

**BUSINESS COMBINATION AGREEMENT**

**AMONG:**

**STRALAK RESOURCES INC.**

**and**

**12954991 CANADA INC.**

**and**

**HEMPSANA INC.**

**MADE AS OF APRIL 23, 2021**

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- Schedule “A” – Amalgamation Agreement
- Schedule “B” – Hemsana Disclosure Schedule
- Schedule “C” – Stralak Disclosure Schedule
- Schedule “D” – Resolutions

## BUSINESS COMBINATION AGREEMENT

THIS AGREEMENT is made as of April 23, 2021

AMONG:

**STRALAK RESOURCES INC.**, a corporation existing under the *Business Corporations Act* (British Columbia),

(hereinafter called “**Stralak**”),

- and -

**12954991 CANADA INC.**, a corporation incorporated under the *Canada Business Corporations Act*,

(hereinafter called “**Subco**”),

- and –

**HEMPSANA INC.**, a corporation incorporated under the *Canada Business Corporations Act*,

(hereinafter called “**Hempsana**”),

**WHEREAS** Stralak is a reporting issuer in the provinces of British Columbia and Alberta, whose common shares are not listed on any stock exchange;

**AND WHEREAS** Hempsana is engaged in the Hempsana Business (as defined herein);

**AND WHEREAS** Stralak desires to acquire all of the issued and outstanding shares of Hempsana by means of a three-cornered amalgamation among Stralak, Hempsana and Subco;

**NOW THEREFORE**, in consideration of the covenants and agreements herein contained, the parties agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.01 Defined Terms

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Accredited Investor**” means an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;

“**Affiliate**” of any person means, at the time such determination is being made, any other person who has control or who is controlled by or under common control with such first person, where “**control**” means the possession, directly or indirectly, of the power to direct the management and policies of a person through the legal or beneficial ownership of voting securities, the right to appoint directors or

management, by contract, voting trust, or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing;

“**Agreement**” means this agreement, including its recitals and schedules, as amended from time to time;

“**Amalco**” has the meaning set out in Section 2.01(iv);

“**Amalco Shares**” means common shares in the capital of Amalco;

“**Amalgamation**” means the amalgamation of Hemsana and Subco pursuant to Section 181 of the CBCA as contemplated by this Agreement;

“**Amalgamation Agreement**” means the amalgamation agreement in the form attached hereto as Schedule “A” to be entered into between Stralak, Hemsana and Subco pursuant to section 182 of the CBCA to effect the Amalgamation;

“**Articles of Amalgamation**” means the articles of Amalgamation to be filed with the Director, in the form agreed to between Stralak and Hemsana, each acting reasonably;

“**Assets**” means the assets, undertaking, property and rights of Hemsana of every kind and description and wheresoever situated, including the Contracts to which Hemsana is a party or has rights or obligations under and all other assets and property that Hemsana purports to own and all assets and property reflected as being owned by Hemsana in its financial books and records;

“**Authorization**” means any order, permit, approval, consent, waiver, license, certificates, registrations or similar authorization of any Governmental Authority having jurisdiction including, but not limited to, environmental permits;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended;

“**Board Change**” has the meaning set out in Section 6.11(i);

“**Business Combination**” means the business combination among Stralak, Subco and Hemsana pursuant to which Hemsana Shareholders will receive New Stralak Shares on the basis of one New Stralak Share for each one Hemsana Common Share held and Stralak will become the parent company of Amalco;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario or Vancouver, British Columbia;

“**Canadian Jurisdictions**” means each of the provinces of British Columbia and Alberta;

“**Canadian Securities Laws**” means all applicable securities Laws in each of the Canadian Jurisdictions and the respective rules and regulations made thereunder, together with applicable published policy statements, instruments, orders and rulings of the securities regulatory authorities in such provinces having the force of law;

“**CBCA**” means the *Canada Business Corporations Act*, as amended;

“**Compelled Disclosure**” has the meaning set out in Section 6.03(iv)(ii);

“**Confidential Information**” has the meaning set out in Section 6.03(i);

“**Consolidation**” means the consolidation of the Stralak Shares into an aggregate number of New Stralak Share equal to either (A) if the Hemsana Private Placements are completed for aggregate cash gross proceeds of a minimum of \$3,000,000 on or prior to June 7, 2021 (the “**Minimum Financing**”), 1,200,000 New Stralak Shares, or (B) 1,500,000 New Stralak Shares, if the Minimum Financing is not completed by June 7, 2021;

“**Consolidation Resolution**” means the resolution approving the Consolidation, substantially as set out in Schedule “D” to this Agreement;

“**Constituting Documents**” means, in respect of a body corporate, the articles and the by-laws, or other charter documents, together with any amendments thereto or replacements thereof;

“**Contaminants**” means any radioactive materials, asbestos materials, urea formaldehyde, hydrocarbon contaminants, underground or above-ground tanks, pollutants, contaminants, deleterious substances, dangerous substances or goods, hazardous, corrosive, or toxic substances, special waste or waste of any kind, or any other substance, the storage, manufacture, disposal, treatment, generation, use, transport, remediation, or Release into the environmental of which is prohibited, controlled, or regulated under Environmental Laws;

“**Contract**” means any agreement, contract, licence, undertaking, option, engagement, or commitment of any nature, written or oral, including but not limited to any: (i) lease of personal property, (ii) unfilled purchase order, (iii) forward commitment for supplies or materials or other forward contract, and (iv) restrictive agreement or negative covenant agreement;

“**CSE**” means the Canadian Securities Exchange;

“**CSE Listing**” has the meaning set out in Section 6.04(iii);

“**Director**” means the Director appointed under section 260 of the CBCA;

“**Disclosing Party**” has the meaning set out in Section 6.03(i);

“**Dissent Rights**” means, as applicable, the dissent rights exercisable by the Hemsana Dissenting Shareholders with respect to the Amalgamation;

“**Effective Date**” means the effective date set forth in the certificate of amalgamation issued by the Director pursuant to the CBCA in respect of the Amalgamation;

“**Effective Time**” means the earliest moment on the Effective Date;

“**Employee Plans**” means, with respect to a party to this Agreement (the “**Applicable Party**”), all employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, pension, retirement, stock option, stock purchase, stock appreciation, stock award, health, welfare, medical, dental, disability, life insurance and similar plans, programmes, arrangements or practices relating to the current or former directors, officers, or employees of the Applicable Party and its Subsidiaries, maintained, funded or sponsored or required to be contributed to by the Applicable Party or a Subsidiary thereof, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered, under which the Applicable Party or a Subsidiary thereof may have or would be reasonably expected to have any material Liability,

contingent or otherwise, except for any statutory plans to which the Applicable Party or any of its Subsidiaries is obliged to contribute or comply with including the Canada/Québec Pension Plan, or plans administered pursuant to applicable federal or provincial health, worker's compensation or employment insurance legislation;

**"Encumbrance"** means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that, in substance secures payment or performance of an obligation;

**"Environmental Laws"** means any federal, state, provincial, territorial or local law, statute, ordinance, rule, regulation, order, decree, judgment, injunction, permit, license, authorization or other binding requirement, or common law, relating to health, safety or the regulation, protection, cleanup or restoration of the environment or natural resources, including those relating to the distribution, processing, generation, treatment, control, storage, disposal, transportation, other handling or release or threatened release of Contaminants;

**"Environmental Liabilities"** means, with respect to any Person, all liabilities, remedial and removal costs, investigation costs, capital costs, operation and maintenance costs, losses, damages, (including punitive damages, property damages, consequential damages and treble damages), costs and expenses, fines, penalties and sanctions incurred as a result of, or related to, any claim, suit, action, administrative order, investigation, proceeding or demand by any person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law arising under, or related to, any Environmental Laws or permits, or in connection with any Release or threatened Release whether on, at, in, under, from or about or in the vicinity of any real or personal property;

**"Exchange Ratio"** means one (1) New Stralak Share to be issued by Stralak in exchange for one (1) Hemsana Common Share pursuant to the Amalgamation;

**"Finder Shares"** means Stralak Shares that may be issued to certain third parties in connection with their assistance in arranging the Business Combination, and which shall be issued prior to the Consolidation, and shall comprise a portion of the 1,200,000 or 1,500,000 New Stralak Shares issued and outstanding following the Consolidation;

**"Governmental Authority"** means (i) any international, multinational, national, federal, provincial, state, municipal, local or other government or governmental or public ministry, department, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, (iii) any quasi-governmental body exercising any regulatory, expropriation or taxing authority, or (iv) any stock exchange or securities market;

**"Government Official"** means:

- (i) any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Authority,
- (ii) any salaried political party official, elected member of political office or candidate for political office, or
- (iii) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses;



“**Hazardous Materials**” means chemicals, fluids, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products;

“**Hempsana**” means Hempsana Inc., a corporation incorporated under the CBCA;

“**Hempsana Amalgamation Resolution**” means the special resolution of the Hempsana Shareholders approving the Amalgamation, as set out in Schedule “D” to this Agreement;

“**Hempsana Business**” means the business of processing, manufacturing and selling cannabis derivatives and cannabis end products;

“**Hempsana Circular**” means the management information circular of Hempsana to be provided to the Hempsana Shareholders in respect of the Amalgamation and the other matters (if any) to be considered at the Hempsana Meeting;

“**Hempsana Common Shares**” means the common shares in the capital of Hempsana;

“**Hempsana Disclosure Schedule**” means the disclosure schedule attached as Schedule “B” to this Agreement;

“**Hempsana Dissent Procedures**” means the dissent procedures provided to Hempsana Shareholders pursuant to Section 190 of the CBCA;

“**Hempsana Dissenting Shareholder**” means a registered Hempsana Shareholder who dissents in respect of the Amalgamation in strict compliance with the Hempsana Dissent Procedures;

“**Hempsana Financial Statements**” means the unaudited financial statements of Hempsana for the years ended December 31, 2020 and 2019;

“**Hempsana Material Adverse Effect**” means a material adverse effect on (i) the business, assets, liabilities, condition (financial or otherwise) or results of operations, it being agreed that the mere existence of the COVID-19 pandemic shall not be deemed a material adverse change; or (ii) the ability of Hempsana to complete the Business Combination and the Amalgamation;

“**Hempsana Meeting**” means the special meeting of the shareholders of Hempsana to be held, if necessary, to approve the Amalgamation and any and all adjournments or postponements of such meeting;

“**Hempsana Option Plan**” means the stock option plan for the directors, officers, employees and consultants of Hempsana in effect on the date hereof;

“**Hempsana Options**” means the 1,655,345 options to purchase Hempsana Common Shares, with each Hempsana Option entitling the holder to acquire one (1) Hempsana Common Share in accordance with the terms outlined in Schedule “B”;

“**Hempsana Ordinary Course**” means, with respect to any actions taken by Hempsana, that such action is consistent in carrying out the Hempsana Business;

“**Hempsana Private Placements**” means the private placement financings for cash consideration contemplated to be completed by Hempsana prior to the Effective Date, pursuant to which Hempsana may issue subscription receipts (“**Subscription Receipts**”) and/or units (“**Hempsana Units**”) at, in

each case, an issue price of a minimum of \$1.05 per security (the “**Issue Price**”). Each Subscription Receipt will be convertible, for no additional consideration, into one Hemsana Unit immediately prior to the Effective Time. Each Hemsana Unit will consist of one Hemsana Common Share and up to one Hemsana warrant (each whole warrant, a “**Hemsana Warrant**”). Each Hemsana Warrant will be exercisable to acquire one Hemsana Common Share at an exercise price of no less than the Issue Price. Any other terms with respect to the Hemsana Private Placement will be at the sole discretion of Hemsana;

“**Hemsana Shareholder Approval**” has the meaning set forth in Section 6.06(iii);

“**Hemsana Shareholders**” means the holders of Hemsana Common Shares;

“**Hemsana Warrants**” means 4,249,218 warrants to purchase Hemsana Common Shares outstanding as of the date hereof or any additional warrants to purchase Hemsana Common Shares issued in connection with the Hemsana Private Placements prior to the Effective Date;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the Canadian Institute of Chartered Accountants;

“**knowledge of Stralak**” means the actual knowledge of the Chief Executive Officer or the Chief Financial Officer of Stralak;

“**knowledge of Hemsana**” means the actual knowledge of the Chief Executive Officer of Hemsana;

“**Laws**” means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, instruments, policies, notices, directions and judgments or other requirements having the force of law of any Governmental Authority having jurisdiction over the matter and/or person then being referred to;

“**Liability**” of any Person means (i) any right against such person to payment, whether or not such right is reduced to judgment, and whether or not the amount is liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; (ii) any right against such person to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to any equitable remedy is reduced to judgment, and whether or not the amount is fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; and (iii) any obligation of such person for the performance of any covenant or agreement (whether for the payment of money or otherwise);

“**Listing Statement**” means the Listing Statement to be prepared in accordance with Form 2A of the policies of the CSE in respect of the Resulting Issuer;

“**Losses**”, in respect of any matter, means all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter;

“**Management Change**” has the meaning set out in Section 6.11(ii);

“**Management Fee**” has the meaning set out in Section 7.01(x);

“**Name Change**” means the change of Stralak’s name to “Hempsana Holdings Ltd.”, or such other name as is acceptable to Hempsana and the Director;

“**Name Change Resolution**” means the resolution approving the Name Change, substantially as set out in Schedule “D” to this Agreement;

“**Net Cash on Hand**” means, on a consolidated basis, the sum of the cash balance of Stralak, less the Liabilities of Stralak, exclusive of the \$414,280 in Liabilities of Stralak disclosed in note 5 to the interim financial statements of Stralak for the period ended February 28, 2021 (the “**Statute Barred Liabilities**”), calculated as at the applicable date;

“**New Stralak Shares**” means the common shares in the capital of Stralak after giving effect to the Consolidation;

“**Person**” means any corporation, partnership, limited liability company or partnership, joint venture, trust, unincorporated association or organization, business, enterprise or other entity; any individual; and any Government;

“**Public Record**” means all information filed or to be filed by or on behalf of Stralak prior to the earlier of the Effective Date or the termination of this Agreement with any securities commission or regulatory authority in compliance, or intended compliance, with the continuous disclosure obligations applicable to a reporting issuer under applicable Laws;

“**Recipient**” has the meaning set out in Section 6.03(i);

“**Regulation D**” means Regulation D adopted by the SEC under the U.S. Securities Act;

“**Release**” includes any release, spill, leak, pumping, pouring, emission, emptying, discharge, injection, escape, leaching, migration, disposal or dumping;

“**Representatives**” has the meaning set out in Section 6.03(i);

“**Resulting Issuer**” means Stralak at the Effective Time which, immediately prior to the completion of the Business Combination, will have effected the Name Change;

“**Resulting Issuer Shares**” means common shares in the capital of the Resulting Issuer;

“**Stralak**” means Stralak Resources Inc., a corporation existing under the BCBCA;

“**Stralak Approval**” has the meaning set forth in Section 6.07(iii);

“**Stralak Board**” means the board of directors of Stralak prior to the completion of the Business Combination;

“**Stralak Debt Settlement**” means the issuance by Stralak of an aggregate of up to 160,000,000 Stralak Shares at a deemed price of \$0.001 per share in settlement of an aggregate of up to \$160,000 in Liabilities, and which shall be issued prior to the Consolidation, and shall comprise a portion of the 1,200,000 or 1,500,000 New Stralak Shares issued and outstanding following the Consolidation;

“**Stralak Disclosure Schedule**” means the disclosure schedule attached as Schedule “C” to this Agreement;

“**Stralak Financial Statements**” means the audited financial statements of Stralak for the years ended November 30, 2020 and 2019 and the interim unaudited financial statements of Stralak for the three-month periods ended February 28/29, 2021 and 2020;

“**Stralak Material Adverse Effect**” means a material adverse effect on (i) the business, assets, liabilities, condition (financial or otherwise), or results of operations or shareholders’ equity of Stralak, it being agreed that the mere existence of the COVID-19 pandemic shall not be deemed a material adverse change, or (ii) the ability of Subco to complete the Amalgamation, or (iii) the ability of Stralak to complete the Amalgamation, Business Combination, Consolidation or CSE Listing;

“**Stralak Meeting**” means, if required to be held, a special meeting of the holders of Stralak Shares to approve the Transaction Resolutions and any and all adjournments or postponements of such meeting;

“**Stralak Option Plan**” means the stock option plan for the directors, officers, employees and consultants of Stralak in effect on the date hereof;

“**Stralak Ordinary Course**” means, with respect to any actions taken by Stralak, that such action is consistent with the business of Stralak, being the identification and evaluation of suitable assets or businesses to acquire or merge with;

“**Stralak Shareholders**” means holders of Stralak Shares, and as applicable, New Stralak Shares;

“**Stralak Shares**” means common shares in the capital of Stralak;

“**Subco**” means 12954991 Canada Inc., a corporation incorporated under the CBCA and a wholly-owned subsidiary of Stralak;

“**Subco Amalgamation Resolution**” means the special resolution of Stralak, as sole shareholder of Subco, approving the Amalgamation;

“**Subco Common Shares**” means the common shares in the capital of Subco;

“**Subsidiary**” means, with respect to a specified body corporate, any body corporate of which the specified body corporate is entitled to elect a majority of the directors thereof or over which the specified body corporate holds more than 50% of the votes for the directors thereof and will include any body corporate, partnership, joint venture or other person (other than an individual) over which such specified body corporate exercises direction or control or which is in a like relation to such a body corporate;

“**Tax**” or “**Taxes**” means all taxes, surtaxes, duties, levies, imposts, fees, assessments, reassessments, withholdings, dues and other charges of any nature, imposed or collected by any Governmental Authority, whether disputed or not, including federal, provincial, territorial, state, municipal and local, foreign and other income, franchise, capital, real property, personal property, withholding, payroll, health, transfer, value added, alternative, or add on minimum tax including goods and services and harmonized sales tax, sales, use, consumption, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, education, business, school, local improvement, development and occupation taxes, duties, levies, imposts, fees, assessments and withholdings and government pension plan contributions, employment insurance premiums and all other taxes and similar governmental charges, levies or assessments of any kind

whatsoever imposed by any Governmental Authority including any installment payments, interest, penalties or other additions associated therewith, whether or not disputed;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended;

“**Tax Returns**” means all returns, declarations, reports, information returns and statements filed or required to be filed by any taxing authority relating to Taxes;

“**Termination Date**” has the meaning set out in Section 8.02(v);

“**Transaction Resolutions**” means, collectively, the Consolidation Resolution, Name Change Resolution, and such other resolutions as Hemsana may reasonably request;

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**U.S. Person**” means a “U.S. person” as defined in Regulation S under the U.S. Securities Act; and

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended from time to time and the rules and regulations of the SEC promulgated thereunder.

#### 1.02 **Headings**

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

#### 1.03 **Extended Meanings**

In this Agreement words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term “including” means “including without limiting the generality of the foregoing”.

#### 1.04 **Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

#### 1.05 **Accounting Principles**

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation or action is made or taken or required to be made or taken.

1.06 **Currency**

All references to currency herein are to lawful money of Canada.

1.07 **Schedules**

The following are the Schedules to this Agreement:

- Schedule "A" - Amalgamation Agreement
- Schedule "B" - Hempsana Disclosure Schedule
- Schedule "C" - Stralak Disclosure Schedule
- Schedule "D" - Resolutions

**ARTICLE 2**  
**BUSINESS COMBINATION**

2.01 **Business Combination**

- (i) Stralak and Hempsana agree to effect the combination of their respective businesses and assets by way of a "three-cornered amalgamation" among Stralak, Subco and Hempsana.
- (ii) As soon as reasonably practicable following the execution and delivery of this Agreement:
  - (i) if necessary, Hempsana shall call and hold the Hempsana Meeting for the purpose of approving the Hempsana Amalgamation Resolution and shall prepare and mail the Hempsana Circular to the Hempsana Shareholders or otherwise take steps to get the unanimous consent of Hempsana Shareholders in respect of the approval of the Hempsana Amalgamation Resolution; and
  - (ii) the Stralak Board shall approve the Transaction Resolutions, and, if necessary, Stralak shall call and hold the Stralak Meeting for the purposes of approving the Transaction Resolutions, including Stralak preparing and mailing the Stralak Circular to the Stralak Shareholders in connection therewith or otherwise take steps to get the unanimous consent of Straluk Shareholders in respect of the approval of the Transaction Resolutions.
- (iii) As soon as reasonably practicable following the approval of the Hempsana Amalgamation Resolution at the Hempsana Meeting, or by unanimous consent resolution of the Hempsana Shareholders, Stralak shall approve the Subco Amalgamation Resolution.
- (iv) Subject to the approval of the Consolidation Resolution, prior to the Effective Time, Stralak shall effect the Consolidation subject to the terms of this Agreement.
- (v) Subject to the approval of the Name Change Resolution, prior to the Effective Time, Stralak shall complete and file Articles of Amendment in accordance with the BCBCA, in the prescribed form, giving effect to the Name Change subject to the terms of this Agreement.
- (vi) Subject to the approval of the Hempsana Amalgamation Resolution, Subco Amalgamation Resolution, and Transaction Resolutions, Hempsana, Stralak and Subco will enter into the Amalgamation Agreement and Hempsana and Subco will amalgamate, pursuant to the

provisions of the CBCA, by jointly completing and filing Articles of Amalgamation with the Director, and shall continue as one corporation (“**Amalco**”) effective at the Effective Time, giving effect to the Amalgamation subject to the terms of the Amalgamation Agreement, the form of which is set forth in Schedule “A” attached hereto.

- (vii) At the Effective Time and as a result of the Amalgamation:
  - (i) each holder of Hemsana Common Shares (other than Hemsana Dissenting Shareholders described in Section 2.01(ix)) shall receive one fully paid and non-assessable New Stralak Share for each Hemsana Common Share held, following which all such Hemsana Common Shares shall be cancelled;
  - (ii) Stralak shall receive one fully paid and non-assessable Amalco Share for each one Subco Common Share held by Stralak, following which all such Subco Common Shares shall be cancelled;
  - (iii) in consideration of the issuance of New Stralak Shares pursuant to paragraph 2.01(vii)(i), Amalco shall issue to Stralak one Amalco Share for each New Stralak Share issued;
  - (iv) Stralak shall add to the stated capital maintained in respect of the New Stralak Shares an amount equal to the aggregate paid-up capital for purposes of the Tax Act of the Hemsana Common Shares immediately prior to the Effective Time (less the paid-up capital of any Hemsana Common Shares held by dissenting Hemsana Shareholders who do not exchange their Hemsana Common Shares for New Stralak Shares on the Amalgamation);
  - (v) Amalco shall add to the stated capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the Tax Act of the Subco Common Shares and Hemsana Common Shares immediately prior to the Effective Time;
  - (vi) no fractional New Stralak Shares shall be issued upon the exchange of Hemsana Common Shares; the number of New Stralak Shares to be received by a holder of Hemsana Common Shares will be rounded down to the nearest whole New Stralak Share; and
  - (vii) Amalco will become a wholly-owned subsidiary of Stralak.
- (viii) At the Effective Time:
  - (i) subject to subsection 2.01(vii), the registered holders of Hemsana Common Shares shall become the registered holders of the New Stralak Shares to which they are entitled, calculated in accordance with the provisions hereof, and the holders of Hemsana Common Shares shall be entitled to receive and, as soon as reasonably practicable following the Effective Time, shall receive share certificates or DRS statements representing the number of New Stralak Shares to which they are so entitled;
  - (ii) Stralak shall become the registered holder of the Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof, and shall be entitled to

receive a share certificate representing the number of Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof.

- (ix) At the Effective Time, each Hemsana Common Share held by a Hemsana Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of any Encumbrance, to Amalco and Amalco shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Section 2.02(i) hereof, the name of such holder shall be removed from the central securities register as a holder of Hemsana Common Shares and such Hemsana Dissenting Shareholder will cease to have any rights as a Hemsana Shareholder other than the right to be paid the fair value of its Hemsana Common Shares in accordance with Section 2.02(i).
- (x) If a Hemsana Dissenting Shareholder fails to perfect or effectively withdraws its claim under section 190 of the CBCA or forfeits its right to make a claim under section 190 of the CBCA or if its rights as a Hemsana Shareholder are otherwise reinstated, such holder's Hemsana Common Shares shall thereupon be deemed to have been exchanged as of the Effective Time as prescribed by paragraph 2.01(vii)(i).
- (xi) New Stralak Shares will only be issued to persons in the United States or U.S. Persons that are Accredited Investors in compliance with the exemption provided by Rule 506 of Regulation D under the U.S. Securities Act, shall be "restricted securities" as defined in Rule 144(a)(3) of the U.S. Securities Act, and shall bear a legend in customary form restricting resale, offer, pledge, hypothecation and transfer without registration under the U.S. Securities Act unless pursuant to an available exemption from registration under the U.S. Securities Act and in accordance with applicable state securities laws;

## 2.02 **Outstanding Options and Convertible Securities**

At the Effective Time:

- (i) the Hemsana Options and Hemsana Warrants and any other agreements or rights to acquire Hemsana Common Shares will, as a result of the Amalgamation, become rights to acquire Resulting Issuer Shares or other securities of the Resulting Issuer, as applicable, as permitted by and in accordance with their terms; and
- (ii) the Hemsana Options, and Hemsana Warrants, and any other agreements or rights to acquire Hemsana Common Shares are not and will not be exercisable or convertible in the United States or by or on behalf of a U.S. Person unless an exemption from registration, if any, is available under the U.S. Securities Act and applicable state securities laws, if any, and shall bear or be deemed to bear a legend in customary form to such effect.

## 2.03 **Dissent Rights**

Registered Hemsana Shareholders may exercise Dissent Rights from the Amalgamation pursuant to and in the manner set forth under section 190 of the CBCA, provided that holders who exercise such rights of dissent and who:

- (i) are ultimately entitled to be paid fair value for their Hemsana Common Shares, which fair value shall be the fair value of such shares as at the close of business on the day prior to the Hemsana Meeting, shall be paid an amount equal to such fair value by Amalco; and



- (ii) are ultimately not entitled, for any reason, to be paid fair value for their Hemsana Common Shares shall be deemed to have participated in the Amalgamation, as of the Effective Time, on the same basis as a non-dissenting holder of Hemsana Common Shares and shall be entitled to receive only the consideration contemplated in subsection 2.01(vii)(i) hereof that such holder would have received pursuant to the Amalgamation if such holder had not exercised Dissent Rights;

but in no case shall Stralak, Subco or Hemsana or any other Person be required to recognize holders of Hemsana Common Shares who exercise Dissent Rights as holders of Hemsana Common Shares after the time that is immediately prior to the Effective Time, and the names of such holders of Hemsana Common Shares who exercise Dissent Rights shall be deleted from the register of Hemsana Shareholders at the Effective Time. In no circumstances shall Stralak, Subco, Hemsana or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is a registered holder of Hemsana Common Shares in respect of which such Dissent Rights are sought to be exercised. A registered holder of Hemsana Common Shares is not entitled to exercise Dissent Rights with respect to Hemsana Common Shares if such holder votes (or instructs, or is deemed, by submission of any incomplete proxy, to have instructed his, her or its proxyholder to vote) in favour of the resolution approving the Amalgamation at the Hemsana Meeting.

#### 2.04 **Withholding Rights**

Hemsana and Stralak shall be entitled to deduct and withhold from any consideration otherwise payable or otherwise deliverable to any person under this Agreement such amounts as Hemsana or Stralak may be required or permitted to deduct and withhold therefrom under any provision of applicable Laws in respect of Taxes. To the extent that such amounts are so deducted, withheld and remitted, such amounts shall be treated for all purposes under this Agreement as having been paid to the person to whom such amounts would otherwise have been paid, provided that such deducted or withheld amounts are actually remitted to the appropriate taxation authority.

### **ARTICLE 3** **REPRESENTATIONS AND WARRANTIES OF HEMSANA**

Hemsana represents and warrants to Stralak as follows except as set forth in the Hemsana Disclosure Schedule and acknowledges and confirms that Stralak is relying on such representations and warranties in connection with its entering into this Agreement.

#### 3.01 **Incorporation and Good Standing**

Hemsana is a corporation duly incorporated, validly existing, and in good standing under the Laws of its jurisdiction of incorporation and has all necessary corporate power, authority and capacity to own its property and assets and to carry on its business as currently conducted, except where the failure to have such power, authority and capacity would not reasonably be expected to have a Hemsana Material Adverse Effect. Neither the nature of its activities or the Hemsana Business nor the location or character of the Assets owned, operated or leased by Hemsana require Hemsana to be registered, licensed or otherwise qualified as a foreign corporation or to be in good standing in any jurisdiction other than the jurisdictions where it is so registered, licensed or qualified, except where the failure to be so registered, licensed or qualified or remain in good standing would not reasonably be expected to have a Hemsana Material Adverse Effect. No proceedings have been instituted or are pending for the dissolution or liquidation of Hemsana.

3.02            **Subsidiaries**

Other than the joint venture interest Hemsana is working on that has been disclosed in writing to Stralak, Hemsana does not have any interest in any body corporate, partnership, joint ventures or other entity or person. Hemsana is not a party to any agreement, option or commitment to acquire any shares or securities of any body corporate, partnership, trust, joint venture or other entity or person other than in connection with the Business Combination.

3.03            **Bankruptcy, etc.**

No bankruptcy, insolvency or receivership proceedings have been instituted by Hemsana or, to the knowledge of Hemsana, are pending against Hemsana.

3.04            **Binding Effect, Authorizations, Consents**

- (i) Subject to requisite shareholder approvals, (i) Hemsana has all necessary corporate power, capacity and authority to enter into this Agreement and to carry out its obligations under this Agreement and to undertake the Business Combination, and (ii) this Agreement has been duly authorized, executed and delivered by Hemsana and constitutes a valid and binding obligation of Hemsana enforceable against it in accordance with its terms, subject to limitations with respect to enforcement imposed by Law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunctions are in the discretion of the court from which they are sought;
- (ii) Other than approvals with respect to Health Canada, no Authorization or declaration or filing with any Governmental Authority on the part of Hemsana is required for the valid execution, delivery and performance of its obligations under this Agreement or the completion of the Business Combination pursuant to this Agreement; and
- (iii) No consent, approval or waiver is required pursuant to the terms of any material Contract to which Hemsana is a party for the valid execution, delivery and performance of its obligations under this Agreement or the completion of the Business Combination pursuant to this Agreement.

3.05            **Absence of Conflict**

The entering into, and the performance by Hemsana of the transactions contemplated in, this Agreement:

- (i) do not and will not require any consent, permit, approval, Authorization or order of any Governmental Authority, except that which may be required under applicable securities legislation, Health Canada or the rules of the CSE and any approval or authorization under the CBCA for the Business Combination or the Amalgamation;
- (ii) do not and will not contravene any applicable Laws or any rule or regulation of any Governmental Authority which is binding on Hemsana, where such contravention would reasonably be expected to have a Hemsana Material Adverse Effect; and
- (iii) does not and will not violate, result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of (i) the Constating Documents of

Hempsana, or any resolution of the directors or shareholders of Hempsana, or (ii) any Contract to which Hempsana is a party or by which the Assets or the Hempsana Business is bound or affected, or (iii) any judgment, decree or order or any term or provision thereof applicable to Hempsana or any of the Assets or the Hempsana Business, which breach, conflict or default would reasonably be expected to have a Hempsana Material Adverse Effect or to result in the creation of any Encumbrance upon any of the Assets.

3.06 **Share Capital**

The authorized capital of Hempsana consists of: (i) an unlimited number of Hempsana Common Shares, of which 21,871,667 Hempsana Common Shares are issued and outstanding as at the date hereof; and (ii) an unlimited number of Hempsana Preference Shares, of which nil Hempsana Preference Shares are issued and outstanding as at the date hereof. All of the issued Hempsana Common Shares have been duly and validly issued in compliance with applicable Law and are outstanding as fully paid and non-assessable shares in the capital of Hempsana.

3.07 **Options and Other Convertible Securities**

Except as disclosed in Section 3.07 of the Hempsana Disclosure Schedule, other options that may be granted by Hempsana having an exercise price of no less than the Issue Price, and securities that may be issued pursuant to the Hempsana Private Placement prior to the Effective Time, no person has or will have any right, agreement, warrant or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from Hempsana of any interest in any of the outstanding shares or securities of Hempsana, or for the issue or allotment of any unissued shares in the capital of Hempsana or any other security directly or indirectly convertible into or exchangeable for such shares in the capital of Hempsana.

3.08 **Voting Agreements**

Hempsana is not a party to any agreement nor, to Hempsana's knowledge, is there any agreement, which in any manner affects the voting control of any of the securities of Hempsana.

3.09 **Absence of Changes**

Since December 31, 2020, there has not been any material adverse change in the Hempsana Business and the results of operations, financial condition, assets, properties, capital, liabilities (contingent or otherwise), cash flow or business operations of Hempsana.

3.10 **Financial Statements**

The Hempsana Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with that of preceding periods, and:

(i) the balance sheets included in such Hempsana Financial Statements fairly present, in all material respects, the financial condition of Hempsana on the respective dates thereof; and

(ii) the statements of operations and deficit included in the Hempsana Financial Statements fairly present, in all material respects, the financial performance and its cash flows of Hempsana for the fiscal periods then ended.

3.11 **Internal Controls Over Financial Reporting**

To the knowledge of Hemsana, prior to the date of this Agreement there is no fraud, whether or not material, that involves management or other employees who have a significant role in Hemsana's, internal control over financial reporting and Hemsana has received no: (i) material complaints from any source regarding accounting, internal accounting controls or auditing matters; or (ii) expressions of concern from employees of Hemsana regarding questionable accounting or auditing matters.

3.12 **No Undisclosed Liabilities**

Other than expenses incurred in connection with the Business Combination and in the Hemsana Ordinary Course, has no outstanding Liabilities (direct or indirect, matured or unmatured, accrued, absolute, contingent or otherwise), except as disclosed in the Hemsana Financial Statements.

3.13 **Non-Arm's Length Transactions**

(i) Except as disclosed in the Hemsana Financial Statements, Hemsana has not engaged in any transaction with, made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any director, officer, employee or shareholder of Hemsana or any other person with whom Hemsana is not dealing at arm's length (within the meaning of the Tax Act or any affiliate of any of the foregoing, except for amounts due as normal compensation or reimbursement of ordinary business expenses; and

(ii) Except as disclosed in the Hemsana Financial Statements, Hemsana is not a party to any contract or agreement with any director, officer, employee, or shareholder of Hemsana or any other person with whom Hemsana is not dealing at arm's length (within the meaning of the Tax Act or any affiliate of any of the foregoing, other than employment and/or management agreements entered into in the Hemsana Ordinary Course.

3.14 **Taxes**

(i) As of the date of this Agreement, Hemsana has:

- (i) duly and in a timely manner filed all Tax Returns required by Law to have been filed by it, and all such Tax Returns are true, correct, and complete in all material respects,
- (ii) duly kept all records which it is required to keep for Tax purposes or which would be needed to substantiate any claim made or position taken in relation to Tax by it, as applicable, and such records available for inspection at the head office of Hemsana,
- (iii) duly and correctly reported all income and other amounts required to be reported,
- (iv) paid all Taxes to the extent that such Taxes have been assessed by the relevant taxation authority, and
- (v) duly and in a timely manner paid, deducted, withheld, collected and remitted all Taxes (other than Taxes that are not yet due) and has made full provision for (including properly accruing and reflecting on its books and records) all Taxes that are not yet due, that relate to periods (or portions thereof) ending prior to the date of this Agreement;

- (ii) The Hemsana Financial Statements contain adequate provision for all Taxes, assessments and levies imposed on Hemsana, or its property or rights, arising out of operations on or before December 31, 2020, regardless of whether such amounts are payable before or after the Effective Date;
- (iii) No deficiency in payment of any Taxes for any period has been asserted against Hemsana by any Governmental Authority and remains unsettled at the date hereof;
- (iv) No Tax Return of Hemsana is being audited by the relevant taxing authority. There are no outstanding waivers, objections, extensions, or comparable consents regarding the application of the statute of limitations or period of reassessment with respect to any Taxes or Tax Returns that have been given or made by Hemsana (including the time for filing of Tax Returns or paying Taxes). To the knowledge of Hemsana there are no pending requests for any such waivers, extensions, or comparable consents. Hemsana has not received a ruling from any Governmental Authority or signed an agreement with any Governmental Authority.
- (v) Hemsana has not received notice from any Governmental Authority that it is taking steps to assess any additional Taxes against Hemsana for any periods for which Tax Returns have been filed, and there are no actions, suits, examinations, proceedings, investigations, audits or claims now pending or threatened or, to the knowledge of Hemsana, contemplated against Hemsana in respect of any Taxes. No Governmental Authority has given notice of any intention to assert any deficiency or claim for additional Taxes against Hemsana and there are no matters under discussion with any Governmental Authority relating to any Taxes;
- (vi) Hemsana has not been subject to nor is it currently subject to any investigation, audit or visit by any Governmental Authority relating to Tax, and Hemsana is not aware of any such investigation, audit or visit planned for the next twelve months;
- (vii) Hemsana has not engaged in any transaction with, made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any director, officer, employee or shareholder of Hemsana or any other person with whom Hemsana is not dealing at arm's length (within the meaning of the Tax Act or any affiliate of any of the foregoing, except for amounts due as normal compensation or reimbursement of ordinary business expenses or as disclosed in the Hemsana Financial Statements; and
- (viii) Hemsana is not a party to any contract or agreement with any director, officer, employee, or shareholder of Hemsana or any other person with whom Hemsana is not dealing at arm's length (within the meaning of the Tax Act) or any affiliate of any of the foregoing, other than employment and/or management agreements entered into in the Hemsana Ordinary Course, except as disclosed in the Hemsana Financial Statements.

3.15 **Ordinary Course**

Since December 31, 2020, Hemsana has carried on no business other than the Hemsana Business, and has carried on its business in the Hemsana Ordinary Course.

3.16 **No Restrictions on Activities**

Except with respect to the material contracts included in the Hemsana Disclosure Schedule, Hemsana is not party to or bound or affected by any commitment, Contract or document containing any covenant which in any way expressly limits the freedom of Hemsana to compete in any line of business, or to use, transfer or move any of its Assets or operations, or which materially or adversely affects the business practices, operations or condition of Hemsana.

3.17 **No Guarantees**

Hemsana is not bound by any Contract, assurance, bond, undertaking or guarantee under or pursuant to which it has guaranteed or endorsed the debts, obligations or Liabilities of any other person.

3.18 **Assets**

- (i) The Hemsana Business is the only business carried on by Hemsana. The Assets include all assets, rights, Authorizations and property necessary to conduct the Hemsana Business immediately after the Business Combination in the same manner it is currently conducted, except as would not reasonably be expected to have a Hemsana Material Adverse Effect;
- (ii) Except with respect to the material contracts included in the Hemsana Disclosure Schedule, Hemsana has good and marketable title to all of the Assets, free and clear of any and all claims and Encumbrances whatsoever; and
- (iii) No person or other entity has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase or other acquisition from Hemsana of any of the Assets.

3.19 **Material Contracts**

Section 3.14 of the Hemsana Disclosure Schedule sets forth a true and complete list of all Contracts to which Hemsana is a party or by which Hemsana is bound which is material to Hemsana. Each such Contract is a valid and subsisting agreement, enforceable in accordance with the terms thereof and can be fulfilled and performed in all material respects by Hemsana in the Hemsana Ordinary Course. Each such Contract is unamended, is in full force and effect, in good standing and no event of default has occurred and is continuing and no event has occurred which, with the giving of notice, the lapse of time or both, would constitute an event of default by Hemsana under any such Contract. To the knowledge of Hemsana, no event has occurred which, with the giving of notice, the passing of time or both, would constitute an event of default by any other party to any such Contract, Hemsana is not alleged to be in default of any of the provisions of such Contracts, and Hemsana is not aware of any disputes with respect thereto.

3.20 **Other Contracts**

Hemsana is not a party to any Contract, the termination, expiry or non-renewal of which would reasonably be expected to have a Hemsana Material Adverse Effect.

3.21 **Research and Development**

All product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by Hemsana in connection with the Hemsana Business is being conducted in compliance, in all material respects, with all industry, laboratory safety,

management and training standards applicable to the Hemsana 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.

### 3.22 **Anti-Bribery**

Neither Hemsana, nor to the knowledge of Hemsana, any director, officer, employee, consultant, representative or agent of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to Hemsana, including but not limited to the *U.S. Foreign Corrupt Practices Act* and Canada's *Corruption of Foreign Public Officials Act*, or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Authority; or assisting any representative of Hemsana in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person, in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither Hemsana, nor to the knowledge of Hemsana, any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded Hemsana or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such Laws, or received any notice, request, or citation from any person alleging non-compliance with any such Laws.

### 3.23 **Environmental**

Hemsana is currently in compliance, in all material respects, with all Environmental Laws, including all reporting and monitoring requirements thereunder, and there are no pending or, to the knowledge of Hemsana, any threatened, administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws. Hemsana has never received any notice of any non-compliance in respect of Environmental Laws, there are no events or circumstances that might reasonably be expected to form the basis of an order for clean up or remediation under Environmental Laws or relating to any Hazardous Materials and there are no permits required under Environmental Laws for the conduct of the Hemsana Business.

### 3.24 **Absence of Litigation**

Other than as disclosed to Stralak, there is not now in progress, pending or, to Hemsana's knowledge, threatened or contemplated against or affecting Hemsana, or any of their assets or properties, or any officer or director thereof in their capacity as an officer or director thereof, any litigation, action, suit, investigation, claim, complaint or other proceeding, including appeals and applications for review, by or before any Governmental Authority.

### 3.25 **Compliance with Laws**

The Hemsana Business has been, and is now being, conducted and all of the Assets have been, and are now being, used in compliance with all applicable Laws other than such non-compliance which

would not reasonably be expected to have a Hemsana Material Adverse Effect, and no written notices have been received by Hemsana that the Hemsana Business is not being conducted or that any of such Assets are not being used in compliance with all applicable Laws other than any non-compliance that would not reasonably be expected to have a Hemsana Material Adverse Effect.

3.26            **Employment Matters and Employee Plans**

- (i) Except as provided to Stralak as part of the due diligence efforts in connection with this Agreement, Hemsana has not entered into any written employment agreements, or other agreements for the provision of employment or management services provided to Hemsana;
- (ii) Except as provided to Stralak as part of the due diligence efforts in connection with this Agreement, there are no Contracts, written or oral, between Hemsana and any other party on the other side, relating to payment, remuneration or compensation for work performed or services provided (other than professional advisors engaged by Hemsana to provide services in connection with the Business Combination) or that would require any payment to be made as a result of the completion of the transactions contemplated in this Agreement;
- (iii) Except for the Hemsana Option Plan, employee health benefits plan and as provided to Stralak as part of the due diligence efforts in connection with this Agreement, Hemsana does not have any other material Employee Plans of any nature whatsoever nor has it ever had any such plans;
- (iv) Hemsana is operating in full compliance with all Laws relating to employees, including employment standards, human rights, occupational health and safety, all pay equity and employment equity legislation and there have been no employment-related complaints against Hemsana;
- (v) To the knowledge of Hemsana, there are no complaints or threatened complaints against Hemsana before any employment standards branch or tribunal or human rights commission or tribunal, nor, any occurrence which might lead to a complaint under any human rights legislation, employment standards legislation, health and safety legislation, workers' compensation legislation or pay equity legislation;
- (vi) There are no outstanding decisions or settlements or pending settlements under employment standards, human rights legislation, health and safety legislation, workers' compensation legislation, payment equity legislation or labour relations legislation which place any obligation upon Hemsana to do or refrain from doing any act or place a material financial obligation on Hemsana;
- (vii) There are no actions, suits or claims pending, threatened or reasonably anticipated (other than routine claims for benefits) against any Employee Plan or its assets, and there are no audits, inquiries or proceedings pending or, to the knowledge of Hemsana, threatened by any Governmental Authority with respect to any Employee Plan, which in either case reasonably could be expected to result in material Liability to Hemsana; and
- (viii) Neither the execution and delivery of this Agreement nor the performance of the obligations of Hemsana thereunder will entitle any current or former employee of Hemsana to any severance pay, bonus or other similar payment.



3.27 **No Powers of Attorney**

There are no outstanding powers of attorney or other authorizations granted by Hemsana to any third party to bind Hemsana to any Contract, Liability or obligation.

3.28 **Insurance**

Hemsana carries insurance against loss or damage with coverage of types and in amounts consistent with the types and amounts of insurance maintained by corporations and other entities of a size and carrying on business of a type carried on by Hemsana that covers all risks prudently and reasonably foreseeable in the course of business. All such policies shall remain in full force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated hereby.

3.29 **Authorizations**

Hemsana has all Authorizations necessary to conduct its business as presently conducted or for the ownership and use of its assets in compliance with applicable Laws. Hemsana is not in default under, nor has it received any notice of any claim or default with respect to, any such Authorization. Other than with respect to its licenses with Health Canada, no registrations, filings, applications, notices, transfers, consents, approvals, audits, qualifications, waivers or other action of any kind is required by virtue of the execution and delivery of this Agreement, or of the consummation of the transactions contemplated hereby: (a) to avoid the loss of any Authorization or any asset, property or right pursuant to the terms thereof, or the violation or breach of any Law applicable thereto, or (b) to enable Hemsana to hold and enjoy the same immediately after the Effective Date in the conduct of the Hemsana Business as conducted prior to the Effective Date.

3.30 **Books and Records**

The corporate records and minute books of Hemsana contain or, at or prior to the Business Combination will contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed.

3.31 **Reporting Issuer Status**

Hemsana is not a “reporting issuer” within the meaning of the *Securities Act* (Ontario) and does not have a similar status in any other province or territory of Canada. No securities commission or similar regulatory authority has issued any order which is currently outstanding preventing or suspending trading in any securities of Hemsana, no such proceeding is, to the knowledge of Hemsana, pending contemplated or threatened and Hemsana is not, to its knowledge, in default of any requirement of any securities laws, rules or policies applicable to Hemsana or its securities.

3.32 **Restrictions on Business Combination**

Hemsana is not a party to or bound or affected by any commitment, agreement or document which would prohibit or restrict Hemsana from entering into and completing the Business Combination.

3.33 **Fees and Commissions**

Except as disclosed in Section 3.07 of the Hemsana Disclosure Schedule or as provided to Stralak as part of the due diligence efforts in connection with this Agreement, Hemsana is not a party to or bound by any Contract to pay any royalty, license fee or management fee. Except for the finder fee agreement

as provided to Stralak as part of the due diligence efforts in connection with this Agreement, no broker, finder or similar intermediary has acted for or on behalf of or is entitled to any broker's, finder's or similar fee or other commission from Hemsana or Stralak in connection with this Agreement, other than the issuance of any Hemsana Warrants or any fees or other arrangements that may be agreed to in connection with the Hemsana Private Placements.

3.34 **Information Supplied**

None of the information regarding Hemsana or its assets or the Hemsana Business that was supplied by Hemsana specifically for inclusion or incorporation by reference into the Listing Statement, will, at the time of initial submission of the Listing Statement to the CSE, or at the time of any amendment or supplement thereof, as amended or supplemented at such date or time, contain any misrepresentation or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they are made.

**ARTICLE 4**  
**REPRESENTATIONS AND WARRANTIES OF STRALAK AND SUBCO**

Stralak and Subco jointly and severally represent and warrant to Hemsana as follows and acknowledge and confirm that Hemsana is relying on such representations and warranties in connection with its entering into this Agreement:

4.01 **Incorporation and Good Standing**

Each of Stralak and Subco is a corporation duly incorporated, validly existing, and in good standing under the Laws of its jurisdiction of incorporation and has all necessary corporate power, authority and capacity to own its property and assets and to carry on its business as currently conducted, except where the failure to have such power, authority and capacity would not reasonably be expected to have a Stralak Material Adverse Effect. Neither the nature of its activities or business nor the location or character of the assets owned, operated or leased by Stralak require it to be registered, licensed or otherwise qualified as a foreign corporation or to be in good standing in any jurisdiction other than the jurisdictions where it is so registered, licensed or qualified, except where the failure to be so registered, licensed or qualified or remain in good standing would not reasonably be expected to have a Stralak Material Adverse Effect... No proceedings have been instituted or are pending for the dissolution or liquidation of Stralak or Subco.

4.02 **Subsidiaries**

Except for its ownership of all of the outstanding shares of Subco, Stralak does not have any interest in any body corporate, partnership, joint ventures or other entity or person. None of Stralak or Subco is a party to any agreement, option or commitment to acquire any shares or securities of any body corporate, partnership, trust, joint venture or other entity or person other than in connection with the Business Combination. Stralak is the sole registered holder and beneficial owner of 100% of the issued and outstanding shares in the capital of Subco, free and clear of all Encumbrances, claims or demands of any kind whatsoever. All of such shares and securities have been fully authorized and validly issued and in the case of shares are outstanding as fully paid and non-assessable shares. No other securities of Subco are issued and outstanding.

4.03 **Bankruptcy, etc.**

No bankruptcy, insolvency or receivership proceedings have been instituted by Stralak or Subco or, to the knowledge of Stralak, are pending against Stralak or Subco.

4.04 **Binding Effect, Authorizations, Consents**

- (i) Subject to the requisite shareholder approvals, (i) each of Stralak and Subco has all necessary corporate power, capacity and authority to enter into this Agreement and to carry out its obligations under this Agreement and to undertake the Business Combination, and (ii) this Agreement has been duly authorized, executed and delivered by each of Stralak and Subco and constitutes a valid and binding obligation of each of Stralak and Subco enforceable against it in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by Law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunctions are in the discretion of the court from which they are sought;
- (ii) Except for the approval of the CSE contemplated in Section 7.01(xii), no Authorization or declaration or filing with any Governmental Authority on the part of Stralak is required for the valid execution, delivery and performance of its obligations under this Agreement or the completion of the Business Combination pursuant to this Agreement; and
- (iii) No consent, approval or waiver is required pursuant to the terms of any material Contract to which Stralak is a party for the valid execution, delivery and performance of its obligations under this Agreement or the completion of the Business Combination pursuant to this Agreement.

4.05 **Absence of Conflict**

The entering into, and the performance by Stralak and Subco of the transactions contemplated in, this Agreement:

- (i) do not and will not require any consent, permit, approval, Authorization or order of any Governmental Authority, except that which may be required under applicable securities legislation or the rules of the CSE, and any approval or authorization under the BCBCA, or CBCA, as applicable, that may be required for the Consolidation, Name Change, Business Combination or the Amalgamation;
- (ii) do not and will not contravene any applicable Laws or any rule or regulation of any Governmental Authority which is binding on Stralak; and
- (iii) does not and will not violate, result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of (i) the Constating Documents of Stralak or Subco, or any resolution of the directors or shareholders of Stralak or Subco, or (ii) any Contract to which Stralak or Subco is a party or by which the assets or the business of Stralak is bound or affected, or (iii) any judgment, decree or order or any term or provision thereof applicable to Stralak or Subco or any of the assets or the business of Stralak, which breach, conflict or default would reasonably be expected to have a Stralak Material Adverse Effect or to result in the creation of any Encumbrance upon any of the assets of Stralak.

4.06 **Share Capital**

The authorized share capital of Stralak consists of an unlimited number of common shares without nominal or par value, of which 97,563,375 Stralak Shares are issued and outstanding as fully paid and non-assessable shares in the capital of Stralak as at the date hereof.

4.07 **Options and Other Convertible Securities**

Other than pursuant to the Stralak Debt Settlement and Finder Shares, no person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option or right or privilege, for the purchase, subscription, allotment or issuance of any of the unissued shares in the capital of Stralak or Subco or for the issue of any other securities of any nature or kind of Stralak or Subco.

4.08 **Voting Agreements**

Stralak is not a party to any agreement nor, to Stralak's knowledge, is there any agreement, which in any manner affects the voting control of any of the securities of Stralak.

4.09 **Financial Statements**

The Stralak Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with that of preceding periods, and:

- (i) the balance sheets included in such Stralak Financial Statements fairly present, in all material respects, the financial condition of Stralak on the respective dates thereof; and
- (ii) the statements of operations and deficit included in the Stralak Financial Statements fairly present, in all material respects, the financial performance and its cash flows of Stralak for the fiscal periods then ended.

4.10 **Absence of Changes**

Since November 30, 2020, there has not been any material adverse change in the results of operations, financial condition, assets, properties, capital, liabilities (contingent or otherwise), cash flow or business operations of Stralak.

4.11 **Internal Controls Over Financial Reporting**

To the knowledge of Stralak, prior to the date of this Agreement there is no fraud, whether or not material, that involves management or other employees who have a significant role in Stralak's, internal control over financial reporting and Stralak has received no: (i) material complaints from any source regarding accounting, internal accounting controls or auditing matters; or (ii) expressions of concern from employees of Stralak regarding questionable accounting or auditing matters.

4.12 **Ordinary Course**

Since November 30, 2020, Stralak has carried on no business, and has carried on its business in the Stralak Ordinary Course and Stralak has not carried on any business or entered into any material contract, commitment or agreement of any sort whatsoever other than as disclosed in the Public Record.

4.13 **No Restrictions on Activities**

Stralak is not a party to or bound or affected by any commitment, Contract or document containing any covenant which in any way expressly limits the freedom of Stralak to compete in any line of business, or to use, transfer or move any of its assets or operations, or which materially or adversely affects the business practices, operations or condition of Stralak, respectively, and taken as a whole.

4.14 **No Undisclosed Liabilities**

Other than expenses incurred in connection with the Business Combination and in the Stralak Ordinary Course, has no outstanding Liabilities (direct or indirect, matured or unmatured, accrued, absolute, contingent or otherwise), except as disclosed in the Stralak Financial Statements.

4.15 **Non-Arm's Length Transactions**

- (i) Other than as disclosed in the Public Record or pursuant to the Stralak Debt Settlement, Stralak has not engaged in any transaction with, made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any director, officer, employee or shareholder of Stralak or any other person with whom Stralak is not dealing at arm's length (within the meaning of the Tax Act or any affiliate of any of the foregoing, except for amounts due as normal compensation or reimbursement of ordinary business expenses; and
- (ii) other than as may be entered into pursuant to in connection with the Stralak Debt Settlement, Stralak is not a party to any contract or agreement with any director, officer, employee, or shareholder of Stralak or any other person with whom Stralak is not dealing at arm's length (within the meaning of the Tax Act or any affiliate of any of the foregoing).

4.16 **No Guarantees**

Stralak is not bound by any Contract, assurance, bond, undertaking or guarantee under or pursuant to which it has guaranteed or endorsed the debts, obligations or Liabilities of any other person.

4.17 **Material Contracts**

Stralak is not party to any material Contracts.

4.18 **Other Contracts**

Stralak is not a party to any Contract, the termination, expiry or non-renewal of which would reasonably be expected to have a Stralak Material Adverse Effect.

4.19 **Title to Property and Assets**

Neither Stralak nor Subco have any material property or assets.

4.20 **Anti-Bribery**

Neither Stralak nor to the knowledge of Stralak, any director, officer, employee, consultant, representative or agent of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to Stralak, including but not limited to the *U.S. Foreign Corrupt Practices Act* and Canada's *Corruption of Foreign Public Officials Act*, or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Authority; or assisting any representative of Stralak in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person, in a manner which would

constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither Stralak, nor to the knowledge of Stralak, any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded Stralak or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such Laws, or received any notice, request, or citation from any person alleging non-compliance with any such Laws.

4.21 **Environmental Matters**

Each of Stralak and Subco is in compliance, in all material respects, with all applicable Environmental Laws and has not violated any then current Environmental Laws as applied at that time. Neither Stralak nor Subco is the subject of: (i) any proceeding, application, order or directive which relates to any environmental, health or safety matter; or (ii) any demand or notice with respect to any Environmental Laws. Each of Stralak and Subco has made adequate reserves for all reclamation obligations and has made appropriate arrangements, through obtaining reclamation bonds or otherwise to discharge such reclamation obligations, to the extent applicable. There is no material Environmental Liability nor factors likely to give rise to any material Environmental Liability retained in any manner by Stralak or Subco in connection with any properties of Stralak disposed of by Stralak or Subco.

4.22 **Taxes**

- (i) As of the date of this Agreement, Stralak has:
  - (i) duly and in a timely manner filed all Tax Returns required by Law to have been filed by it, and all such Tax Returns are true, correct, and complete in all material respects,
  - (ii) duly kept all records which it is required to keep for Tax purposes or which would be needed to substantiate any claim made or position taken in relation to Tax by it, as applicable, and such records available for inspection at the head office of Stralak,
  - (iii) duly and correctly reported all income and other amounts required to be reported,
  - (iv) paid all Taxes to the extent that such Taxes have been assessed by the relevant taxation authority, and
  - (v) duly and in a timely manner paid, deducted, withheld, collected and remitted all Taxes (other than Taxes that are not yet due) and has made full provision for (including properly accruing and reflecting on its books and records) all Taxes that are not yet due, that relate to periods (or portions thereof) ending prior to the date of this Agreement;
- (ii) The Stralak Financial Statements contain adequate provision for all Taxes, assessments and levies imposed on Stralak, or its property or rights, arising out of operations on or before February 28, 2021, regardless of whether such amounts are payable before or after the Effective Date;

- (iii) No deficiency in payment of any Taxes for any period has been asserted against Stralak by any Governmental Authority and remains unsettled at the date hereof;
- (iv) No Tax Return of Stralak is being audited by the relevant taxing authority. There are no outstanding waivers, objections, extensions, or comparable consents regarding the application of the statute of limitations or period of reassessment with respect to any Taxes or Tax Returns that have been given or made by Stralak (including the time for filing of Tax Returns or paying Taxes). To the knowledge of Stralak there are no pending requests for any such waivers, extensions, or comparable consents. Stralak has not received a ruling from any Governmental Authority or signed an agreement with any Governmental Authority.
- (v) Stralak has not received notice from any Governmental Authority that it is taking steps to assess any additional Taxes against Stralak for any periods for which Tax Returns have been filed, and there are no actions, suits, examinations, proceedings, investigations, audits or claims now pending or threatened or, to the knowledge of Stralak, contemplated against Stralak in respect of any Taxes. No Governmental Authority has given notice of any intention to assert any deficiency or claim for additional Taxes against Stralak and there are no matters under discussion with any Governmental Authority relating to any Taxes; and
- (vi) Stralak has not been subject to nor is it currently subject to any investigation, audit or visit by any Governmental Authority relating to Tax, and Stralak is not aware of any such investigation, audit or visit planned for the next twelve months.
- (vii) other than as disclosed in the Public Record or pursuant to the Stralak Debt Settlement, Stralak has not engaged in any transaction with, made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any director, officer, employee or shareholder of Stralak or any other person with whom Stralak is not dealing at arm's length (within the meaning of the Tax Act or any affiliate of any of the foregoing, except for amounts due as normal compensation or reimbursement of ordinary business expenses.
- (viii) Stralak is not a party to any contract or agreement with any director, officer, employee, or shareholder of Hemsana or any other person with whom Stralak is not dealing at arm's length (within the meaning of the Tax Act) or any affiliate of any of the foregoing.

4.23 **Absence of Litigation**

There is not now in progress, pending or, to Stralak's knowledge, threatened or contemplated against or affecting Stralak, or any of its assets or properties, or any officer or director thereof in their capacity as an officer or director thereof, any litigation, action, suit, investigation, claim, complaint or other proceeding, including appeals and applications for review, by or before any Governmental Authority.

4.24 **Compliance with Laws**

The business of Stralak has been, and is now being, conducted and all of its assets have been, and are now being, used in compliance with all applicable Laws other than such non-compliance which would not reasonably be expected to have a Stralak Material Adverse Effect, and no written notices have been received by Stralak that the business of Stralak is not being conducted or that any of such assets are not being used in compliance with all applicable Laws.

4.25 **Employment Matters and Employee Plans**

- (i) Stralak has not entered into any written employment agreements, or other agreements for the provision of employment or management services provided to Stralak;
- (ii) There are no Contracts, written or oral, between Stralak and any other party on the other side, relating to payment, remuneration or compensation for work performed or services provided (other than professional advisors engaged by Stralak to provide services in connection with the Business Combination) or that would require any payment to be made as a result of the completion of the transactions contemplated in this Agreement;
- (iii) Except for the Stralak Option Plan, Stralak does not have any Employee Plans of any nature whatsoever nor has it ever had any such plans;
- (iv) Stralak is operating in full compliance with all Laws relating to employees, including employment standards, human rights, occupational health and safety, all pay equity and employment equity legislation and there have been no employment-related complaints against Stralak;
- (v) To the knowledge of Stralak, there are no complaints or threatened complaints against Stralak before any employment standards branch or tribunal or human rights commission or tribunal, nor, any occurrence which might lead to a complaint under any human rights legislation, employment standards legislation, health and safety legislation, workers' compensation legislation or pay equity legislation;
- (vi) There are no outstanding decisions or settlements or pending settlements under employment standards, human rights legislation, health and safety legislation, workers' compensation legislation, payment equity legislation or labour relations legislation which place any obligation upon Stralak to do or refrain from doing any act or place a material financial obligation on Stralak;
- (vii) There are no actions, suits or claims pending, threatened or reasonably anticipated (other than routine claims for benefits) against any Employee Plan or its assets, and there are no audits, inquiries or proceedings pending or, to the knowledge of Stralak, threatened by any Governmental Authority with respect to any Employee Plan, which in either case reasonably could be expected to result in material Liability to Stralak; and
- (viii) Neither the execution and delivery of this Agreement nor the performance of the obligations of Stralak thereunder will entitle any current or former employee of Stralak to any severance pay, bonus or other similar payment.

4.26 **No Powers of Attorney**

There are no outstanding powers of attorney or other authorizations granted by Stralak to any third party to bind Stralak to any Contract, Liability or obligation.

4.27 **Insurance**

Stralak does not carry any insurance.



4.28 **Authorizations**

Stralak has all Authorizations necessary to conduct its business as presently conducted or for the ownership and use of its assets in compliance with applicable Laws. Stralak is not in default under, nor has it received any notice of any claim or default with respect to, any such Authorization. No registrations, filings, applications, notices, transfers, consents, approvals, audits, qualifications, waivers or other action of any kind is required by virtue of the execution and delivery of this Agreement, or of the consummation of the transactions contemplated hereby: (a) to avoid the loss of any Authorization or any asset, property or right pursuant to the terms thereof, or the violation or breach of any Law applicable thereto, or (b) to enable Stralak to hold and enjoy the same immediately after the Effective Date in the conduct of its business as conducted prior to the Effective Date.

4.29 **Fees and Commissions**

Except for the Management Fee and Finder Shares, Stralak is not a party to or bound by any Contract to pay any royalty, license fee or management fee. No broker, finder or similar intermediary has acted for or on behalf of or is entitled to any broker's, finder's or similar fee or other commission from Stralak in connection with this Agreement.

4.30 **Restrictions on Business Combination**

Stralak is not a party to or bound or affected by any commitment, agreement or document which would prohibit or restrict Stralak from entering into and completing the Business Combination.

4.31 **Reporting Issuer Status**

Stralak is a "reporting issuer" in each of the Canadian Jurisdictions within the meaning of the Canadian Securities Laws, is in material compliance with its obligations as a reporting issuer, and none of the British Columbia Securities Commission, Alberta Securities Commission, or other Governmental Authority has issued any order preventing the Business Combination or the trading of any securities of Stralak other than in connection with the Business Combination.

4.32 **Stock Exchange**

The Stralak Shares are not listed for trading on any stock exchange and Stralak is not subject to the rules and regulations of any stock exchange or listing authority.

4.33 **Expenses and Obligations**

Stralak has no obligations or commitments to incur any expenses of any sort whatsoever from the date hereof until completion of the Business Combination other than general administrative expenses consistent with past practice and expenses relating to the completion of the Business Combination.

4.34 **Net Cash on Hand**

As at the date hereof, assuming completion of the Stralak Debt Settlement, Stralak has Net Cash on Hand of approximately \$45,000.

4.35 **Public Disclosure Documents**

Stralak is current in the filing of all public disclosure documents required to be filed by Stralak under applicable Canadian Securities Laws (including all Contracts required by Canadian Securities Laws to be filed by Stralak), there are no filings that have been made thereunder on a confidential basis and all of such filings comply with the requirements of all applicable Canadian Securities Laws.

4.36 **No Misrepresentation**

No portion of the Public Record contained a misrepresentation (as such term is defined in the *Securities Act* (British Columbia)), any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make any statement therein, in light of the circumstances under which it was made, not misleading, as at its date of public dissemination or as at the date hereof.

4.37 **Information Supplied**

None of the information regarding Stralak or its assets or business that was supplied by Stralak specifically for inclusion or incorporation by reference into the Listing Statement, will, at the time of initial submission of the Listing Statement to the CSE, or at the time of any amendment or supplement thereof, as amended or supplemented at such date or time, contain any misrepresentation or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they are made.

**ARTICLE 5**  
**SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES**

5.01 **Survival of Covenants, Representations and Warranties**

No investigation by or on behalf of any party prior to the execution of this Agreement will mitigate, diminish or affect the representations and warranties made by the other parties. The representations and warranties of the parties contained in this Agreement will not survive the completion of the Business Combination and will 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. This Section 5.01 will not limit any covenant or agreement of any of the parties, which, by its terms, contemplates performance after the Effective Time or the date on which this Agreement is terminated, as the case may be.

**ARTICLE 6**  
**COVENANTS**

6.01 **Access to Hemsana**

Hemsana will forthwith make available to Stralak and its authorized representatives and, if requested by Stralak, provide a copy to Stralak of, all title documents, Contracts, financial statements, Constatng Documents, minute books, share registers, plans, reports, licences, orders, permits, books of account, accounting records and all other documents, information or data relating to Hemsana and the Hemsana Business. Hemsana will afford Stralak and its authorized representatives every reasonable opportunity to have access during normal business hours to the Hemsana Business and the property, assets, undertaking, records and documents of Hemsana. At the request of Stralak, Hemsana will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of the Hemsana Business and any property of Hemsana or to enable Stralak or its authorized representatives to

obtain full access to all files and records relating to Hemsana and any of the assets of Hemsana maintained by Governmental Authorities. At Stralak's request, Hemsana will co-operate with Stralak in arranging any such meetings as Stralak should reasonably request with:

- (i) officers and directors of Hemsana; and
- (ii) auditors, solicitors or any other persons engaged or previously engaged to provide services to Hemsana who have knowledge of matters relating to Hemsana and the Hemsana Business.

#### 6.02 Access to Stralak

Stralak will forthwith make available to Hemsana and its authorized representatives and, if requested by Hemsana, provide a copy to Hemsana of, all title documents, Contracts, financial statements, Constatng Documents, minute books, share certificate books, share registers, plans, reports, licences, orders, permits, books of account, accounting records and all other documents, information or data relating to Stralak and its business. Stralak will afford Hemsana and its authorized representatives every reasonable opportunity to have access, during normal business hours, to its business and the property, assets, undertaking, records and documents of Stralak. At the request of Hemsana, Stralak will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of its business and any property of Stralak or any of its subsidiaries or to enable Hemsana or its authorized representatives to obtain full access to all files and records relating to Stralak or any of its subsidiaries and any of the assets of Stralak or any of its subsidiaries maintained by Governmental Authorities. At Hemsana's request, Stralak will co-operate with Hemsana in arranging any such meetings as Hemsana should reasonably request with:

- (i) officers and directors of Stralak; and
- (ii) auditors, solicitors or any other persons engaged or previously engaged to provide services to Stralak who have knowledge of matters relating to Stralak and its business.

#### 6.03 Confidentiality

- (i) Each party hereto agrees that it shall keep strictly confidential and shall not disclose, copy, reproduce or distribute, or cause or permit to be disclosed, copied, reproduced or distributed any information concerning another party hereto (the "**Disclosing Party**"), its business, operations, assets and liabilities, that was obtained from another party hereto (or such party's Representatives) including pursuant to Sections 6.01 and 6.02 hereof, respectively (the "**Confidential Information**") to anyone except (i) the receiving party's (the "**Recipient**") directors, officers, employees, affiliates and advisors (the "**Representatives**") to whom disclosure is reasonably necessary for the purposes of or in connection with the transactions contemplated herein, and who have agreed to be bound by the terms of this Agreement, or (ii) as otherwise consented to in writing by Disclosing Party. Each Recipient shall use its best efforts to ensure that the Confidential Information remains strictly confidential and is not disclosed to or seen, used or obtained by any person or entity except in accordance with the terms of this Agreement.
- (ii) Prior to the Effective Date, each Recipient and its Representatives shall not use or cause to be used any Confidential Information for any purpose other than in connection with evaluating, negotiating or advising in connection with the transactions contemplated herein, and at no time shall a Recipient or its Representatives otherwise use or cause to be used any

Confidential Information for the benefit of itself or any other third party or in any manner adverse to, or to the detriment of, the Disclosing Party or its shareholders.

- (iii) Each Recipient shall instruct its Representatives to whom it makes disclosure that the disclosure is made in confidence and shall be kept in confidence and used only in accordance with this Agreement. The Recipient is liable for any breach of the obligations under this Agreement committed by its Representatives.
- (iv) Notwithstanding the foregoing,
  - (i) the obligations of the Recipient under this section 6.03 shall not apply to any information that (A) is publicly available or becomes publicly available through no action or fault of the Recipient, (B) was already in the Recipient's possession or known to Recipient prior to being disclosed or provided to the Recipient by or on behalf of the Disclosing Party, provided that the source of such information or material was not bound by a contractual, legal or fiduciary obligation of confidentiality to the Disclosing Party or any other party with respect thereto, (C) is obtained by the Recipient from a third party, provided, that, such third party has the lawful right to disclose the Confidential Information, or (D) is independently developed by the Recipient without reference to the Confidential Information; and
  - (ii) a Recipient may disclose Confidential Information if and to the extent legally required or compelled to do so by applicable law or in any governmental, administrative or judicial process (the "**Compelled Disclosure**"). The Recipient shall provide the Disclosing Party with prompt written notice of any request or requirement for Compelled Disclosure and shall co-operate with the Disclosing Party as the latter may reasonably and lawfully request with respect to the form, timing and nature of any Compelled Disclosure or seeking a protective order or other appropriate remedy. The Recipient may disclose only such Confidential Information as is specifically required or compelled to be disclosed and shall continue to use his or its best efforts to preserve the confidentiality of the Confidential Information.
- (v) Upon the termination or rescission of this Agreement, each Recipient will promptly, if requested to do so by the Disclosing Party, return to the Disclosing Party or destroy all Confidential Information (including notes, writings and other material developed therefrom by Recipient) and all copies thereof and retain none for its files. The requirements of confidentiality set forth herein shall survive the return or destruction of such Confidential Information.
- (vi) Each Recipient hereby agrees that its failure or threat of failure to perform any obligation or duty which it has agreed to perform under this Agreement may cause irreparable harm to the Disclosing Party, which harm cannot be adequately compensated for by monetary damages. It is further agreed by each Recipient that an order of specific performance, injunctive relief or other equitable relief (or any combination thereof) against the Recipient in the event of a breach or default, or the threat of a breach or default, under the terms of this Agreement would be equitable and would not work a hardship on the Recipient and accordingly, in such event the Disclosing Party, without any bond or other security being required and in addition to whatever other remedies are or might be available at law or in equity, shall have the right to commence an action against the Recipient either to compel specific performance by, or to

obtain injunctive relief or other equitable relief (or any combination thereof) against, the Recipient, with respect to any such event.

- (vii) Each Recipient acknowledges that the Recipient is aware, and shall advise his or its Representatives, that Canadian Securities Laws prohibit any person who has received material non-public information from an issuer from purchasing or selling securities of such issuer or from communicating such information to any other person.

#### 6.04 **Filings**

- (i) Stralak and Hemsana shall prepare and file, or cause to be filed, any filings required under any applicable Laws, or the rules and policies of the CSE or other Governmental Authorities relating to the Business Combination and the Amalgamation, and shall provide on a timely basis such information to each other as is necessary to complete such filings, including Stralak shall ensure that its most recent interim financial statements are reviewed by its auditor.
- (ii) Stralak covenants and agrees to take, in a timely manner, all commercially reasonable actions and steps necessary in order that effective as at the Effective Date the distribution of Stralak Shares to the Hemsana Shareholders upon the Business Combination is exempt from the prospectus and registration requirements of the Canadian Securities Laws.
- (iii) Hemsana covenants and agrees to take, in a timely manner, all commercially reasonable actions and steps necessary in order that effective as at the Effective Date: (i) the Resulting Issuer Shares, including for greater certainty, the Stralak Shares issuable pursuant to the Business Combination, be listed and posted for trading on the CSE (the “CSE Listing”); and (ii) when received, Hemsana shall provide Stralak with copies of the conditional approval of the CSE respecting the CSE Listing.

#### 6.05 **Circulars and Meetings**

- (i) As soon as reasonably practicable after the date hereof: (i) if necessary, Hemsana shall call and hold the Hemsana Meeting for the purpose of approving the Hemsana Amalgamation Resolution and shall prepare and mail the Hemsana Circular (together with any other documents required under Canadian Securities Laws in connection with the Hemsana Meeting) to the Hemsana Shareholders or otherwise take steps to get the unanimous consent of Hemsana Shareholders in respect of the approval of the Hemsana Amalgamation Resolution; and (ii) Stralak shall call and hold a meeting of the Stralak Board to approve the Transaction Resolutions and, if necessary, Stralak shall call and hold the Stralak Meeting for the purposes of approving the Transaction Resolutions, including Stralak shall prepare and mail the Stralak Circular (together with any other documents required under Canadian Securities Laws in connection with the Stralak Meeting) to the Stralak Shareholders in connection therewith. The Hemsana Meeting (if required) and Stralak Meeting (if required) shall be held at the earliest practicable date following the mailing of the Hemsana Circular (if required) and Stralak Circular (if required).
- (ii) Each of Hemsana and Stralak shall co-operate with each other in the preparation and of their respective circulars (if required) and in connection therewith provide the other party with such information and material concerning its affairs as such other party shall reasonably request.

- (iii) The Hemsana Circular (if required) and Stralak Circular (if required) shall include, *inter alia*, the unanimous recommendation of the directors of Hemsana and Stralak that their respective shareholders vote in favour of approval of the Hemsana Amalgamation Resolution and the Transaction Resolutions, as applicable.
- (iv) Hemsana covenants that the Hemsana Circular (if required) will comply as to form in all material respects with Canadian Securities Law and that none of the information to be supplied by Hemsana for inclusion or incorporation by reference in the Stralak Circular will at the time of the mailing of the Stralak Circular (if required) contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to Hemsana, its officers and directors shall occur that is required to be described in the Stralak Circular, Hemsana shall give prompt notice to Stralak of such event and shall cooperate in the preparation of a supplement or amendment to the Stralak Circular if such supplement or amendment, as applicable, is required.
- (v) Stralak covenants that the Stralak Circular (if required) will comply as to form in all material respects with Canadian Securities Law and that none of the information to be supplied by Stralak for inclusion or incorporation by reference in the Hemsana Circular (if required) will at the time of the mailing of the Hemsana Circular (if required) contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to Stralak, its officers and directors shall occur that is required to be described in the Hemsana Circular, Stralak shall give prompt notice to Hemsana of such event and shall cooperate in the preparation of a supplement or amendment to the Hemsana Circular if such supplement or amendment, as applicable, is required.

6.06 **Conduct of Hemsana Prior to the Effective Date**

Without in any way limiting any other obligations of Hemsana hereunder, during the period from the date hereof until the earlier of the Effective Date or the date this Agreement is terminated in accordance with its terms, Hemsana will use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable (i) to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, (ii) to comply with all provisions of this Agreement, and (iii) to cooperate with Stralak in connection with the foregoing, including, without limitation, the following actions:

- (i) *Conduct Business in the Ordinary Course.* Hemsana shall conduct the Hemsana Business and its operations and affairs only in the Hemsana Ordinary Course, and Hemsana shall not, without the prior written consent of Stralak, take any action or enter into any transaction that, if effected before the date of this Agreement, would constitute a breach of any representation, warranty, covenant or other obligation of Hemsana contained herein, or which may interfere with or be inconsistent with the successful completion of the transactions contemplated herein;
- (ii) *Material Adverse Effects.* Hemsana shall notify Stralak of any Hemsana Material Adverse Effect;

- (iii) *Corporate Action.* Hemsana shall take all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution, delivery and performance of this Agreement and the other agreements and documents contemplated hereby and to complete the Business Combination and the transactions contemplated hereby, and to cause all necessary meetings of directors and Hemsana Shareholders to be held for such purpose. In particular, Hemsana will obtain the approval of the Hemsana Shareholders for the Hemsana Amalgamation Resolution (the “**Hemsana Shareholder Approval**”) on or before June 4, 2021. Hemsana will not, in connection with the Hemsana Shareholder Approval, mail or otherwise transmit any information circular or form of proxy or other solicitation material to any person in the United States except to: (i) Hemsana Shareholders; and (ii) although not permitted to vote as part of the Hemsana Shareholder Approval, holders of Hemsana Options, and holders of Hemsana Warrants, in each case of (i) and (ii) that are U.S. Persons or resident in the United States as at the record date of the meeting of Hemsana Shareholders where Hemsana Shareholder Approval may be sought;
- (iv) *Restrictive Covenants.* Hemsana shall not, directly or indirectly:
  - (i) issue, sell, pledge, hypothecate, lease, dispose of or encumber any of its shares or other securities, or any right, option or warrant with respect thereto, except for: (x) in connection with the Hemsana Private Placements; or (y) upon the exercise of Hemsana Options, Hemsana Warrants, or other convertible securities existing as of the date hereof;
  - (ii) incur or commit to incur any debt, except in the Hemsana Ordinary Course;
  - (iii) make any expenditures except in the Hemsana Ordinary Course, other than in connection with the joint venture arrangement as disclosed to Stralak, Business Combination, Hemsana Private Placements, and the transactions contemplated in this Agreement;
  - (iv) declare, pay or make any dividend or other distribution on its shares, or distribute any of its properties or assets to Hemsana Shareholders;
  - (v) enter into any material Contract, except in the Hemsana Ordinary Course, in connection with the joint venture arrangement disclosed to Stralak and in connection with the Business Combination, the Hemsana Private Placements, and the transaction contemplated in this Agreement;
  - (vi) alter or amend the Constatting Documents of Hemsana, except as necessary to carry out the Business Combination and other transactions contemplated in this Agreement;
  - (vii) engage in any business or other activity except in the Hemsana Ordinary Course or in connection with the joint venture arrangement disclosed to Stralak;
  - (viii) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of the assets of Hemsana or to finance the working capital requirements of Hemsana;
  - (ix) redeem, purchase or offer to purchase any shares or other securities of Hemsana;

- (x) acquire, directly or indirectly, any assets, including but not limited to securities of other companies, except in the Hemsana Ordinary Course or in connection with the joint venture arrangement disclosed to Stralak; or
- (xi) enter into any agreement or understanding to do any of the foregoing;
- (v) *Regulatory Consents.* Hemsana shall obtain, prior to the completion of the Business Combination, from all appropriate Governmental Authorities, all Authorizations required as a condition of the lawful consummation of the Business Combination and the Amalgamation, including the provision of reasonable assistance to Stralak to obtain the approval of the CSE for the CSE Listing, and will effect all necessary registrations and other filings and submissions of information requested by Governmental Authorities in connection with the same; and
- (vi) *Contractual Consents.* Hemsana shall give all notices and obtain all waivers, consents and approvals required under any Contract to which Hemsana is a party or by which it is bound to consummate the transactions contemplated in this Agreement.

#### 6.07

#### **Conduct of Stralak Prior to the Effective Date**

Without in any way limiting any other obligations of Stralak hereunder, during the period from the date hereof until the earlier of the Effective Date or the date this Agreement is terminated in accordance with its terms, Stralak will use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable (i) to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, (ii) to comply with all provisions of this Agreement, and (iii) to cooperate with Hemsana in connection with the foregoing, including, without limitation, the following actions:

- (i) *Conduct Business in the Ordinary Course.* Stralak shall not carry on any business other than to pursue the Business Combination and the transactions contemplated herein and Stralak will not, without the prior written consent of Hemsana, take any action, enter into any transaction that, if effected before the date of this Agreement, would constitute a breach of any representation, warranty, covenant or other obligation of Stralak contained herein, or which may interfere with or be inconsistent with the successful completion of the transactions contemplated herein;
- (ii) *Material Adverse Effects.* Stralak shall notify Hemsana of any Stralak Material Adverse Effect;
- (iii) *Corporate Action.* Stralak shall take all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution, delivery and performance of this Agreement and the other agreements and documents contemplated hereby and to complete the Business Combination and the transactions contemplated hereby, and to cause all necessary meetings of directors and shareholders of Stralak and Subco to be held for such purpose. In particular, Stralak will obtain the approval of the Transaction Resolutions (the “**Stralak Approval**”) and approve the Subco Amalgamation, each on or before June 4, 2021. Stralak will not, in connection with the Stralak Approval, mail or otherwise transmit any information circular or form of proxy or other solicitation material to any person in the United States except to Stralak Shareholders resident in the United States as at the record date of the meeting of Stralak Shareholders where Stralak Approval may be sought;



- (iv) *CSE Listing*. Stralak shall obtain all necessary approvals, including but not limited to the approval of the Stralak Shareholders, CSE, for the CSE Listing, prior to the Effective Time;
- (v) *Consolidation*. Stralak shall effect the Consolidation immediately prior to the Effective Time;
- (vi) *Name Change*. Stralak shall complete and file Articles of Amendment, in the prescribed form, to effect the Name Change immediately prior to the Effective Time;
- (vii) *Board Change*. Stralak shall complete and file, or cause to be completed and filed, such documents to give effect to the Board Change at the Effective Time;
- (viii) *Management Change*. Stralak shall complete and file, or cause to be completed and filed, such documents to give effect to the Management Change at the Effective Time;
- (ix) *Restrictive Covenants*. Stralak shall not, directly or indirectly:
  - (i) issue, sell, pledge, hypothecate, lease, dispose of or encumber any of its shares or other securities, or any right, option or warrant with respect thereto, except for: (x) the issuance of New Stralak Shares pursuant to the transactions contemplated in this Agreement; (y) with the consent of Hempsana; or (z) pursuant to the Stralak Debt Settlement or Finder Shares;
  - (ii) incur or commit to incur any debt;
  - (iii) make any expenditures except in the Stralak Ordinary Course, other than in connection with the Business Combination and the transactions contemplated in this Agreement;
  - (iv) declare, pay or make any dividend or other distribution on its shares, or distribute any of its properties or assets to any person;
  - (v) enter into any material Contract, except in the Stralak Ordinary Course and in connection with the Business Combination, Stralak Debt Settlement and the transaction contemplated in this Agreement;
  - (vi) alter or amend the Constatting Documents of Stralak or Subco, except as necessary to carry out the Business Combination and other transactions contemplated in this Agreement;
  - (vii) engage in any business or other activity except in the Stralak Ordinary Course;
  - (viii) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of the assets of Stralak;
  - (ix) redeem, purchase or offer to purchase any shares or other securities of Stralak;
  - (x) acquire, directly or indirectly, any assets, including but not limited to securities of other companies, except in the Stralak Ordinary Course; or
  - (xi) enter into any agreement or understanding to do any of the foregoing.

- (x) *Subco Restrictive Covenant.* Subco shall not, directly or indirectly, enter into any Contract whatsoever or issue any Subco Common Shares following the date of this Agreement, except in accordance with the provisions of this Agreement;
- (xi) *Regulatory Consents.* Stralak shall obtain, prior to the Business Combination, from all appropriate Governmental Authorities, the Authorizations required as a condition of the lawful consummation of the transactions contemplated by this Agreement including assist Hemsana with obtaining the approval of the CSE for the CSE Listing, and will effect all necessary registrations and other filings and submissions of information requested by Governmental Authorities in connection with the same;
- (xii) *Contractual Consents.* Stralak shall give any notices and obtain any consents and approvals required under any Contract to which Stralak is a party or by which it is bound to consummate the transactions contemplated hereby; and
- (xiii) *Contracts.* Stralak shall not, without the prior written consent of Hemsana (such consent not to be unreasonably withheld or delayed), enter into any new Contract or amend the terms of any existing Contract to which it is a party except for the Contracts necessary to carry out the transactions contemplated in this Agreement.

#### 6.08 **Standstill of Hemsana**

Unless and until this Agreement is terminated pursuant to the terms hereof, Hemsana agrees not to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any Confidential Information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Business Combination, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any offer, shareholder proposal, “business combination” or “takeover bid,” exempt or otherwise, within the meaning of the Canadian Securities Laws, for securities or assets of Hemsana (other than pursuant to the Hemsana Private Placements), nor to undertake any transaction or negotiate any transaction which would be or potentially could reasonably be in conflict with the Business Combination, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers, directors, employees, agents or Affiliates to do so, except as required by statutory obligations. In the event Hemsana, including any of its officers, directors, employees, agents or Affiliates, receives any form of offer or inquiry, Hemsana shall forthwith (and in any event within one Business Day following receipt) notify Stralak of such offer or inquiry and provide Stralak with such details as it may request. Notwithstanding the foregoing, this section does not restrict, limit or prohibit the board of directors of Hemsana from exercising its fiduciary duties under applicable Law where in the good faith judgment of the board of directors of Hemsana, after consultation with outside legal counsel, failure to take such action would be inconsistent with the exercise of its fiduciary duties. For greater certainty, such fiduciary duty shall not relieve Hemsana of its obligations under this Agreement or limit the remedies (including specific performance and injunctive relief) available to Stralak or Subco, as applicable.

#### 6.09 **Standstill of Stralak**

Unless and until this Agreement is terminated pursuant to the terms hereof, Stralak agrees not to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any Confidential Information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest

regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Business Combination, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any offer, shareholder proposal, “business combination”, “takeover bid,” or “qualifying transaction”, exempt or otherwise, within the meaning of the Canadian Securities Laws for securities or assets of Stralak, nor to undertake any transaction or negotiate any transaction which would be or potentially could reasonably be in conflict with the Business Combination, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers, directors, employees, agents or Affiliates to do so, except as required by statutory obligations. In the event Stralak, including any of its officers, directors, employees, agents or Affiliates, receives any form of offer or inquiry, Stralak shall forthwith (and in any event within one Business Day following receipt) notify Hemsana of such offer or inquiry and provide Hemsana with such details as it may request. Notwithstanding the foregoing, this section does not restrict, limit or prohibit the board of directors of Stralak from exercising its fiduciary duties under applicable Law where in the good faith judgment of the board of directors of Stralak, after consultation with outside legal counsel, failure to take such action would be inconsistent with the exercise of its fiduciary duties. For greater certainty, such fiduciary duty shall not relieve Stralak of its obligations under this Agreement or limit the remedies (including specific performance and injunctive relief) available to Hemsana.

6.10 **Refrain from Certain Action**

No party shall take any action, refrain from taking any action (subject to commercially reasonable efforts) or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would or could reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would or could reasonably be expected to have a Hemsana Material Adverse Effect or Stralak Material Adverse Effect.

6.11 **Directors and Officers of the Resulting Issuer**

At the Effective Time:

- (i) the directors of Stralak shall resign and there shall be appointed and/or elected in their place as directors of the Resulting Issuer the following four (4) persons or such other persons as designated by Hemsana (the “**Board Change**”):

Randy Ko	Director
Sohil Mana	Director
To be designated	Director
To be designated	Director

- (ii) the officers, employees and consultants of Stralak shall resign and there shall be appointed in their place as officers of the Resulting Issuer the following persons or such other persons as designated by Hemsana (the “**Management Change**”):

Randy Ko	President and Chief Executive Officer
David Chan	Chief Financial Officer and Secretary

- (iii) no “change of control”, termination fees or other severance payments shall be owed or paid to any directors, officers, employees or consultants that resign from Stralak as contemplated by this Agreement, other than the Management Fee.

#### 6.12 **Press Release**

During the period commencing on the date hereof and until the closing of the Business Combination, the parties agree that any press release issued in connection with the Business Combination is to include the following or substantially similar legend: “NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN THE UNITED STATES.” and as applicable, “The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful”.

#### 6.13 **U.S. Exemption from Registration**

Each party hereto agrees that it will take all steps necessary, and shall ensure that its employees, officers, directors, representatives and agents will take all steps necessary, to ensure that the New Stralak Shares will only be issued in the United States or to U.S. Persons pursuant to the Business Combination and Amalgamation in a transaction that shall be exempt from the registration requirements of the U.S. Securities Act pursuant to the availability of the exemption provided by Rule 506 of Regulation D under the U.S. Securities Act (and shall be a condition to close) and in accordance with applicable state securities laws.

### **ARTICLE 7** **CONDITIONS OF CLOSING**

#### 7.01 **Conditions in Favour of Stralak**

The consummation of the Business Combination and the transactions contemplated in this Agreement are subject to the following terms and conditions for the exclusive benefit of Stralak, to be fulfilled or performed at or prior to the Effective Time:

- (i) *Constituting Documents and Certificate of Corporate Existence.* Stralak shall have received from Hemsana: (i) a copy of the Constituting Documents of Hemsana, certified by a duly authorized officer of Hemsana, to be true and complete as of the Effective Date; and (ii) a certificate or the equivalent, dated not more than three days prior to the Effective Date, of the jurisdiction of incorporation of Hemsana as to the corporate good standing thereof;
- (ii) *Required Approvals.* The board of directors of Hemsana shall have adopted all necessary resolutions and taken all other necessary corporate action to permit the Business Combination and the other transaction contemplated hereby and the Hemsana Shareholders shall have approved the Hemsana Amalgamation Resolution;
- (iii) *Proof of Corporate Action.* Stralak shall have received from Hemsana a copy, certified by a duly authorized officer thereof to be true and complete as of the Effective Date, of the records of all corporate action taken to authorize the execution, delivery and performance of

this Agreement and the transactions contemplated hereby, including a copy of the Hemsana Amalgamation Resolution as passed by the Hemsana Shareholders;

- (iv) *Representations and Warranties.* Other than the representations and warranties of Hemsana set out in Sections 3.06 and 3.07 herein (which may change as a result of the issuance of additional securities), the representations and warranties of Hemsana contained in this Agreement shall be true and correct at the Effective Time, with the same force and effect as if such representations and warranties were made at and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event they shall be true as of such earlier date, or except as affected by transactions specifically permitted or contemplated by this Agreement, or except for any failures or breaches of representations and warranties which, individually or in the aggregate, would not reasonably be expected to result in a Hemsana Material Adverse Effect or prevent or delay the completion of the Business Combination or other transactions contemplated herein), and a certificate of the Chief Executive Officer of Hemsana dated the Effective Date shall have been delivered to Stralak confirming the foregoing;
- (v) *Covenants.* All of the terms, covenants and conditions of this Agreement to be complied with or performed by Hemsana at or before the Effective Time shall have been complied with or performed and a certificate of the Chief Executive Officer of Hemsana dated the Effective Date shall have been delivered to Stralak confirming the foregoing;
- (vi) *Regulatory Consents.* There shall have been obtained, from all relevant Governmental Authorities, such Authorizations as are required to be obtained by Hemsana and Stralak to consummate the Business Combination and the other transactions contemplated hereby;
- (vii) *Contractual Consents.* Hemsana shall have given or obtained the notices, consents and approvals referred to in Section 6.06(vi), as applicable, in each case in form and substance satisfactory to Stralak, acting reasonably;
- (viii) *No Action or Proceeding.* No *bona fide* legal or regulatory action or proceeding will be pending or threatened by any person to enjoin, restrict or prohibit the Business Combination (including but not limited to any cease trade order or similar restraining order) or any other of the transactions contemplated hereby, or the right of Stralak, Subco or Hemsana, to conduct, expand, and develop their business;
- (ix) *No Hemsana Material Adverse Effect.* There will have been no Hemsana Material Adverse Effect since the date hereof and a certificate of the Chief Executive Officer of Hemsana dated the Effective Date to that effect shall have been delivered to Stralak;
- (x) *Payment of Management Fee.* Immediately prior to the Effective time Hemsana shall transfer to Aaron Meckler, Daniel Talkins and Ben Feferman or such entities as they may otherwise direct in writing an aggregate of \$200,000 representing outstanding management fees and reimbursement of certain taxes and expenses owed by Stralak to Aaron Meckler, Daniel Talkins and Ben Feferman, provided such amount shall be deemed to be increased by \$2,500 on the two month anniversary of the date of this Agreement and thereafter on each successive one month anniversary of the date of this Agreement (the “**Management Fee**”). In the event that the Net Cash on Hand is less than nil pursuant to Section 7.02(xiii), this amount may be reduced in Hemsana’s sole discretion, in order to offset the Net Cash on Hand of Stralak such that the result is that it will be a nil balance;

- (xi) *No Change of Control Payments.* There shall be no amount owed or payable to directors, officers, employees or consultants of Hemsana (or any nature whatsoever) arising from a “change of control” of Hemsana in connection with the Business Combination and the transactions contemplated hereby; and
- (xii) *CSE Listing.* The CSE shall have conditionally approved the CSE Listing and all conditions necessary for final approval of the CSE for the CSE Listing, except for the completion of the Business Combination, shall have been satisfied or waived by the CSE in connection therewith.

Any of the conditions contained in this Section 7.01 may be waived in whole or in part by Stralak without prejudice to any claims it may have for breach of covenant, representation or warranty or otherwise.

## 7.02 **Conditions in Favour of Hemsana**

The consummation of the Business Combination and the Amalgamation are subject to the following terms and conditions for the exclusive benefit of Hemsana, to be fulfilled or performed at or prior to the Effective Time:

- (i) *Constating Documents, Certificate of Corporate Existence and Certificate of Outstanding Securities of Stralak and Subco.* Hemsana shall have received: (i) a copy of the Constating Documents of each of Stralak and Subco, certified by a duly authorized officer of Stralak and Subco, as the case may be, to be true and complete as of the Effective Date; (ii) a certificate or the equivalent, dated not more than three days prior to the Effective Date, of the jurisdiction of incorporation of each of Stralak and Subco as to the corporate good standing thereof; and (iii) a certificate of each of Stralak and Subco, certified by a duly authorized officer of Stralak and Subco, as the case may be, to be true and complete list of all of the issued and outstanding securities of Stralak and Subco as at the Effective Time;
- (ii) *Required Approvals.* Each of the board of directors of Stralak and Subco shall have adopted all necessary resolutions and taken all other necessary corporate action to permit the Business Combination and the other transaction contemplated hereby, the Stralak Shareholders shall have approved the Transactions Resolutions (if required), and Stralak shall have approved the Subco Amalgamation Resolution;
- (iii) *Proof of Corporate Action.* Hemsana shall have received from each of Stralak and Subco a copy, certified by a duly authorized officer thereof to be true and complete as of the Effective Date, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby, including a copy of the Transaction Resolutions as passed by the Stralak Shareholders and the Subco Amalgamation Resolution pass by Stralak;
- (iv) *Representations and Warranties.* The representations and warranties of Stralak and Subco contained in this Agreement shall be true and correct at the Effective Time, with the same force and effect as if such representations and warranties were made at and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event they shall be true as of such earlier date, or except as affected by transactions specifically permitted or contemplated by this Agreement, or except for any failures or breaches of representations and warranties which, individually or in the aggregate, would not reasonably be expected to result in a Stralak Material Adverse Effect or prevent or delay the

completion of the Business Combination or other transactions contemplated herein), and a certificate of the Chief Executive Officer and the Chief Financial Officer of Stralak dated the Effective Date shall have been delivered to Hemsana confirming the foregoing;

- (v) *Covenants*. All of the terms, covenants and conditions of this Agreement to be complied with or performed by Stralak at or before the Effective Time shall have been complied with or performed, and a certificate of the Chief Executive Officer and the Chief Financial Officer of Stralak dated the Effective Date shall have been delivered to Hemsana confirming the foregoing;
- (vi) *Regulatory Consents*. There shall have been obtained, from all relevant Governmental Authorities, such Authorizations as are required to be obtained by Hemsana and Stralak to consummate the Business Combination and the other transactions contemplated hereby;
- (vii) *Contractual Consents*. Stralak shall have given or obtained the notices, consents and approvals referred to in subsection 6.07(xiii), in each case in form and substance satisfactory to Hemsana, acting reasonably;
- (viii) *No Action or Proceeding*. No *bona fide* legal or regulatory action or proceeding will be pending or threatened by any person to enjoin, restrict or prohibit the Business Combination (including but not limited to any cease trade order or similar restraining order) or any other of the transactions contemplated hereby, or the right of Stralak, Subco, or Hemsana, to conduct, expand, and develop their business;
- (ix) *No Stralak Material Adverse Effect*. There will have been no Stralak Material Adverse Effect and a certificate of the Chief Executive Officer and the Chief Financial Officer of Stralak dated the Effective Date to that effect shall have been delivered to Hemsana;
- (x) *No Change of Control Payments*. Except for the Management Fee, there shall be no amount payable to directors, officers, employees or consultants of Stralak (of any nature whatsoever) arising from a “change of control” of Stralak in connection with the Business Combination and the transactions contemplated hereby, including no termination fees or other severance payments in connection with the Board Change and Management Change, as contemplated in this Agreement;
- (xi) *Release by Directors and Officers*. Each of the directors, officers, employees and consultants of Stralak that resigns as contemplated in Section 6.11 will have executed and delivered releases in favour of Stralak in form and substance satisfactory to Hemsana, acting reasonably;
- (xii) *Dissent Rights*. Dissent Rights shall not have been exercised by Hemsana Shareholders (with respect to the Amalgamation) in respect of a total number of Hemsana Common Shares which exceed 10% of the outstanding Hemsana Common Shares immediately prior to the Effective Time;
- (xiii) *Net Cash on Hand*. Subject to 7.01(x), immediately prior to the Effective Time, Hemsana shall be satisfied, acting reasonably, that Stralak has Net Cash on Hand of not less than \$nil, taking into consideration all costs and expenses required in connection with the completion of the Transaction;
- (xiv) *Board Change*. The Board Change shall have been made effective;

- (xv) *Management Change.* The Management Change shall have been made effective;
- (xvi) *CSE Listing.* The CSE shall have conditionally approved the CSE Listing and all conditions necessary for final approval of the CSE for the CSE Listing, except for the completion of the Business Combination, shall have been satisfied or waived by the CSE in connection therewith;
- (xvii) *Consolidation.* The Consolidation shall have been made effective and completed;
- (xviii) *Name Change.* The Name Change shall have been made effective and completed; and
- (xix) *Other.* Hemsana shall have received such other documents and instruments as its legal counsel may reasonably require to ensure completion of the Business Combination.

Any of the conditions in this Section 7.02 may be waived in whole or in part by Hemsana without prejudice to any claims it may have for breach of covenant, representation or warranty or otherwise.

7.03            **Filing Articles**

Hemsana shall file with the Director, Articles of Amalgamation and such other documents as may be required to complete the Business Combination as soon as practical and in any event within one Business Day after all conditions set out in Sections 7.01 and 7.02 have been satisfied or waived.

7.04            **Further Assurances**

Each party to this Agreement covenants and agrees that, from time to time prior to and subsequent to the Business Combination, it shall execute and deliver all such documents, including all such additional conveyances, transfers, consents and other assurances and do all such other acts and things as the other party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

**ARTICLE 8**  
**CLOSING AND TERMINATION**

8.01            **Closing**

The closing of the Business Combination shall take place at the offices of Cassels Brock & Blackwell LLP at 10:00 a.m. (Toronto time) on the Effective Date of on such other date as Hemsana and Stralak may agree.

8.02            **Termination**

This Agreement may be terminated at any time before the Effective Time:

- (i) by the mutual written agreement of Stralak, Subco and Hemsana;
- (ii) by either of Stralak or Hemsana by notice to the other if there has been a misrepresentation, breach or non-performance by the breaching party of any representation, warranty, covenant or obligation contained in this Agreement, which could reasonably be expected to have a



Material Adverse Effect on the terminating party or the ability of either party to complete the Business Combination in accordance with the terms of this Agreement, provided the breaching party has been given notice of and ten (10) days to cure any such misrepresentation, breach or non-performance;

- (iii) by Stralak pursuant to: (i) a breach by Hemsana of Section 6.08, or (ii) Section 7.01, if a condition is not satisfied by the Termination Date (or any earlier date by which such condition is required to be satisfied), except when such failure is a result of a breach of this Agreement by Stralak;
- (iv) by Hemsana pursuant to: (i) a breach by Stralak of Section 6.09, or (ii) Section 7.02, if a condition is not satisfied by the Termination Date (or any earlier date by which such condition is required to be satisfied), except when such failure is a result of a breach of this Agreement by Hemsana; or
- (v) by either Hemsana or Stralak, if the Business Combination has not been completed on or before August 31, 2021 (the “**Termination Date**”), or such later date as may be mutually agreed to by Hemsana and Stralak (provided, that the right to terminate this Agreement under this Section 8.02(v) shall not be available to any party whose failure to fulfill any of its obligations under this Agreement has been the cause of or resulted in the failure to consummate the transactions contemplated hereby by such date),

provided that the right to terminate this Agreement is not available to a party if it is in material breach of any representation, warranty or covenant hereof.

#### 8.03 **Effect of Termination**

If this Agreement is terminated in accordance with Section 8.02:

- (i) this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of the parties hereunder except with respect to (i) Section 6.03 and Section 9.01 which will survive such termination, and (ii) a breach arising from the fraud or wilful misconduct of any party; and
- (ii) neither Stralak nor Hemsana will have any further liability to the other party except as expressly contemplated hereby, provided that the termination of this Agreement will not preclude a party from seeking injunctive relief to restrain any breach or threatened breach of this Agreement or otherwise to obtain specific performance of any provision of this Agreement.

#### 8.04 **Waivers and Extensions**

At any time prior to the earlier of the Effective Time or the termination of this Agreement in accordance with the provisions thereof, each of the parties hereto may (a) extend the time for the performance of any of the obligations or other acts of another party hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto or (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the party to be bound thereby.

**ARTICLE 9**  
**MISCELLANEOUS**

9.01           **Transaction Costs**

- (i)           Subject to Sections 9.01(ii) and 9.01(iii), each party hereto will pay its respective costs and expenses (including but not limited to its legal and accounting costs) incurred in connection with the preparation, execution, delivery and performance of this Agreement and all documents and instruments executed pursuant to this Agreement and all transactions contemplated by this Agreement, and any other costs and expenses whatsoever and howsoever incurred.
  
- (ii)           If this Agreement is terminated by Stralak because of a breach by Hemsana of Section 6.08; Hemsana shall pay Stralak an amount equal to \$50,000 as reimbursement to Stralak for its out-of-pocket expenses incurred in connection with the Business Combination, provided that if Stralak is in material breach of its obligations hereunder at the time of the termination of the Agreement such amount will not be payable.
  
- (iii)           If this Agreement is terminated by Hemsana because of a breach by Stralak of Section 6.09; Stralak shall pay Hemsana an amount equal to \$50,000 as reimbursement to Hemsana for its out-of-pocket expenses incurred in connection with the Business Combination, provided that if Hemsana is in material breach of its obligations hereunder at the time of the termination of the Agreement such amount will not be payable.

9.02           **Time of the Essence**

Time is of the essence of this Agreement.

9.03           **Public Announcements**

The parties hereto shall not make any public announcement or press release concerning this Agreement or the matters contemplated herein, their discussions or any other memoranda, letters or agreements between the parties relating to the matters contemplated herein without the prior consent of each other, which consent shall not be unreasonably withheld, provided that no party shall be prevented from making any disclosure which is required to be made by Law or any rules of a stock exchange or similar organization by which it is bound.

9.04           **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

9.05           **Entire Agreement**

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

9.06 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties hereto. No waiver of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific provision waived.

9.07 **Assignment**

This Agreement may not be assigned by a party hereto without the written consent of the other parties hereto, such consent not to be unreasonably withheld or delayed.

9.08 **Notices**

Any demand, notice or communication to be made or given under or pursuant to this Agreement is to be in writing, except as otherwise expressly permitted or required under this Agreement, and may be made or given by personal delivery, by registered mail or by transmittal by electronic mail addressed to the respective parties as follows:

- (i) If to Stralak, then to the following address:

Stralak Resources Inc.  
1049 Chilco Street  
Suite 405  
Vancouver, BC V6G 2R7

Attention: Aaron Meckler  
Email: [Aaron@amukacapital.com](mailto:Aaron@amukacapital.com)

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

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

Attention: Grant Duthie  
Email: [gduthie@garfinkle.com](mailto:gduthie@garfinkle.com)

- (ii) If to Hempsana, then to the following address:

Hempsana Inc.  
3080 Yonge Street, Suite 6060  
Toronto, Ontario M4N 3N1

Attention: Randy Ko, Chief Executive Officer  
Email : [REDACTED]

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

Cassels Brock & Blackwell LLP  
Suite 2100, Scotia Plaza  
40 King Street W.  
Toronto, Ontario M5H 3C2

Attention: Alexander Pizale  
Email: [apizale@cassels.com](mailto:apizale@cassels.com)

or to such other mailing or electronic mail address as any party may from time to time notify the others of in accordance with this paragraph. Any demand, notice or communication made or given by personal delivery is conclusively deemed to have been given on the day of actual delivery thereof, or, if made or given by registered mail, on the fifth (5<sup>th</sup>) business day following the deposit thereof in the mail or, if made or given by electronic mail, on the day of transmittal thereof if given during the normal business hours of the recipient and on the business day during which such normal business hours next occur if not given during such hours on any day. If the party making or giving such demand, notice or communication knows, or ought reasonably to know, of difficulties with the postal system which might affect the delivery of mail, any such demand, notice or communication is not to be mailed but is to be made or given by personal delivery or by electronic mail transmission.

9.09 **Remedies Cumulative**

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

9.10 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

9.11 **Attornment**

For the purpose of all legal proceedings, this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. Each party hereto hereby attorns to the jurisdiction of the courts of the Province of Ontario.

9.12 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed signature page to this Agreement by either party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

*[The remainder of this page has been left intentionally blank. Signature page follows.]*

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date first written above.

**STRALAK RESOURCES INC.**

By: "Aaron Meckler"  
Name: Aaron Meckler  
Title: CEO, CFO and Director

**12954991 CANADA INC.**

By: "Aaron Meckler"  
Name: Aaron Meckler  
Title: CEO, CFO and Director

**HEMPSANA INC.**

By: "Randy Ko"  
Name: Randy Ko  
Title: President & CEO

**SCHEDULE “A”  
AMALGAMATION AGREEMENT**

**THIS AGREEMENT** is made as of [●], 2021

**AMONG:**

**STRALAK RESOURCES INC.**, a corporation existing under the *Business Corporations Act* (British Columbia),

(hereinafter called “**Stralak**”),

- and -

**12954991 CANADA INC.**, a corporation incorporated under the *Canada Business Corporations Act*,

(hereinafter called “**Subco**”),

- and –

**HEMPSANA INC.**, a corporation incorporated under the *Canada Business Corporations Act*,

(hereinafter called “**Hempsana**”),

**WHEREAS:**

1. The parties hereto have entered into a business combination agreement dated as of April 23, 2021 pursuant to which the parties thereto have agreed that the business and assets of Hempsana will be combined with those of Subco (the “**Business Combination Agreement**”).
2. The authorized capital of Subco consists of an unlimited number of common shares of which [●] are issued and outstanding as fully paid and non-assessable.
3. The authorized capital of Hempsana consists of: (i) an unlimited number of Hempsana Common Shares (as defined herein), of which [●] Hempsana Common Shares are issued and outstanding as at the date hereof; and (ii) an unlimited number of Hempsana Preference Shares, of which nil Hempsana Preference Shares are issued and outstanding as at the date hereof.
4. Subco and Hempsana have agreed to amalgamate under the CBCA (as defined herein) upon the terms and conditions hereinafter set out.
5. Effective upon the Amalgamation (as defined herein), Stralak shall issue to each Hempsana Shareholder (as defined herein) one common share in its capital for each one Hempsana Common Share (as defined herein).

**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto do hereby agree as follows:

## 1. Interpretation

In this Agreement including the recitals:

“**Accredited Investor**” means an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;

“**Agreement**” means this amalgamation agreement, at it may be amended or supplemented at any time and from time to time after the date hereof;

“**Amalco**” means the corporation resulting from the amalgamation of Subco and Hemsana pursuant to the Amalgamation;

“**Amalco Shares**” means the common shares in the capital of Amalco;

“**Amalgamating Corporation**” means each of Subco and Hemsana and “**Amalgamating Corporations**” means both of them;

“**Amalgamation**” means the amalgamation of the Amalgamating Corporations under Section 181 of the CBCA on the terms and subject to the conditions set out in this Agreement;

“**Business Combination**” means the business combination among Stralak, Subco and Hemsana pursuant to which Hemsana Shareholders will receive Stralak Shares on the basis of one Stralak Share for each one Hemsana Common Share held and Stralak will become the parent company of Amalco and Amalco will be a wholly-owned subsidiary of Stralak;

“**Business Combination Agreement**” has the meaning ascribed thereto in the preamble to this Agreement;

“**CSE**” means the Canadian Securities Exchange;

“**CBCA**” means the *Canada Business Corporations Act*, as amended from time to time;

“**Certificate of Amalgamation**” means the certificate of amalgamation to be issued by the Director in respect of the Amalgamation;

“**Director**” means the director appointed under Section 260 of the CBCA;

“**Effective Date**” means the date shown on the Certificate of Amalgamation;

“**Effective Time**” has the meaning ascribed to it in Section 11;

“**Stralak Shares**” means common shares in the capital of Stralak;

“**Governmental Authority**” means and includes, without limitation, any foreign, national, provincial, local or state government, or political subdivision of any government, judicial, public or statutory instrumentality, court, tribunal, commission, board, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the CSE;

“**ITA**” means the *Income Tax Act* (Canada), as amended, and all regulations thereunder;

“**Hemsana Preference Shares**” means the preference shares in the capital of Hemsana;

“**Hempsana Common Shares**” means the Hempsana common shares;

“**Hempsana Shareholder**” means a registered holder of Hempsana Common Shares, from time to time, and  
“**Hempsana Shareholders**” means all of such holders;

“**Parties**” means Subco and Hempsana;

“**Person**” includes any individual, sole proprietorship, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, union, Governmental Authority, syndicate or other entity, whether or not having legal status;

“**Regulation D**” means Regulation D adopted by the SEC under the U.S. Securities Act;

“**Subco Shares**” means common shares in the capital of Subco;

“**Transfer Agent**” means the registrar and transfer agent of Stralak;

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**U.S. Person**” means a “U.S. person” as defined in Regulation S under the U.S. Securities Act; and

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

## 2. **Paramountcy**

In the event of any conflict between the provisions of this Agreement and the provisions of the Business Combination Agreement, the provisions of the Business Combination Agreement shall prevail.

## 3. **Agreement to Amalgamate**

Each of the Parties hereby agrees to the Amalgamation. The Amalgamating Corporations shall amalgamate to create Amalco on the terms and conditions set out in this Agreement.

## 4. **Amalgamation**

The Parties shall cause the Articles of Amalgamation to be filed pursuant to the CBCA to effect the Amalgamation. Under the Amalgamation at the Effective Time:

- (a) Subco and Hempsana will amalgamate and continue as Amalco with the name “Hempsana Capital Inc.”;
- (b) each holder of Hempsana Common Shares (other than dissenting Hempsana Shareholders who do not cancel their Hempsana Common Shares in consideration of obtaining Stralak Shares on the Amalgamation) shall receive one fully paid and non-assessable Stralak Share for each Hempsana Common Share held (the “**Exchange Ratio**”), following which all such Hempsana Common Shares shall be cancelled;
- (c) Stralak shall receive one fully paid and non-assessable Amalco Share for each one Subco Share held by Stralak, following which all such Subco Shares shall be cancelled;



- (d) in consideration of the issuance of Stralak Shares in Section 4(b), Amalco shall issue to Stralak one Amalco Share for each Stralak Share issued;
- (e) the Stralak Shares shall be issued fully paid in consideration of the cancellation of the Hemsana Common Shares immediately prior to the Effective Time, excluding any Hemsana Common Shares held by dissenting Hemsana Common Shareholders who do not cancel their Hemsana Common Shares in consideration of obtaining Stralak Shares in the Amalgamation;
- (f) Amalco shall add to the stated capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the ITA of the Subco Shares and Hemsana Common Shares immediately prior to the Effective Time;
- (g) Stralak shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to the transactions contemplated by this Agreement to any holder of Hemsana Common Shares such amounts as it determines are required or permitted to be deducted and withheld with respect to such payment under the ITA or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Hemsana Common Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority; and
- (h) Amalco will become a wholly-owned subsidiary of Stralak.

## **5. Delivery of Securities Following Amalgamation**

In accordance with normal commercial practice, as soon as practicable following the Effective Date, Stralak, directly or through the Transfer Agent, shall issue Direct Registration Advices or certificates representing the appropriate number of Stralak Shares to the former holders of Hemsana Common Shares.

## **6. Effect of Amalgamation**

- (a) The Amalgamating Corporations shall be amalgamated and continue as one corporation under the terms and conditions prescribed in this Agreement.
- (b) The Amalgamating Corporations shall cease to exist as entities separate from Amalco.
- (c) Amalco shall possess all the property, rights, privileges and franchises and shall be subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the Amalgamating Corporations.
- (d) A conviction against, or ruling, order or judgment in favour or against an Amalgamating Corporation may be enforced by or against Amalco.
- (e) The articles of amalgamation shall be deemed to be the articles of incorporation of Amalco except for the purposes of section 104(1) of the CBCA, shall be deemed to be the certificate of incorporation of Amalco.

- (f) Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against an Amalgamating Corporation before the Amalgamation has become effective.
- (g) all rights of creditors against the property, rights and assets of the Amalgamating Corporations and all liens upon their property, rights and assets shall be unimpaired by such amalgamation and all debts, contracts, liabilities and duties of the Amalgamating Corporations shall attach to Amalco and may be enforced against it.

## **7. Share Exchange**

Stralak hereby agrees to issue the Stralak Shares in consideration for the issuance by Amalco of the Amalco Shares to Stralak pursuant to Section 4(e).

## **8. Fractional Shares**

No fractional Stralak Shares shall be issued to holders of Hemsana Common Shares; in lieu of any fractional entitlement, the number of Stralak Shares issued to each former holder of Hemsana Common Shares shall be rounded down to the nearest whole Stralak Share.

## **9. U.S. Shareholder Matters**

Stralak Shares will only be issued to persons in the United States or U.S. Persons that are Accredited Investors in compliance with the exemption provided by Rule 506 of Regulation D under the U.S. Securities Act, shall be “restricted securities” as defined in Rule 144(a)(3) of the U.S. Securities Act, and shall bear a legend in customary form restricting re-sale, offer, pledge, hypothecation and transfer without registration under the U.S. Securities Act unless pursuant to an available exemption from registration under the U.S. Securities Act and in accordance with applicable state securities laws;

Hemsana Options, Hemsana Warrants and Hemsana Convertible Notes and any other agreements or rights to acquire Hemsana Common Shares will, as a result of the Amalgamation, become rights to acquire Stralak Shares or other securities of Stralak, as applicable, as permitted by and in accordance with their terms. Hemsana Options, Hemsana Warrants and Hemsana Convertible Notes and any other agreements or rights to acquire Stralak Shares will not be exercisable or convertible in the United States or by or on behalf of a U.S. Person unless an exemption from registration, if any, is available under the U.S. Securities Act and applicable state securities laws, if any, and shall bear or be deemed to bear a legend in customary form to such effect.

## **10. Filing of Articles of Amalgamation**

If this Agreement is adopted by each of the Amalgamating Corporations as required by the CBCA, the Amalgamating Corporations agree that they will, jointly and together, file with the Director, agreed upon Articles of Amalgamation in the form prescribed under the CBCA.

## **11. Effective Time**

The Amalgamation shall take effect and go into operation at 12:01 a.m. on the Effective Date, if this Agreement has been adopted as required by law and all necessary filings have been made with the Director before that time, or at such later time, or time and date, as may be determined by the directors or by special resolutions of the Amalgamating Corporations when this Agreement shall have been adopted as required by law; provided, however, that if this Agreement is terminated under Section 21, the Amalgamation shall not

take place notwithstanding the fact that this Agreement may have been adopted by the shareholders of the Amalgamating Corporations.

**12. Registered Office**

The registered office of Amalco shall be in the City of Toronto in the Province of Ontario. The address of the first registered office of Amalco shall be:

3080 Yonge Street, Suite 6060  
Toronto, Ontario M4N 3N1

**13. Amalco Name**

The name of Amalco shall be “Hempsana Inc.”.

**14. Articles and By-Laws**

- (a) The articles of amalgamation are deemed to be the articles of incorporation of Amalco and, except for the purposes of section 104(1) of the CBCA, shall be deemed to be the certificate of incorporation of Amalco.
- (b) The by-laws of Amalco shall be the by-laws of Hempsana, a copy of which may be examined at the following address:

3080 Yonge Street, Suite 6060  
Toronto, Ontario M4N 3N1

**15. Activities**

There will be no limitations on the activities of Amalco. The directors of Amalco shall be authorized to borrow money on the credit of Amalco.

**16. Authorized Capital**

The authorized capital of Amalco shall consist of an unlimited number of common shares without nominal or par value.

**17. Number of Directors**

The board of directors of Amalco shall consist of not less than one and not more than 10 directors, the exact number of which shall be determined by the directors from time to time.

**18. Initial Directors**

The first directors of Amalco shall be the persons whose names and residential addresses appear below:

<u>Name</u>	<u>Prescribed Address</u>
Randy Ko	3080 Yonge Street, Suite 6060 Toronto, Ontario M4N 3N1
Sohil Mana	3080 Yonge Street, Suite 6060 Toronto, Ontario M4N 3N1

The above directors will hold office from the Effective Date until the first annual meeting of shareholders of Amalco or until their successors are elected or appointed.

## **19. Transfer of Shares**

The right to transfer of shares in the capital of Amalco shall be restricted in that no shareholder shall be entitled to transfer any share or shares unless its transfer complies with the restriction on the transfer of securities set out in section 20(b) hereof.

## **20. Special Provisions**

Subject to the provisions of the CBCA, the following provisions shall apply to Amalco:

- (a) Without in any way restricting the powers conferred upon Amalco or its board of directors by the CBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the board of directors may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deems expedient:
  - (i) borrow money upon the credit of Amalco;
  - (ii) issue, re-issue, sell, pledge, or hypothecate debt obligations of Amalco;
  - (iii) give a guarantee on behalf of Amalco to secure performance of an obligation of any person; and
  - (iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of Amalco owned or subsequently acquired, to secure any obligation of Amalco.

The board of directors may from time to time delegate to a director, a committee of directors or an officer of Amalco any or all of the powers conferred on the board as set out above, to such extent and in such manner as the board shall determine at the time of such delegation.

- (b) No securities of Amalco, other than non-convertible debt securities, shall be transferred without either:
  - (i) the approval of the directors of Amalco expressed by a resolution passed at a meeting of the board of directors or by a resolution in writing signed by all of the directors entitled to vote on that resolution at a meeting of directors; or
  - (ii) the approval of the holders of shares of Amalco carrying at least a majority of the votes entitled to be cast at a meeting of shareholders, expressed by a resolution passed at a meeting of the holders of such shares or by an instrument or instruments in writing signed by the holders of a majority of such shares.

- (c) Between annual and general meetings of Amalco, the directors of Amalco may appoint one or more additional directors to serve until the next annual and general meeting but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual and general meeting.

**21. Termination**

This Agreement may be terminated by the board of directors of each of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholders of the Amalgamating Corporations, at any time prior to the issuance of the Certificate of Amalgamation and following the termination of the Business Combination Agreement, without, except as provided in the Business Combination Agreement, any recourse by any Party hereto or any of their shareholders or other Persons.

**22. Governing Law**

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario in respect of all matters arising under or in relation to this Agreement.

**23. Further Assurances**

Each of the Parties agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.

**24. Time of the Essence**

Time shall be of the essence of this Agreement.

**25. Amendments**

This Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

**26. Counterparts**

This Agreement may be signed in counterparts (including counterparts by facsimile), and all such signed counterparts, when taken together, shall constitute one and the same agreement, effective on this date.

*[The remainder of this page has been left intentionally blank. Signature page follows.]*

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date first written above.

**STRALAK RESOURCES INC.**

By: \_\_\_\_\_  
Name:  
Title:

**12954991 CANADA INC.**

By: \_\_\_\_\_  
Name:  
Title:

**HEMPSANA INC.**

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "B"**  
**HEMPSANA DISCLOSURE SCHEDULE**

**SECTIONS 3.06 AND 3.07  
HEMPSANA SHARE CAPITAL, OPTIONS AND OTHER CONVERTIBLE SECURITIES**

**Hempsana Common Shares**

21,871,667 Hempsana Common Shares

**Hempsana Options**

<b>Number of Options<sup>(1)</sup></b>	<b>Exercise Price</b>	<b>Expiry Date</b>
1,318,532	\$0.30	Mar 5, 2024
336,813	\$0.60	Sept 1, 2024

Note:

(1) Each Hempsana Option is exercisable to acquire one (1) Hempsana Common Share.

**Hempsana Warrants**

<b>Number of Warrants<sup>(1)</sup></b>	<b>Exercise Price</b>	<b>Expiry Date</b>
4,249,218	\$1.50	September 5, 2022

Notes:

(1) Each Hempsana Warrant is exercisable to acquire one (1) Hempsana Common Share.

(2) Subject to earlier expiry in accordance with the terms.

**Finder fees**

Up to 382,733 Hempsana Common Shares to be issued to certain finders in connection with the Transaction.

**Convertible Debenture**

Certain Hempsana Common Share are required to be issued in connection with a debt settlement agreement dated as of January 21, 2021 between Hempsana and Brad Priestap.



**SECTION 3.14  
HEMPSANA MATERIAL CONTRACTS**

1. General security agreement dated as of October 18, 2019 between Hempsana and Malvina Mana
2. Promissory note between dated October 18, 2019 between Hempsana and Malvina Mana
3. Debt settlement agreement dated as of January 21, 2021 between Hempsana and Brad Priestap

**SCHEDULE "C"**  
**STRALAK DISCLOSURE SCHEDULE**

**SECTIONS 4.06 AND 4.07**  
**STRALAK SHARE CAPITAL, OPTIONS AND OTHER CONVERTIBLE SECURITIES**

**Stralak Shares**

97,563,375 Stralak Shares

**Subco Common Shares**

The authorized share capital of Subco consists of an unlimited number of common shares without nominal or par value, of which 100 Subco Common Shares are issued and outstanding as fully paid and non-assessable shares in the capital of Subco. There are no other securities of Subco outstanding.

## SCHEDULE “D” RESOLUTIONS

### Consolidation Resolution

**\*to be adjusted as applicable depending on if Stralak Shareholder approval is necessary.**

**“BE IT RESOLVED [ , AS A SPECIAL RESOLUTION,] THAT:**

(1) The consolidation of the issued and outstanding common shares of Stralak (the “**Consolidation**”) on the basis of one (1) post-Consolidation common share (each, a “**New Stralak Share**”) for every [Number] pre-Consolidation common shares, is hereby authorized and approved and Stralak is hereby authorized to file articles of amendment, if necessary, with the Director, to effect the Consolidation.

(2) No fractional New Stralak Shares shall be issued in connection with the Consolidation and, any resulting fractional shares shall be rounded down to the nearest whole New Stralak Share.

(3) Stralak is hereby authorized to file articles of amendment with the Director together with any notices and other documents prescribed by the BCBCA to effect the Consolidation.

(4) *[Notwithstanding that this resolution has been passed (and the Consolidation approved) by the shareholders of Stralak, the directors of Stralak are hereby authorized and empowered without further notice to or approval of the shareholders of Stralak (i) to amend the articles of amendment to the extent permitted by law, and (ii) not to proceed with the Consolidation.]*

(5) Any one director or officer of Stralak is hereby authorized and directed for and on behalf of Stralak to execute or cause to be executed, under the corporate seal of Stralak or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, 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.”

### Name Change Resolution

**\*to be adjusted as applicable depending on if Stralak Shareholder approval is necessary.**

**“BE IT RESOLVED [ , AS A SPECIAL RESOLUTION,] THAT:**

(1) the change of the name of Stralak to “Hempsana Holdings Ltd.” or such other name as the board of directors of Stralak, in its sole discretion, deems appropriate and the Director appointed under the *Business Corporations Act* (British Columbia) may permit (the “**Name Change**”), is hereby authorized and approved.

(2) Stralak is hereby authorized to file articles of amendment with the Director together with any notices and other documents prescribed by the BCBCA to effect the Name Change Resolution.

(3) *[Notwithstanding that this resolution has been passed (and the Name Change approved) by the shareholders of Stralak, the directors of Stralak are hereby authorized and empowered without further notice to or approval of the shareholders of Stralak: (i) to amend the articles of amendment, if necessary, to the extent permitted by law, and (ii) not to proceed with the Name Change.]*

(4) Any one director or officer of Stralak is hereby authorized and directed for and on behalf of Stralak to execute or cause to be executed, under the corporate seal of Stralak or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, 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."

### **Hempsana Amalgamation Resolution**

#### **"BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:**

(1) The entering into by Hempsana of, and the performance by Hempsana of its obligations under, an amalgamation agreement (the "**Amalgamation Agreement**"), substantially in the form presented to the shareholders of Hempsana, among Hempsana, Stralak Resources Inc. and 12954991 Canada Inc. ("**Subco**") providing for and prescribing the terms and conditions of the amalgamation of Hempsana and Subco under the provisions of the *Canada Business Corporations Act* (the "**Amalgamation**"), is hereby authorized and approved, and for greater certainty, such Amalgamation contemplated in the Amalgamation Agreement is also hereby authorized and approved.

(2) Notwithstanding that this resolution has been passed (and the Amalgamation Agreement and Amalgamation approved) by the shareholders of Hempsana, the directors of Hempsana are hereby authorized and empowered without further notice to or approval of the shareholders of Hempsana to not proceed with the Amalgamation.

(3) Any one director or officer of Hempsana is hereby authorized and directed for and on behalf of Hempsana to execute or cause to be executed, under the corporate seal of Hempsana or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, 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."

### **Subco Amalgamation Resolution**

#### **"BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:**

(1) The entering into by Subco of, and the performance by Subco of its obligations under, an amalgamation agreement (the "**Amalgamation Agreement**"), substantially in the form presented to the sole shareholder of Subco, among Hempsana Capital Inc., Stralak Resources Inc. and Subco providing for and prescribing the terms and conditions of the amalgamation of Hempsana and Subco under the provisions of the *Canada Business Corporations Act* (the "**Amalgamation**"), is hereby authorized and approved, and for greater certainty, such Amalgamation contemplated in the Amalgamation Agreement is also hereby authorized and approved.

(2) Any one director or officer of Subco is hereby authorized and directed for and on behalf of Subco to execute or cause to be executed, under the corporate seal of Subco or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, 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."