any Person for purposes of advising such Person of the restrictions in this Agreement and, in the case of the Company, also advising such Person that their Acquisition Proposal does not constitute a Superior Proposal or is not reasonably expected to constitute or lead to a Superior Proposal and in the case of the Buyer, advising such Person that their Acquisition Proposal does not constitute a Competing Transaction or is not reasonably expected to constitute or lead to a Competing Transaction; or

(iii) enter into or publicly propose to enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal (other than a confidentiality and standstill agreement permitted by and in accordance with Section 7.03).

(b) Except as expressly provided in this ARTICLE VII, the Company shall not, directly or indirectly, through any Representative or otherwise, and shall not permit any such Person to:

(i) make a Company Change in Recommendation; or

(ii) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any publicly announced or otherwise publicly disclosed Acquisition Proposal in respect of the Company (it being understood that taking no position or a neutral position with respect to a publicly announced or otherwise publicly disclosed Acquisition Proposal in respect of the Company for a period of no more than five (5) Business Days following the announcement or disclosure of such Acquisition Proposal will not be considered to be in violation of this Section 7.01 provided the Company Board has rejected such Acquisition Proposal and affirmed the

Company Board Recommendation before the end of such five (5) Business Day period).

(c) Except as expressly provided in this ARTICLE VII, the Buyer shall not, directly or indirectly, through any Representative or otherwise, and shall not permit any such Person to accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any publicly announced or otherwise publicly disclosed Acquisition Proposal in respect of the Buyer (it being understood that taking no position or a neutral position with respect to a publicly announced or otherwise publicly disclosed Acquisition Proposal in respect of the Buyer for a period of no more than five (5) Business Days following the announcement or disclosure of such Acquisition Proposal will not be considered to be in violation of this Section 7.01 provided the Buyer Board has rejected such Acquisition Proposal and affirmed its intention to proceed with the Arrangement before the end of such five (5) Business Day period).

(d) Each Party shall, and shall cause its Subsidiaries and its Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities commenced prior to the date of this Agreement with any Person (other than the other Party or its affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection with such termination shall no longer provide access to any data room or provide any new disclosure of information, or access to properties, facilities, books and records of the Party or any of its Subsidiaries.

(e) The Company represents and warrants that, since March 25, 2019, the Company has not waived any confidentiality, standstill or similar agreement to which the Company or any Subsidiary is a party, and covenants and agrees that (i) the Company shall take all necessary action to enforce each confidentiality, standstill or similar agreement to which the Company or any of its Subsidiaries is a party, and (ii) neither the Company, nor any of its Subsidiaries nor any of their respective Representatives will, without the prior written consent of the Buyer (which may be withheld or delayed in the Buyer's sole and absolute discretion), release any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting the Company, or any of its Subsidiaries, under any confidentiality, standstill or similar agreement to which the Company or any of its Subsidiaries is a party (it being acknowledged by the Buyer that the automatic termination or release of any standstill restrictions of any such agreements as a result of entering into and announcing this Agreement shall not be a violation of this Section 7.01(e).

(f) the Buyer represents and warrants that, since March 25, 2019, the Buyer has not waived any confidentiality, standstill or similar agreement to which the Buyer or any Subsidiary is a party, and covenants and agrees that (i) the Buyer shall take all necessary action to enforce each confidentiality, standstill or similar agreement to

which the Buyer or any of its Subsidiaries is a party, and (ii) neither the Buyer, nor any of its Subsidiaries nor any of their respective Representatives will, without the prior written consent of the Company (which may be withheld or delayed in the Company's sole and absolute discretion), release any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting the Buyer, or any of its Subsidiaries, under any confidentiality, standstill or similar agreement to which the Buyer or any of its Subsidiaries is a party (it being acknowledged by the Company that the automatic termination or release of any standstill restrictions of any such agreements as a result of entering into and announcing this Agreement shall not be a violation of this Section 7.01(f).

Section 7.02 Notification of Acquisition Proposal

(a) If a Party or any of its Subsidiaries or any of their respective Representatives, receives, or otherwise becomes aware of any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information that is made, or that may reasonably be perceived to be made, in connection with an Acquisition Proposal, including but not limited to information, access, or disclosure relating to the properties, facilities, books or records of the Party or any of its Subsidiaries, the Party in receipt of such inquiry, proposal or offer (the "**Notified Party**") shall immediately notify the other Party, at first orally, and then promptly and in any event within 48 hours in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions and the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request, and shall provide the other Party with copies of all documents, correspondence or other material received in respect of, from or on behalf of any such Person. The Notified Party shall keep the other Party informed on a current basis of the status of developments and negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request.

Section 7.03 Responding to an Acquisition Proposal

(a) Notwithstanding Section 7.01, if at any time, prior to obtaining the approval by Company Shareholders of the Arrangement Resolution, a Notified Party receives a written Acquisition Proposal, the Notified Party may engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of confidential information, properties, facilities, books or records of the Notified Party and its Subsidiaries if, and only if:

(i) the Notified Party Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or could reasonably be expected to

constitute or lead to, in the case of the Company, a Superior Proposal (disregarding for such determination any due diligence or access condition) or in the case of the Buyer, a Competing Transaction (disregarding for such determination any due diligence or access condition);

(ii) such Person was not restricted from making such Acquisition Proposal pursuant to an existing standstill or similar restriction;

(iii) the Notified Party has been, and continues to be, in compliance with its obligations under this ARTICLE VII;

(iv) prior to providing any such copies, access, or disclosure, the Notified Party enters into a confidentiality and standstill agreement with such Person having terms that are not less onerous than those set out in the Confidentiality Agreement and any such copies, access or disclosure provided to such Person shall have already been (or simultaneously be) provided to the other Party; and

(v) the Notified Party promptly provides the other Party with, prior to providing any such copies, access or disclosure, a true, complete and final executed copy of the confidentiality and standstill agreement referred to in Section 7.03(a)(iv).

(b) Nothing contained in this Agreement shall prevent a Notified Party Board from:

(i) complying with Section 2.17 of National Instrument 62-104 – *Takeover Bids and Issuer Bids* and similar provisions under Securities Laws relating to the provision of a directors' circular in respect of an Acquisition Proposal; or

(ii) calling and/or holding a meeting of shareholders requisitioned by Company Shareholders or the shareholders of the Buyer, as applicable, in accordance with applicable Laws or taking any other action with respect to an Acquisition Proposal to the extent ordered or otherwise mandated by a court of competent jurisdiction in accordance with applicable Laws.

Section 7.04 Buyer Right to Match

(a) If the Company receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Company Shareholders, the Company Board may authorize the Company to, subject to compliance with Section 7.06, make a Company Change in Recommendation and enter into a definitive agreement with respect to such Superior Proposal, if and only if:

(i) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing standstill or similar restriction;

(ii) the Company has been, and continues to be, in compliance with its obligations under ARTICLE VII;

(iii) the Company has delivered to the Buyer a written notice of the determination of the Company Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Company Board to enter into such definitive agreement with respect to such Superior Proposal, together with a written notice from the Company Board regarding the value and financial terms that the Company Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal (the "**Superior Proposal Notice**");

(iv) the Company has provided the Buyer a copy of the proposed definitive agreement for the Superior Proposal;

(v) at least seven (7) Business Days (the "**Buyer Matching Period**") have elapsed from the date that is the later of the date on which the Buyer received the Superior Proposal Notice from the Company and the date on which the Buyer received a copy of the proposed definitive agreement for the Superior Proposal from the Company;

(vi) during any Section 7.03(a)(iv), the Buyer has had the opportunity (but not the obligation), in accordance with Section 7.04(b), to offer to the Company to amend this Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;

(vii) if the Buyer has offered to the Company to amend this Agreement and the Arrangement under Section 7.04(b), the Company Board has determined in good faith, after consultation with the Company's outside legal counsel and financial advisers, that such Acquisition Proposal continues to constitute a Superior Proposal compared to the terms of the Arrangement as proposed to be amended by the Buyer under Section 7.04(b);

(viii) the Company Board has determined in good faith, after consultation with the Company's outside legal counsel that it is appropriate for the Company Board to enter into a definitive agreement with respect to such Superior Proposal; and

(ix) prior to or concurrent with entering into such definitive agreement the Company terminates this Agreement pursuant to Section 8.04 and pays the Company Termination Fee pursuant to Section 7.06.

(b) During the Buyer Matching Period, or such longer period as the Company may approve in writing for such purpose: (a) the Company Board shall review any offer made by the Buyer under Section 7.04(a)(iv) to amend the terms of this Agreement and the Arrangement in good faith, in consultation with the Company's outside legal counsel and financial advisers, in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) if the Company Board determines that such Acquisition Proposal would cease to be a Superior Proposal as a result of such amendment, the Company shall negotiate in good faith with the Buyer to make such amendments to the terms of this Agreement and the Arrangement as would enable the Buyer to proceed with the transactions contemplated by this Agreement on such amended terms. If the Company Board determines that such Acquisition Proposal would cease to be a Superior Proposal, the Company shall promptly so advise the Buyer and the Parties shall amend this Agreement to reflect such offer made by the Buyer, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

(c) Each successive amendment or modification to any Acquisition Proposal in respect of the Company shall constitute a new Acquisition Proposal for the purposes of this Section 7.04, and the Buyer shall be afforded a new Buyer Matching Period from the later of the date on which the Buyer received the new Superior Proposal Notice from the Company and the date on which the Buyer received a copy of the proposed definitive agreement for the new Superior Proposal from the Company.

(d) At the Buyer's request, the Company Board shall promptly reaffirm the Company Board Recommendation by press release after the Company Board determines that an Acquisition Proposal is not a Superior Proposal or the Company Board determines that a proposed amendment to the terms of this Agreement as contemplated under Section 7.04(b) would result in an Acquisition Proposal no longer being a Superior Proposal. The Company shall provide the Buyer and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and shall make all reasonable amendments to such press release as requested by the Buyer and its outside legal counsel.

(e) If the Company provides a Superior Proposal Notice to the Buyer on or after a date that is less than seven (7) Business Days before the the Company Meeting, the Company shall postpone the Company Meeting to a date acceptable to both Parties (acting reasonably) that is not more than 10 Business Days after the scheduled date of the Company Meeting but before the Outside Date

Section 7.05 Company Right to Match

(a) If the Buyer receives an Acquisition Proposal that constitutes a Competing Transaction prior to the Effective Date, the Buyer Board may authorize the Buyer

to, subject to compliance with Section 7.07, enter into a definitive agreement with respect to such Competing Transaction, if and only if:

(i) the Person making the Competing Transaction was not restricted from making such Competing Transaction pursuant to an existing standstill or similar restriction;

(ii) the Buyer has been, and continues to be, in compliance with its obligations under ARTICLE VII;

(iii) the Buyer has delivered to the Company a written notice of the determination of the Buyer Board that such Acquisition Proposal constitutes a Competing Transaction and of the intention of the Buyer Board to enter into a definitive agreement with respect to such Competing Transaction, together with a written notice from the Buyer Board regarding the value and financial terms that the Buyer Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Competing Transaction (the "**Competing Transaction Notice**");

(iv) the Buyer has provided the Company with a copy of the proposed definitive agreement for the Competing Transaction;

(v) at least seven (7) Business Days (the "**Company Matching Period**") have elapsed from the date that is the later of the date on which the Company received the Competing Transaction Notice from the Buyer and the date on which the Company received a copy of the proposed definitive agreement for the Competing Transaction from the Buyer;

(vi) during any Company Matching Period, the Company has had the opportunity (but not the obligation), in accordance with Section 7.05(b), to offer to the Buyer to amend this Agreement and the Arrangement in order for the Buyer Board to determine to abandon such Competing Transaction;

(vii) if the Company has offered to the Buyer to amend this Agreement and the Arrangement under Section 7.05(b), the Buyer Board has determined in good faith, after consultation with the Buyer's outside legal counsel and financial advisers, to proceed with such Competing Transaction;

(viii) the Buyer Board has determined in good faith, after consultation with the Buyer's outside legal counsel that it is appropriate for the Buyer Board to enter into a definitive agreement with respect to such Competing Transaction; and

(ix) prior to or concurrent with entering into such definitive agreement, the Buyer terminates this Agreement pursuant to Section 8.03 and pays the Buyer Termination Fee pursuant to Section 7.07.

(b) During the Company Matching Period, or such longer period as the Buyer may approve in writing for such purpose: (a) the Buyer Board shall review any offer made by the Company under Section 7.05(a)(vi) to amend the terms of this Agreement and the Arrangement in good faith, in consultation with the Buyer's outside legal counsel and financial advisers, in order to determine whether to abandon such Competing Transaction; and (b) if the Buyer Board determines to abandon such Competing Transaction as a result of such amendment, the Buyer shall negotiate in good faith with the Company to make such amendments to the terms of this Agreement and the Arrangement as would enable the Company to proceed with the transactions contemplated by this Agreement on such amended terms. If the Buyer Board determines to abandon such Competing Transaction, the Buyer shall promptly advise the Company of such determination and the Parties shall amend this Agreement to reflect such offer made by the Company, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

(c) Each successive amendment or modification to any Acquisition Proposal in respect of the Buyer shall constitute a new Acquisition Proposal for the purposes of this Section 7.05, and the Company shall be afforded a new Company Matching Period from the later of the date on which the Company received the new Competing Transaction Notice from the Buyer and the date on which the Company received a copy of the proposed definitive agreement for the new Competing Transaction from the Buyer.

(d) At the Company's request, the Buyer Board shall promptly reaffirm the Arrangement by press release after the Buyer Board determines to abandon such Competing Transaction. the Buyer shall provide the Company and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and shall make all reasonable amendments to such press release as requested by the Company and its outside legal counsel.

(e) If the Buyer provides a Competing Transaction Notice to the Company on or after a date that is less than seven (7) Business Days before the Company Meeting, the Company shall postpone the Company Meeting to a date acceptable to both Parties (acting reasonably) that is not more than 10 Business Days after the scheduled date of the Company Meeting but before the Outside Date

Section 7.06 Company Termination Fee

(a) Despite any other provision in this Agreement relating to the payment of fees and expenses, if a Company Termination Fee Event occurs, the Company shall pay the Buyer the Company Termination Fee in accordance with Section 7.06(c), and shall pay to the Buyer the principal amount, together with all accrued and unpaid interest, outstanding under the Bridge Loan in immediately available funds and provide to the Buyer evidence of such payment having been made.

(b) For the purposes of this Agreement, "**Company Termination Fee**" means $1,500,000 and "**Company Termination Fee Event**" means the termination of this Agreement:

(i) by the Buyer pursuant to Section 8.03(b);

(ii) by the Company pursuant to Section 8.04(b); or

(iii) by the Company or the Buyer pursuant to Section 8.02(a) or by the Buyer pursuant to Section 8.03(a) due to a wilful breach or fraud on the part of the Company if:

(A) following the date of this Agreement and prior to such termination, an Acquisition Proposal is made or publicly announced by any Person (other than the Buyer or any of its affiliates); and

(B) within 12 months following the date of such termination (i) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) is consummated or effected or (ii) the Company or any of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a Contract in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) and such Acquisition Proposal is later consummated (whether or not within 12 months after such termination).

(c) If a Company Termination Fee Event occurs due to a termination of this Agreement by the Company pursuant to Section 8.04(b), the Company Termination Fee shall be paid prior to or concurrently with the occurrence of such Company Termination Fee Event. If a Company Termination Fee Event occurs due to a termination of this Agreement by the Buyer pursuant to Section 8.03(b), the Company Termination Fee shall be paid within two (2) Business Days following such Company Termination Fee Event. If a Company Termination Fee Event occurs in the circumstances set out in Section 7.06(b)(iii), the Company Termination Fee shall be paid upon the consummation of the Acquisition Proposal referred to therein. Any Company Termination Fee shall be paid by the Company to the Buyer (or as the Buyer may direct by notice in writing), by wire transfer in immediately available funds to an account designated by the Buyer.

(d) If the Company does not have sufficient financial resources to pay the Company Termination Fee, then it shall be a condition of any Superior Proposal that the person making such Superior Proposal shall advance or otherwise provide to the Company the cash required for the Company to pay the Company Termination Fee, which amount shall be so advanced or provided before the date on which the Company is required to pay the Company Termination Fee.

(e) The Company acknowledges that the agreements contained in this Section 7.06 are an integral part of the transactions contemplated by this Agreement and that without these agreements the Buyer would not enter into this Agreement and that the amounts set out in this Section 7.06 represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, reputational damage and out-of-pocket expenditures which the Buyer will suffer or incur as a result of the event giving rise to such damages and the resultant termination of this Agreement and are not penalties. The Company irrevocably waives any right that it may have to raise as a defence that any such liquidated damages are excessive or punitive. In the event that the Company Termination Fee is paid in full to the Buyer (or as it directs) in the manner provided in this Section 7.06, no other amounts will be due and payable as damages or otherwise by the Company and the Buyer hereby accepts that such payments are the maximum aggregate amount that the Company shall be required to pay in lieu of any damages or any other payments or remedy which the Buyer may be entitled to in connection with this Agreement or the transactions contemplated by this Agreement; provided, however, that nothing contained in this Section 7.06 and no payment of the Company Termination Fee, shall relieve or have the effect of relieving the Company in any way for liability for damages incurred or suffered by the Buyer as a result of an intentional or wilful breach of this Agreement and nothing contained in this Section 7.06 shall preclude the Company from seeking injunctive relief in accordance with Section 9.05 to restrain the breach or threatened breach of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any of such acts, covenants or agreements, without the requirement for the securing or posting of any bond in connection therewith.

Section 7.07 Buyer Termination Fee

(a) Despite any other provision in this Agreement relating to the payment of fees and expenses, if a Buyer Termination Fee Event occurs, the Buyer shall pay the Company the Buyer Termination Fee in accordance with Section 7.07(c).

(b) For the purposes of this Agreement, "**Buyer Termination Fee**" means $1,500,000 and "**Buyer Termination Fee Event**" means the termination of this Agreement:

(i) by the Buyer pursuant to Section 8.03(c);

(ii) by the Company pursuant to Section 8.04(c); or

(iii) by the Company or the Buyer pursuant to Section 8.02(a) or by the Company pursuant to Section 8.04(a) due to a wilful breach or fraud on the part of the Buyer if:

(A) following the date of this Agreement and prior to such termination, an Acquisition Proposal is made or publicly announced by any Person (other than the Company or any of its affiliates); and

(B) within 12 months following the date of such termination (i) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) is consummated or effected or (ii) the Buyer or any of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a Contract in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) and such Acquisition Proposal is later consummated (whether or not within 12 months after such termination).

(c) If a Buyer Termination Fee Event occurs due to a termination of this Agreement by the Company pursuant to Section 8.04(c), the Buyer Termination Fee shall be paid prior to or concurrently with the occurrence of such Buyer Termination Fee Event. If a Buyer Termination Fee Event occurs due to a termination of this Agreement by the Buyer pursuant to Section 8.03(c), the Buyer Termination Fee shall be paid within two (2) Business Days following such Buyer Termination Fee Event. If a Buyer Termination Fee Event occurs in the circumstances set out in Section 7.07(b)(iii), the Buyer Termination Fee shall be paid upon the consummation of the Acquisition Proposal referred to therein. Any Buyer Termination Fee shall be paid by the Buyer to the Company (or as the Company may direct by notice in writing), by wire transfer in immediately available funds to an account designated by the Company.

(d) The Buyer acknowledges that the agreements contained in this Section 7.07 are an integral part of the transactions contemplated by this Agreement and that without these agreements the Company would not enter into this Agreement and that the amounts set out in this 07 represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, reputational damage and out-of-pocket expenditures which the Company will suffer or incur as a result of the event giving rise to such damages and the resultant termination of this Agreement and are not penalties. The Buyer irrevocably waives any right that it may have to raise as a defence that any such liquidated damages are excessive or punitive. In the event that the Buyer Termination Fee is paid in full to the Company (or as it directs) in the manner provided in this Section 7.07, no other amounts will be due and payable as damages or otherwise by the Buyer and the Company hereby accepts that such payments are the maximum aggregate amount that the Buyer shall be required to pay in lieu of any damages or any other payments or remedy which the Company may be entitled to in connection with this Agreement or the transactions contemplated by this Agreement; provided, however, that nothing contained in this Section 7.07 and no payment of the Buyer Termination Fee, shall relieve or have the effect of relieving the Buyer in any way for liability for damages incurred or suffered by the Company as a result of an

intentional or wilful breach of this Agreement and nothing contained in this Section 7.07 shall preclude the Company from seeking injunctive relief in accordance with Section 9.05 to restrain the breach or threatened breach of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any of such acts, covenants or agreements, without the requirement for the securing or posting of any bond in connection therewith.

Section 7.08 Non-Circumvention. The Company acknowledges and agrees that for a period of 12 months following the date of expiration or earlier termination of this Agreement, regardless of the manner of or reason for such termination, it will not, without the prior written consent of the Buyer, directly or indirectly negotiate with, contract with, solicit or enter into any business arrangements (including, without limiting the generality of the foregoing, any acquisition) with any party introduced to the Company, directly or indirectly, by the Buyer, including Parity Partners, Bert James, Hielscher Ultrasonic GmbH, and Tanforan Ventures (any of the foregoing activities, a "**Circumventing Transaction**"). If the Company breaches this clause and engages in a Circumventing Transaction during the aforementioned 12 month period, the Buyer shall be entitled to such remedies, whether at law, in equity, in contract, or otherwise, as may have been available to the Buyer if the Circumventing Transaction occurred during the term of this Agreement.

ARTICLE VIII
TERMINATION

Section 8.01 Termination by Mutual Consent. This Agreement may be terminated prior to the Effective Time by the mutual written agreement of the Company and the Buyer.

Section 8.02 Termination by Either Party. This Agreement may be terminated by either the Company or the Buyer at any time prior to the Effective Time if:

(a) the Company Meeting is duly convened and held and the Arrangement Resolution is voted on by the Company Shareholders and not approved by the Company Shareholders as required by the Interim Order;

(b) after the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Company or the Buyer from consummating the Arrangement and such Law has, if appealable, become final and non-appealable; or

(c) the Effective Time does not occur on or prior to the Outside Date; *provided that*, the right to terminate this Agreement pursuant to this Section 8.02(c) shall not be available to a Party whose failure to fulfil any of its obligations or breach of any of its representations and warranties under this Agreement has been a principal cause of, or resulted in, the failure of the Effective Time to occur by such date.

Section 8.03 Termination by the Buyer. This Agreement may be terminated by the Buyer at any time prior to the Effective Time if:

(a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company under this Agreement occurs that would cause any condition in Section 6.02(a) or Section 6.02(b) not to be satisfied and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 6.04; provided that, any wilful breach shall be deemed to be incapable of being cured and the Buyer is not then in breach of this Agreement so as to cause any of the conditions in Section 6.03(a) or Section 6.03(b) not to be satisfied;

(b) prior to the approval by the Company Shareholders of the Arrangement Resolution: (i) the Company Board fails to unanimously recommend, withdraws, amends, modifies or qualifies in a manner that has substantially the same effect, or fails to publicly reaffirm within five (5) Business Days after having been requested to do so by the Buyer, acting reasonably, the approval or recommendation of the Arrangement or the Arrangement Resolution (a "**Company Change in Recommendation**"); (ii) the Company Board approves, recommends or authorizes the Company to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.03(a)(iv) concerning an Acquisition Proposal; or (iii) the Company breaches ARTICLE VII in any material respect;

(c) prior to the approval of the Arrangement Resolution by the Company Shareholders, the Buyer Board fails to unanimously recommend, withdraws, amends, modifies or qualifies in a manner that has substantially the same effect, or fails to publicly reaffirm within five (5) Business Days after having been requested to do so by the Company, acting reasonably, the approval or recommendation of the Arrangement or the Arrangement Resolution (a "**Buyer Change in Recommendation**") or the Buyer enters into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.03(a)(iv) with respect to a Competing Transaction; provided that, the Buyer is then in compliance with ARTICLE VII and that prior to or concurrent with such termination the Buyer pays the Buyer Termination Fee in accordance with Section 7.07; or

(d) there has occurred a Company Material Adverse Effect which is incapable of being cured on or before the Outside Date.

Section 8.04 Termination by the Company. This Agreement may be terminated by the Company at any time prior to the Effective Time if:

(a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Buyer under this Agreement occurs that would cause any condition in Section 6.03(a) or Section 6.03(b) not to be satisfied and such breach or failure is incapable of being cured or is not cured in accordance with the

terms of Section 6.04; provided that, any wilful breach shall be deemed to be incapable of being cured and the Company is not then in breach of this Agreement so as to cause any of the conditions in Section 6.02(a) or Section 6.02(b) not to be satisfied; or

(b) prior to the approval of the Arrangement Resolution by the Company Shareholders, the Company Board makes a Company Change in Recommendation or the Company enters into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.03(a)(iv)) with respect to a Superior Proposal; provided that, the Company is then in compliance with ARTICLE VII and that prior to or concurrent with such termination the Company pays the Company Termination Fee and the principal amount, together with all accrued and unpaid interest, outstanding under the Bridge Loan have been paid to the Buyer in accordance with Section 7.05(c); or

(c) prior to the approval by the Company Shareholders of the Arrangement Resolution: (i) the Buyer Board makes a Buyer Change in Recommendation; (ii) the Buyer Board approves, recommends or authorizes the Buyer to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.03(a)(iv) concerning an Acquisition Proposal; or (iii) the Buyer breaches ARTICLE VII in any material respect.

Section 8.05 Notice of Termination; Effect of Termination. The Party desiring to terminate this Agreement pursuant to this ARTICLE VIII (other than pursuant to Section 8.01) shall deliver written notice of such termination to the other Party specifying in reasonable detail the basis for such Party's exercise of its termination right. If this Agreement is terminated pursuant to this ARTICLE VIII, it will become void and of no further effect, with no liability on the part of either Party to this Agreement (or any shareholder, director, officer, employee, agent, consultant or representative of such Party) except with respect to the obligations set forth in this Section 8.05, Section 5.06, Section 7.06, Section 7.07 and ARTICLE IX (and any related definitions contained in any such Sections or Article) which shall remain in full force and effect and; provided further that, no Party shall be relieved of any liability for any intentional or wilful breach by it of this Agreement.

ARTICLE IX
GENERAL PROVISIONS

Section 9.01 Amendments. This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Company Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Company Shareholders and any such amendment may, subject to the Interim Order and the Final Order and applicable Laws, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) modify any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;

(c) modify any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties; or

(d) modify any mutual conditions contained in this Agreement.

Section 9.02 Expenses. Except as otherwise expressly provided in this Agreement, the Parties agree that all out-of-pocket expenses of the Parties relating to this Agreement or the transactions contemplated under this Agreement, including legal fees, accounting fees, financial advisory fees, regulatory filing fees, stock exchange fees, all disbursements of advisors and printing and mailing costs, shall be paid by the Party incurring such expenses.

Section 9.03 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by email, or as of the following Business Day if sent by prepaid overnight courier, to the Parties at the following addresses (or at such other addresses as shall be specified by either Party by notice to the other given in accordance with these provisions):

in the case of a notice to the Buyer, addressed to it at:

World Class Extractions Inc.
1 Adelaide Street East, Suite 801
Toronto, Ontario
M5C 2V9

Attention: Donal Carroll, Chief Financial Officer
Email: donal@wcextractions.com

with a copy (not constituting notice) to:

Garfinkle Biderman LLP
Dynamic Funds Tower, 1 Adelaide Street East, Suite 801
Toronto, Ontario M5C 2V9

Attention: Barry M. Polisuk
Email: bpolisuk@garfinkle.com

and in the case of a notice to the Purchaser, addressed to it at:

Quadron Cannatech Corporation
Suite 308 - 9080 University Crescent
Burnaby, British Columbia
V5A 0B7

Attention: Leo Chamberland, President
Email: Leo@quadroncannatech.com

with a copy (not constituting notice) to:

Cassels Brock & Blackwell LLP
2200 HSBC Building, 885 West Georgia Street
Vancouver, British Columbia
V6C 3E8

Attention: Jeff Durno
Email: jdurno@casselsbrock.com

Section 9.04 Time of the Essence. Time is of the essence in this Agreement.

Section 9.05 Injunctive Relief. Subject to Section 7.06(e) and Section 7.07(d), the Parties acknowledge and agree that irreparable harm would occur for which money damages would not be an adequate remedy at Law if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief.

Section 9.06 Further Assurances. Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

Section 9.07 Third-Party Beneficiaries. Except as provided in Section 5.06 which, without limiting its terms, is intended for the benefit of the present and former directors and officers of the Company and its Subsidiaries, as and to the extent applicable in accordance with its terms (collectively, the "**Third-Party Beneficiaries**"), the Parties intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. The Parties acknowledge to each of the Third-Party Beneficiaries their direct rights against the applicable Party under Section 5.06 which are intended for the irrevocable benefit of, and shall be enforceable by, each Third-Party Beneficiary, his or her heirs, executors, administrators and legal representatives, and for such purpose, the Company shall hold the rights and benefits of Section 5.06 in trust for and on behalf of the Third-Party Beneficiaries and the Company hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third-Party Beneficiaries.

Section 9.08 Waiver. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or

partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

Section 9.09 Entire Agreement. This Agreement, together with the Company Disclosure Letter, constitute the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings and negotiations, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement.

Section 9.10 Successors and Assigns. This Agreement shall be binding upon and enure to the benefit of the Company, the Buyer and their successors and permitted assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 9.11 Severability. If any term or provision of this Agreement is determined to be illegal, invalid or incapable of being enforced by any court of competent jurisdiction, that term or provision will be severed from this Agreement and the remaining terms and provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 9.12 Governing Law; Submission to Jurisdiction; Choice of Language

(a) This Agreement shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal laws of Canada applicable therein.

(b) Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under and in relation to this Agreement or the Arrangement and waives, to the fullest extent possible, the defence of an inconvenient forum or any similar defence to the maintenance of proceedings in such courts.

(c) The Parties confirm that it is their express wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only.

Section 9.13 Rules of Construction. The Parties to this Agreement waive the application of any applicable Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

Section 9.14 No Liability. No director or officer of the Buyer shall have any personal liability whatsoever to the Company under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Buyer. No director or

officer of the Company shall have any personal liability whatsoever to the Buyer under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Company.

Section 9.15 Counterparts. This Agreement may be executed by facsimile or other electronic signature and in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Arrangement Agreement as of the date first written above.

WORLD CLASS EXTRACTIONS INC.

By: *"Donal Carroll" (signed)*
Name: Donal Carroll
Title: Chief Financial Officer

QUADRON CANNATECH CORPORATION

By: *"Leo Chamberland" (signed)*
Name: Leo Chamberland
Title: President

Schedule A
Plan of Arrangement

(See attached)

FORM OF PLAN OF ARRANGEMENT

UNDER DIVISION 5 OF PART 9 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

ARTICLE I INTERPRETATION

Section 1.01 Definitions

As used in this Plan of Arrangement, the following terms have the following meanings:

"**Amalco**" has the meaning ascribed thereto in Section 2.03(b).

"Arrangement Agreement" means the Arrangement Agreement dated April 15, 2019 between the Company and the Buyer (including the schedules) as it may be amended, modified or supplemented from time to time in accordance with its terms.

"Dissent Rights" has the meaning set forth in Section 3.01.

"Dissenting Shareholder" means a registered Company Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder.

"Effective Time" means 12:01 a.m. (Vancouver Time) on the Effective Date or such other time as the Parties agree to in writing before the Effective Date.

"Letter of Transmittal" means the letter of transmittal to be sent by the Company to Company Shareholders for use by Company Shareholders with respect to the Arrangement.

"Plan of Arrangement", "**hereof**", "**herein**", "**hereto**" and like references mean and refer to this plan of arrangement.

"**Subco**" means **[●]**, a corporation incorporated under the BCBCA and a wholly-owned subsidiary of the Buyer.

"**Subco Share**" means a common share in the capital of Subco.

Words and phrases used herein that are defined in the Arrangement Agreement and not defined herein shall have the same meaning herein as in the Arrangement Agreement, unless the context otherwise requires. Words and phrases used herein that are defined in the BCBCA and not defined herein or in the Arrangement Agreement shall have the same meaning herein as in the BCBCA, unless the context otherwise requires.

Section 1.02 Interpretation Not Affected by Headings, Etc. The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement.

Section 1.03 Article and Section References. Unless the contrary intention appears, references in this Plan of Arrangement to an Article or Section by number or letter or both refer to the Article or Section respectively, bearing that designation in this Plan of Arrangement.

Section 1.04 Number and Gender. In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and vice versa and words importing gender shall include all genders.

Section 1.05 Date for Any Action. If the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

Section 1.06 Statutory References. Unless otherwise indicated, references in this Plan of Arrangement to any statute includes all rules and regulations made pursuant to such statute, as it or they may have been or may from time to time be amended or re-enacted.

Section 1.07 Currency. Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

ARTICLE II ARRANGEMENT

Section 2.01 Arrangement Agreement. This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

Section 2.02 Binding Effect. The Arrangement will become effective at, and be binding at and after, the Effective Time on:

(a) the Company;

(b) the Buyer;

(c) Subco;

(d) Amalco;

(e) all of the Company Shareholders;

(f) all holders of Company Options and Company Warrants and any securities into which they may be exchanged or otherwise converted pursuant to Section 2.03 of this Plan of Arrangement; and

(g) the Depositary.

Section 2.03 Arrangement. Commencing at the Effective Time, the following events or transactions shall occur and shall be deemed to occur in the following sequence without any further act or formality:

(a) each outstanding Company Share held by Dissenting Shareholders shall be deemed to have been transferred by the holder thereof to the Buyer free and clear of all Liens and each Dissenting Shareholder shall cease to have any rights as a Company Shareholder other than the right to be paid the fair value of their Company Shares by the Buyer in accordance with ARTICLE III and the name of such holder shall be removed from the register of holders of Company Shares and the Buyer shall be recorded as the registered holder of the Company Shares so transferred and shall be deemed to be the legal and beneficial owner thereof, free and clear of any Liens;

(b) the Company and Subco will be amalgamated under Division 5 of Part 9 of the BCBCA and continue as one company ("**Amalco**") as if they were amalgamated under section 276 of the BCBCA on the following terms and otherwise on the terms set out in this Plan of Arrangement and the Final Order implementing it:

(i) the name of the Amalco will be "Quadron Cannatech Corporation";

(ii) Amalco will have, as its notice of articles, the notice of articles of the Company in effect immediately before the Effective Date;

(iii) Amalco will have as its articles, the articles of the Company in effect immediately before the Effective Date;

(iv) Amalco will become capable immediately of exercising the functions of an incorporated company;

(v) Amalco will have the powers and obligations of a business corporation provided in the BCBCA;

(vi) the number of directors of the Amalco will be set at one;

(vii) the first director of the Amalco will be Rosy Mondin;

(viii) the property, rights and interests of each of Subco and the Company will continue to be the property, rights and interests of the Amalco;

(ix) the registered office of the Amalco will be the registered office of the Buyer;

(x) Amalco will continue to be liable for the obligations of each of Subco and the Company;

(xi) an existing cause of action or claim by or against, or liability of, or legal proceeding being prosecuted by or against, either of Subco or the Company is unaffected by the amalgamation, and every such action, claim, liability or legal proceeding will continue and may be pursued by or against the Amalco as the case may be;

(xii) every conviction against, or ruling, order or judgment in favour of or against either of the Subco and the Company may be enforced by or against the Amalco as the case may be;

(xiii) the issued and outstanding Company Shares and Subco Shares shall be exchanged (free and clear of any Liens) for Buyer Shares or converted into issued and outstanding Amalco Shares as follows:

(A) each Company Share held by a Company Shareholder, other than a Dissenting Shareholder, shall be cancelled and the holder's name shall be removed from Amalco's central securities register, and in consideration therefor the holder thereof shall receive two Consideration Shares for each Company Share previously-held by such Company Shareholder, provided that no fractional Consideration Share shall be issued to a Company Shareholder pursuant to the exchange set out herein;

(B) any Company Share held by a Dissenting Shareholder that is acquired by the Buyer pursuant to Section 3.01 hereof shall be converted, on a share for share basis, into Amalco Shares;

(C) the Buyer shall receive one fully paid and non-assessable share in the capital of Amalco for each common share of Subco held by the Buyer immediately before the Effective Time, and all such common shares of Subco will be cancelled;

(D) Amalco shall issue to the Buyer one common share in the capital of Amalco for each Consideration Share issued; and

(E) the amount added to the capital of the Buyer shall be the paid-up capital (as that term is used for the purposes of the Tax Act) of the Company Shares (other than the Company Shares held by Dissenting Shareholders or the Buyer) immediately prior to the Effective Time.

Section 2.04 No Fractional Buyer Shares. No fractional Buyer Shares shall be issued to any person pursuant to this Plan of Arrangement. The number of Buyer Shares, to be issued to any person pursuant to this Plan of Arrangement (including pursuant to any exercise of Company Warrants or Company Options in accordance with Section 4.01 or Section 4.02, respectively) shall, without additional compensation, be rounded down to the nearest whole Buyer Share.

Section 2.05 Adjustment to Consideration. If, after the date of this Agreement and prior to the Effective Time, the Buyer changes the number of Buyer Shares issued and outstanding as a result of a reclassification, stock split (including a reverse stock split), stock dividend or stock distribution, recapitalization, subdivision or similar transaction, the Consideration shall be equitably adjusted to eliminate the effects of such event on the Consideration.

ARTICLE III DISSENT RIGHTS

Section 3.01 Dissent Rights.

Registered holders of Company Shares may exercise rights of dissent ("**Dissent Rights**") with respect to such shares pursuant to and in the manner set forth in under Division 2 of Part 8 of the BCBCA as modified and supplemented by the Interim Order, the Final Order and this Section 3.01 in connection with the Arrangement; provided that, notwithstanding (a) Section 242 of the BCBCA, the written objection to the Arrangement Resolution contemplated by Section 242 of the BCBCA must be sent to and received by the Company not later than 5:00 p.m. (Vancouver time) three Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time) and (b) Section 245 of the BCBCA, the Buyer and not the Company shall be required to pay the fair value of such Company Shares.

Registered holders of Company Shares who duly exercise such rights of dissent and who:

(a) are ultimately determined to be entitled to be paid fair value for their Company Shares shall be entitled to be paid by the Buyer for the Company Shares in respect of which they have validly exercised Dissent Rights will be deemed to have irrevocably transferred such Company Shares to the Buyer (free and clear of all Encumbrance) pursuant to Section 2.03(a); or

(b) are ultimately not entitled, for any reason, to be paid fair value for their Company Shares by the Buyer for the Company Shares in respect of which they have exercised Dissent Rights, will be deemed to have participated in the Arrangement on the same basis as a holder of Company Shares to which Section 2.03(b) applies;

but in no case shall the Company, the Buyer or any other Person, including the Depositary, be required to recognize any Dissenting Shareholder as a holder of Company Shares after the Effective Time, and each Dissenting Shareholder will cease to be entitled to the rights of a Company Shareholder in respect of the Company Shares in relation to which such Dissenting Shareholder has exercised Dissent Rights and the names of each Dissenting Shareholder will be removed from the registers of holders of Company Shares at the Effective Time.

For greater certainty, and in addition to any other restriction under Division 2 of Part 8 of the BCBCA, holders of

(a) Company Options;

(b) Company Warrants; and

(c) Company Shares who vote, or who have instructed a proxyholder to vote, in favour of the Arrangement Resolution,

will not be entitled to any Dissent Rights.

ARTICLE IV COMPANY WARRANTS AND COMPANY OPTIONS

Section 4.01 Company Warrants. In accordance with the terms set out on the certificates representing the Company Warrants, at and following the Effective Time, each holder of a Company Warrant shall be entitled to receive (and such holder shall accept) upon the exercise of such holder's Company Warrant, for the same aggregate consideration payable thereupon: (i) the Consideration Shares which the holder would have been entitled to receive as a result of the transactions contemplated by this Plan of Arrangement if, immediately prior to the Effective Time, such holder had been the registered holder of the number of Company Shares to which such holder would have been entitled if such holder had exercised such Company Warrant immediately prior to the Effective Time. Each Company Warrant shall continue to be governed by and be subject to the terms of the certificate representing each Company Warrant.

Section 4.02 Company Options. In accordance with the terms set out in the Company Stock Option Plan, each holder of a Company Option shall be entitled to receive (and such holder shall accept) upon the exercise of such holder's Company Option, for the same aggregate consideration payable thereupon: (i) the Consideration Shares which the holder would have been entitled to receive as a result of the transactions contemplated by this Plan of Arrangement if, immediately prior to the Effective Time, such holder had been the registered holder of the number of Company Shares to which such holder would have been entitled if such holder had exercised such Company Option immediately prior to the Effective Time. Each Company Option shall continue to be governed by and be subject to the terms of the Company Stock Option Plan.

ARTICLE V PAYMENT AND DELIVERY OF SHARE CERTIFICATES

Section 5.01 Payment and Delivery of Share Certificates.

(a) At or before the Effective Time, the Buyer shall deposit or cause to be deposited with the Depositary, for the benefit of and to be held on behalf of Company Shareholders entitled to receive Consideration under Section 2.03(b), certificates representing the Buyer Shares to be distributed to the Company Shareholders, which certificates shall be held by the Depository as agent and nominee for such Company Shareholders and for distribution in accordance with Subsection 5.01(b).

(b) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Company Shares, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the Depositary shall deliver to the applicable Company Shareholder, as soon as practicable (in each case, less any amounts withheld pursuant to Section 5.03) the certificate(s) representing, or other evidence of, the Buyer Shares that such Company Shareholder is entitled to receive under the Arrangement.

(c) After the Effective Time and until surrendered for cancellation as contemplated by Section 5.01(b), each certificate which immediately prior to the Effective Time represented outstanding Company Shares shall be deemed at all times to represent only the right to receive upon surrender or Consideration as contemplated in Section 5.01(b).

(d) No dividend or other distribution declared or made after the Effective Time with respect to Buyer Shares with a record date after the Effective Time shall be paid to the holder of any unsurrendered certificate which, immediately prior to the Effective Time, represented outstanding Company Shares unless and until the holder of such certificate shall have complied with the provisions of Section 5.01 or Section 5.02. Subject to applicable Laws and to Section 5.03, at the time of such compliance, any such holder entitled to receive Buyer Shares shall receive, in addition to the delivery of the certificate(s) representing, or other evidence of, the Buyer Shares, a cheque for the amount of any such dividend or distribution with a record date after the Effective Time, without interest, previously paid with respect to such Buyer Shares.

Section 5.02 Lost Certificates. In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Shares that were exchanged pursuant to Section 2.03(b) shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, the Consideration, that such Person is entitled to receive pursuant to Section 2.03(b), net of amounts required to be withheld pursuant to Section 5.03. When authorizing the delivery of such consideration in exchange for any lost, stolen or destroyed certificate, the Person to whom the consideration is being delivered shall, as a condition precedent to the delivery of such consideration, give a bond satisfactory to the Buyer and the Depositary in such sum as the Buyer may direct or otherwise indemnify the Buyer and the Depositary in a manner satisfactory to the Buyer and the Depositary against any claim that may be made against the Buyer or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 5.03 Withholding Rights. The Company, the Buyer and the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable under this Plan of Arrangement, such amounts as the Company, the Buyer or the Depositary is permitted or required to deduct and withhold with respect to such payment under the Tax Act or any provision of applicable Laws and shall remit such amounts to the appropriate Governmental Entity. To the extent that the amounts are so deducted and withheld, such deducted and withheld amounts shall be treated for all purposes as having been paid to the affected holder in respect of which such deduction and withholding was made.

Section 5.04 No Liens. Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

Section 5.05 Paramountcy. From and after the Effective Time:

(a) this Plan of Arrangement shall take precedence and priority over any and all Company Shares, Company Warrants, and Company Options issued prior to the Effective Time;

(b) the rights and obligations of the registered holders of Company Shares, Company Warrants, and Company, and the Company, the Buyer, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement; and

(c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Company Shares, Company Warrants, and Company, shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

ARTICLE VI AMENDMENTS

Section 6.01 Amendments to Plan of Arrangement

(a) The Buyer and the Company may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time; provided that, each such amendment, modification and/or supplement must: (i) be set out in writing; (ii) be approved by the Buyer and the Company; (iii) be filed with the Court and, if made following the Company Meeting, approved by the Court; and (iv) be communicated to Company Shareholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or the Buyer at any time prior to the Company Meeting (provided that the Company or the Buyer, as applicable, shall have consented thereto in writing) with or without any other prior notice or communication and, if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if: (i) it is consented to in writing by each of the Buyer and the Company (in each case, acting reasonably); and (ii) if required by the Court, it is consented to by holders of the Company Shares, voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Buyer; provided that, it concerns a matter which, in the reasonable opinion of the Buyer, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.

ARTICLE VII FURTHER ASSURANCES

Section 7.01 Further Assurances. Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

Schedule B
Arrangement Resolution

(See attached)

SCHEDULE “B”
ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE QUADRON SHAREHOLDERS THAT:

1. The arrangement (the “**Arrangement**”) under Division 5 of Part 9 of the *Business Corporations Act (British Columbia)* (the “**BCBCA**”) involving Quadron Cannatech Corporation, a corporation existing under the laws of British Columbia (“**Quadron**”), its shareholders and World Class Extractions Inc., a corporation existing under the laws of British Columbia (“**World Class**”) all as more particularly described and set forth in the management information circular (the “**Circular**”) of Quadron dated May [●], 2019 accompanying the notice of meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.

2. The plan of arrangement (the “**Plan of Arrangement**”), implementing the Arrangement, the full text of which is appended to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.

3. The arrangement agreement (the “**Arrangement Agreement**”) between Quadron and World Class dated April 15, 2019 and all the transactions contemplated therein, the actions of the directors of Quadron in approving the Arrangement and the actions of the directors and officers of Quadron in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved.

4. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of Quadron or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Quadron are hereby authorized and empowered, without further notice to, or approval of, the shareholders of Quadron:

    (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or

    (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

5. Any director or officer of Quadron is hereby authorized and directed, for and on behalf of Quadron to execute articles of arrangement (the “**Articles of Agreement**”) to give effect to the Plan of Arrangement and to deliver such other documents as are necessary or desirable under the BCBCA in accordance with the Articles of Arrangement.

6. Any director or officer of Quadron is hereby authorized and directed, for and on behalf and in the name of Quadron, to execute and deliver, whether under the corporate seal of Quadron or otherwise, all such deeds, instruments, assurances, agreements, forms, waivers, notices, certificates, confirmations and other documents and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement, the Articles of Arrangement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

    (a) all actions required to be taken by or on behalf of Quadron, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and

    (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Quadron;

    such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

Schedule C
Company Locked-Up Shareholders

(See attached)

SCHEDULE “C”
LOCKED UP COMPANY SHAREHOLDERS

Shareholder	Number of Company Shares
[REDACTED]	2,350,000
[REDACTED]	
	1,670,000
[REDACTED]	
	264,870
[REDACTED]	
	815,000
[REDACTED]	
	1,400,000
[REDACTED]	
	307,000
[REDACTED]	
	4,050,000
[REDACTED]	
[REDACTED]	
	2,517,500
[REDACTED]	
	1,547,776
	1,537,208
	16,459,354
QCC I&O	71,650,447
Percentage	23%