

SHARE EXCHANGE AGREEMENT

BY AND AMONG: **SARATOGA ELECTRONIC SOLUTIONS INC.**, a corporation duly continued under the federal laws of Canada, having its principal place of business located at 2975 Hochelaga, Montreal, Quebec H1W 1G1,

(“**Saratoga**”)

AND: **2419104 ONTARIO INC.**, a corporation duly constituted under the laws of the province of Ontario, having its principal place of business located at 112 Pathlane Road, Richmond Hill, Ontario L4B 2R1,

(“**2419104**”)

AND: **AHMAD (RAY) RASOULI** *es qualité trustee for 2418659 Ontario Inc.*, residing and domiciled at 112 Pathlane Road, Richmond Hill, Ontario L4B 2R1,

(“**Rasouli**” and together with 2419104, the “**Primary Vendors**”)

AND: **The Other Shareholders of Abba Medix Who Agree to become bound by this Agreement by Execution of a Counterpart Agreement,**

(collectively, the “**Other Vendors**” and together with the Primary Vendors, the “**Vendors**”)

AND: **ABBA MEDIX CORP.**, a corporation duly constituted under the laws of the province of Ontario, having its principal place of business located at 1773 Bayly Street, Pickering, Ontario L1W 2Y7,

(“**Abba Medix**”)

RECITALS

WHEREAS the Primary Vendors are the registered and beneficial owners of 1,000,000 Target Shares (as hereinafter defined), representing approximately 74.80% of the issued and outstanding Target Shares;

AND WHEREAS the Other Vendors are the registered and beneficial owners of 336,877 Target Shares, representing approximately 25.20% of the issued and outstanding Target Shares;

AND WHEREAS the common shares of Saratoga (the “**Saratoga Shares**”) are currently listed on the NEX board of the TSXV;

AND WHEREAS Saratoga and the Vendors wish to exchange shares on the terms and conditions herein contained; and

AND WHEREAS following such exchange of shares, Saratoga will own the acquired Target Shares and the Vendors will own Saratoga Shares received as consideration;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows.

ARTICLE 1 DEFINITIONS

1.1 Definitions

For the purposes of this Agreement the following capitalized terms shall have the meanings set forth in this Article 1:

“2418659” means 2418659 Ontario Inc.

“Abba Medix Assets” means, collectively, the Abba Medix IP and the Abba Medix Tangible Property.

“Abba Medix Financial Statements” (i) the audited financial statements of Abba Medix for the period commencing on August 21, 2013 and ended July 31, 2014; and (ii) the unaudited financial statements of Abba Medix (prepared on a review engagement basis) for the period commencing on August 1, 2014 and ended October 31, 2014, true and complete copies of which are attached as Schedule 3.1(g).

“Abba Medix Employee Plans” has the meaning set forth in Section 3.1(u).

“Abba Medix IP” means all patents, patentable subject matter, copyrights, registered and unregistered trade-marks, service marks, domain names, trade-names, logos, commercial symbols, industrial designs (including applications for all of the foregoing and renewals, divisions, extensions and reissues, where applicable, relating thereto), inventions, licences, sub-licences, trade secrets, know-how, confidential and proprietary information, patterns, drawings, computer software, databases and all other intellectual property, whether registered or not, owned by, licensed to or used by Abba Medix, in any format or medium whatsoever.

“Abba Medix Tangible Property” means all assets owned or leased by Abba Medix other than the Abba Medix IP.

“Affiliate” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **“control”** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **“controlled”** shall have a similar meaning.

“**Agreement**” means this Share Exchange Agreement, together with all the Exhibits and the Schedules attached thereto.

“**Authorizations**” has the meaning set forth in Section 3.1(l).

“**Business Day**” means a day, excluding Saturday and Sunday, on which banking institutions are open for business in Montreal, Quebec and Toronto, Ontario.

“**Claim**” has the meaning set forth in Section 10.4(a).

“**Closing**” means the closing of the transactions contemplated by this Agreement in accordance with the terms and conditions hereof.

“**Closing Date**” means February 27, 2015, or such other date as Saratoga and the Vendors’ Representative may agree in writing, provided that the Closing Date shall not be later than April 30, 2015.

“**Closing Time**” means 9:00 a.m. (Montreal time) on the Closing Date.

“**Consent**” means any consent, Authorization, waiver, ruling, exemption or acknowledgement from any Person which is provided for or required: (a) pursuant to the terms of any lease or other contract of Abba Medix; or (b) under any applicable Law, in either case which is otherwise necessary to permit the Parties to perform their obligations under this Agreement and Abba Medix to carry on its business after Closing.

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

“**Direct Claim**” has the meaning set forth in Section 10.4(a).

“**Distribution**” means, in respect of a Person: (a) the declaration or payment of any dividend in cash, securities or property on or in respect of any class of securities of the Person or its subsidiaries; (b) the purchase, redemption or other retirement of any securities of the Person or its subsidiaries, directly or indirectly; or (c) any other distribution on or in respect of any class of securities of the Person or its subsidiaries.

“**Dollars**” and “**\$**” means Canadian dollars, unless otherwise specified.

“**Employee Plans**” means, in respect of a Person, any employee benefit, health, welfare, medical, dental, pension, retirement, profit sharing, current or deferred compensation, equity or phantom stock compensation, savings, severance or termination payment, life insurance or disability plan, program, agreement and arrangement (whether written or oral) and all other similar plans, programs, agreements and arrangements which are sponsored, maintained or contributed to by a Person for its current or former employees or under which such Person has any actual or potential liability or obligations, other than plans established pursuant to Law.

“**End Date**” has the meaning set forth in Section 7.5(d).

“**Environmental Approvals**” means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by any Governmental Authority pursuant to any Environmental Laws.

“Environmental Laws” means Laws in respect of the protection of the natural environment or any species or organisms that make use of it, public or occupational health or safety, or the manufacture, importation, handling, transportation, storage, disposal and treatment of Hazardous Substances, and includes Environmental Approvals.

“GAAP” or **“generally accepted accounting principles”** means the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor entity thereto, applicable as at the date on which such principles are to be applied or on which any calculation or determination is required to be made in accordance with generally accepted accounting principles.

“Governmental Authority” means:

- (a) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);
- (b) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;
- (c) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and
- (d) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.

“Government Licences” has the meaning set forth in Section 3.1(k).

“Hazardous Substances” means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the natural environment, injure or damage property or plant or animal life or harm or impair the health of any individual and includes any contaminant, waste, or substance or material defined, prohibited, regulated or reportable pursuant to any Environmental Law.

“IFRS” means the International Reporting Standards, as adopted by the International Accounting Standards Board, as amended from time to time.

“Income Tax Act” means the *Income Tax Act* (Canada), as amended from time to time.

“Indemnified Party” has the meaning set forth in Section 10.4(a).

“Indemnifying Party” has the meaning set forth in Section 10.4(a).

“Laws” mean all federal, provincial, state, municipal or local laws, rules, regulations, statutes, by-laws, ordinances, policies or orders of a Governmental Authority, including the rules of the TSXV and the CSE.

“**Lien**” means: (a) any encumbrance, mortgage, pledge, hypothec, prior claim, lien, charge or other security interest of any kind upon any property or assets of any character, or upon the income or profits therefrom; (b) any acquisition of or agreement to have an option to acquire any property or assets upon conditional sale or other title retention agreement, device or arrangement or royalty (including a capitalized lease); or (c) any sale, assignment, pledge or other transfer for security of any accounts or general intangibles, with or without recourse.

“**Losses**” means all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including reasonable legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter.

“**Material Adverse Effect**” in respect of a Person means any change, effect, event, occurrence, condition or development that has or could reasonably be expected to have, individually or in the aggregate, a material and adverse impact on the business, operations, results of operations, assets, capitalization or financial condition of such Person, other than any change, effect, event, occurrence or state of facts relating to the global economy or securities markets in general.

“**Party**” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and “**Parties**” means every Party.

“**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

“**Saratoga Board**” means the board of directors of Saratoga.

“**Saratoga Employee Plans**” has the meaning set forth in Section 5.1(p).

“**Saratoga Financial Statements**” means, collectively, (i) the annual audited financial statements of Saratoga for the fiscal years ended March 31, 2014 and 2013, respectively, true and complete copies of which are attached as Schedule 5.1(i), and (ii) the unaudited financial statements of Saratoga for the nine-month period ended December 31, 2014, true and complete copies of which are attached as Schedule 5.1(i).

“**Saratoga Indemnified Persons**” has the meaning set forth in Section 10.2(a).

“**Saratoga Public Documents**” means the public documents filed by Saratoga since February 1, 2013 and available on SEDAR under Saratoga’s SEDAR profile.

“**Saratoga Shares**” has the meaning set forth in the Recitals.

“**Target Shares**” means the issued and outstanding Class A common shares of Abba Medix.

“**Tax**” or “**Taxes**” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes,

government pension plan premiums and contributions, social security premiums, workers' compensation premiums, employment/unemployment insurance or compensation premiums and contributions, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, goods and services tax, harmonized sales tax, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority and any instalments in respect thereof, together with any tax indemnity obligation, interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties, and whether disputed or not.

“**Tax Returns**” means all returns, reports, declarations, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

“**Third Party Claim**” has the meaning set forth in Section 10.4(a).

“**TSXV**” means the TSX Venture Exchange.

“**Vendors' Representative**” has the meaning set forth in Section 9.1.

1.2 Gender and Number. In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.

1.3 Headings and Table of Contents. The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.

1.4 Section References. Unless the context requires otherwise, references in this Agreement to Articles, Sections, Schedules or Exhibits are to Articles or Sections of this Agreement, and Schedules or Exhibits to this Agreement.

1.5 Words of Inclusion. Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.

1.6 References to this Agreement. The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.

1.7 Computation of Time Periods. In the computation of periods of time from a specified date to a later specified date, unless otherwise specified herein, the words “commencing on” mean “commencing on and including”, the word “from” means “from and including” and the words “to” and “until” each means “to and including”.

1.8 Statute References. Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such

amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.

1.9 Document References. All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules and exhibits attached thereto.

1.10 Knowledge. Where any representation, warranty or other statement in this Agreement is expressed to be made by a Party to its knowledge or is otherwise expressed to be limited in scope to facts or matters known to such Party or of which such Party is aware, it shall mean such knowledge as is actually known to, or which would have or should have come to the attention of such Person or, as applicable, the officers or employees of such Party who have overall responsibility for the matters relevant to such statement.

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

Schedule 2.1	-	Target Shares
Schedule 3.1(a)	-	Organization and Operation of Abba Medix
Schedule 3.1(d)	-	Capitalization
Schedule 3.1(g)	-	Financial Statements
Schedule 3.1(h)	-	Title to and Sufficiency of Assets
Schedule 3.1(i)	-	Intellectual Property
Schedule 3.1(j)	-	Leases, Contracts and Commitments
Schedule 3.1(k)	-	Licences
Schedule 3.1(l)	-	Compliance with Laws
Schedule 3.1(m)	-	Undisclosed Liabilities
Schedule 3.1(t)	-	Environmental Matters
Schedule 3.1(u)	-	Employees and Employee Benefits and Contractors
Schedule 3.1(w)	-	Insurance
Schedule 3.1(y)	-	Absence of Certain Changes or Events
Schedule 3.1(z)	-	No Brokers
Schedule 5.1(a)	-	Organization and Operation of Saratoga
Schedule 5.1(i)	-	Financial Statements
Schedule 5.1(l)	-	Taxes
Schedule 5.1(q)	-	Transactions with Affiliates et al.
Schedule 5.1(u)	-	No Brokers

ARTICLE 2 AGREEMENT TO EXCHANGE

2.1 Target Shares

(a) Subject to the terms and conditions hereof and in reliance on the representations, warranties, covenants and indemnities set forth or referred to herein, at the Closing Time each of the Vendors severally agrees to exchange, transfer and assign all of the Target Shares he, she or it owns or will own at the Closing Time (being the number set out opposite his, her or its name in Schedule 2.1) to Saratoga in consideration of Saratoga's

issuance to such Vendor of that number of Saratoga Shares set out opposite his, her or its name in Schedule 2.1 as determined in accordance with Section 2.1(b).

- (b) The exchange, transfer and assignment of the Target Shares for Saratoga Shares shall proceed on the basis of thirty-two (32) Saratoga Shares for each one (1) Target Share outstanding.
- (c) Fractional Saratoga Shares shall not be issued or otherwise provided for. Where the application of the exchange ratio set forth in Section 2.1(b) to the aggregate of all Target Shares held by a Vendor would result in a Vendor being entitled to receive a fractional Saratoga Share, the number of Saratoga Shares to be issued to such Vendor shall be rounded down to the nearest whole Saratoga Share. Saratoga will not pay any amount in cash in lieu of issuing fractional Saratoga Shares.

2.2 Deemed Value of Saratoga Shares. The parties acknowledge and agree that the deemed value of the Saratoga Shares issued at Closing shall be \$0.25 per Saratoga Share.

2.3 Effective Date

- (a) The exchange of Target Shares for Saratoga Shares shall take effect at and from the Closing Time.
- (b) Any Distributions received in respect of the Target Shares held by the Vendors from and after the Closing Time shall be held by them in trust for Saratoga and shall, upon receipt, be paid to Saratoga forthwith and Saratoga shall be entitled to all Distributions in respect of the Target Shares accrued or accruing to the Vendors from and after the Closing Time.

2.4 Tax Election. The exchange of the Target Shares for Saratoga Shares will be effected as a tax deferred share-for-share exchange pursuant to subsection 85.1(1) of the Income Tax Act (and any analogous applicable provisions of provincial income tax Law).

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE PRIMARY VENDORS AND
ABBA MEDIX**

3.1 Representations and Warranties of the Primary Vendors and Abba Medix. In order to induce Saratoga to enter into this Agreement and to consummate the transactions contemplated by this Agreement, each of the Primary Vendors and Abba Medix hereby solidarily represents and warrants as follows to and in favour of Saratoga, and acknowledges that Saratoga is relying upon such representations and warranties in connection with the transactions contemplated herein:

- (a) *Organization and Operation of Abba Medix.* Abba Medix is incorporated, organized and subsisting under the Laws of its jurisdiction of incorporation. Abba Medix has the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations hereunder and thereunder. Except as disclosed in Schedule 3.1(a), there are no shareholders' agreements governing the affairs of Abba Medix or the relationship, rights

and duties of its shareholders, nor are there any voting trusts, pooling arrangements or other similar agreements with respect to the ownership or voting of any shares of Abba Medix. Abba Medix has conducted and is conducting its affairs in material compliance with applicable Laws. Abba Medix is not a party to any agreement, nor, to the knowledge of the Primary Vendors, will there be any agreement, which in any manner affects the voting control of any of the securities of Abba Medix or any shareholders agreements of Abba Medix in effect. The completion of the transactions contemplated by this Agreement will not breach any applicable Law or the articles or by-laws of Abba Medix or have any material adverse effect on Abba Medix's rights under any licence, lease or other contract, subject to receipt of the Consents listed in Schedule 3.1(j).

- (b) *Qualification to do Business.* Abba Medix is registered, licensed or otherwise qualified to do business under the laws of its jurisdiction of incorporation, being the only jurisdiction in which the location of the properties and assets owned by Abba Medix or the nature of the business of Abba Medix requires registration, licensing or other qualification. Abba Medix has all necessary corporate power, authority, and capacity to carry on its business and to own or lease and operate its property and assets as now carried on and owned or leased and operated.
- (c) *Authorization and Enforceability.* The execution and delivery of this Agreement and all agreements and instruments to be executed and delivered hereunder have been duly authorized by all necessary corporate action on the part of Abba Medix and this Agreement constitutes a valid and binding obligation of Abba Medix enforceable against it in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other Laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principals when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law.
- (d) *Capitalization.* The authorized capital of Abba Medix consists of an unlimited number of Target Shares of which 1,336,877 Target Shares are issued and outstanding as fully paid and non-assessable shares in the capital of Abba Medix. Except as disclosed in Schedule 3.1(d), there are no rights, subscriptions, warrants, options, conversion rights, calls, commitments or plans or agreements of any kind outstanding which would enable any Person to purchase or otherwise acquire any shares or other securities of Abba Medix. Schedule 3.1(d) contains a true and complete list of the names of all holders of Target Shares and the number of Target Shares owned by such holder. Abba Medix does not have a direct or indirect equity interest in any other Person.
- (e) *Bankruptcy, Insolvency and Reorganization.* Abba Medix is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) nor has Abba Medix made an assignment in favour of its creditors nor a proposal in bankruptcy to its creditors or any class thereof nor had any petition for a receiving order presented in respect of it. Abba Medix has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver has been appointed in respect of Abba Medix or any of its property or assets and no execution or distress has been levied upon any of its property or assets. No act or proceeding has been taken or authorized by or against Abba Medix with respect to any amalgamation, merger,

consolidation, arrangement or reorganization of, or relating to, Abba Medix, nor have any such proceedings been authorized by any other Person.

- (f) *Corporate Records.* The minute books, share certificate book, register of shareholders, register of transfers and register of directors and officers of Abba Medix have been maintained in accordance with applicable Law and are complete and accurate in all material respects.
- (g) *Financial Statements.* The Abba Medix Financial Statements have been prepared in accordance with GAAP consistently applied throughout the period to which they relate. The balance sheet contained in the Abba Medix Financial Statements fairly presents the financial position of Abba Medix as of the date thereof and the statements of loss and comprehensive loss contained in the Financial Statements fairly present the revenues, earnings and results of operations for the period indicated. The Financial Statements are accurate and complete in all material respects and are based upon, and are consistent with, Abba Medix's financial records.
- (h) *Title to and Sufficiency of Assets.* Abba Medix has good and marketable legal and beneficial title to all of the Abba Medix Assets, free and clear of any and all Liens, and there is no agreement, option or other right or privilege outstanding in favour of any Person for the purchase from Abba Medix of its business or of any of the Abba Medix Assets. The Abba Medix Assets owned and leased by Abba Medix and their locations are listed or described in Schedule 3.1(h) and such property and assets constitute all of the property and assets used or held for use in connection with the business of Abba Medix and are sufficient to permit the continued operation of the business of Abba Medix in substantially the same manner as conducted as of the date hereof and during the year ended on the date of the most recent annual financial statements forming part of the Abba Medix Financial Statements. Abba Medix does not own any real property.
- (i) *Intellectual Property.* Abba Medix owns or has the right to use all of the Abba Medix IP. Except as disclosed in Schedule 3.1(i), all registrations, if any, and filings necessary to preserve the rights of Abba Medix in the Abba Medix IP have been made and are in good standing. Abba Medix has no pending action or proceeding, nor any threatened action or proceeding, against any Person with respect to the use of the Abba Medix IP, and there are no circumstances which cast doubt on the validity or enforceability of the Abba Medix IP owned or used by Abba Medix. The conduct of the business of Abba Medix does not, to the knowledge of the Primary Vendors, infringe upon the intellectual property rights of any other Person. Abba Medix has no pending action or proceeding, nor, to the knowledge of the Primary Vendors, is there any threatened action or proceeding against it with respect to Abba Medix's use of the Abba Medix IP. A true and complete list of the Abba Medix IP is included in Schedule 3.1(i).
- (j) *Leases, Contracts and Commitments.* Except as disclosed in Schedule 3.1(j), Abba Medix is not a party to any lease, contract or commitment. Abba Medix is not in default under any lease or other contract to which it is a party, or by which it is otherwise bound, to the knowledge of the Primary Vendors, no other party is in default under any such lease or other contract and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any such lease or other contract by Abba Medix or any other party to such lease or other contract. Except as disclosed in

Schedule 3.1(j), no Consent is required nor is any notice required to be given under any such lease or other contract by any Person in connection with the completion of the transactions contemplated by this Agreement in order to maintain all rights of Abba Medix under such lease or other contract. Subject to the receipt of the Consents listed in Schedule 3.1(j), the completion of the transactions contemplated by this Agreement will not result in any default under any such lease or other contract nor afford any Person the right to terminate any such lease or other contract nor will the completion of such transactions result in any additional or more onerous obligation on Abba Medix under any such lease or such other contract. All of the leases and other contracts listed in Schedule 3.1(j) are in full force and effect, unamended, and Abba Medix is entitled to the full benefit and advantage of each such leases and other contracts in accordance with its terms.

- (k) *Licences.* (i) Except as disclosed in Schedule 3.1(k), Abba Medix is duly qualified and possesses all such permits, certificates, licences, approvals, Consents and other Authorizations (collectively, “**Government Licences**”) issued by the appropriate Governmental Authority necessary to conduct its business as now operated and as proposed to be conducted by Abba Medix; (ii) Abba Medix is in compliance with the terms and conditions of all such Governmental Licences; (iii) all of such Governmental Licences are valid and in full force and effect; and (iv) Abba Medix has not received any notice relating to the revocation or modification of any such Governmental Licences.
- (l) *Compliance with Laws.* Except as disclosed in Schedule 3.1(l), Abba Medix: (i) is and at all times has been in material compliance with all applicable Laws; (ii) has not received any correspondence or notice from Health Canada or any other Governmental Authority alleging or asserting noncompliance with any applicable Law or any licences, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such applicable Law (collectively, “**Authorizations**”); (iii) possesses all Authorizations required for the conduct of its business, and such Authorizations are valid and in full force and effect and Abba Medix is not in violation of any term of any such Authorization; (iv) has not received notice of any pending or threatened claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action from any Governmental Authority or third party alleging that any operation or activity of Abba Medix is in violation of any applicable Law or Authorizations and has no knowledge or reason to believe that any such Governmental Authority or third party is considering any such claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action; (v) has not received notice that any Governmental Authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any material Authorizations and has no knowledge or reason to believe that any such Governmental Authority is considering such action; and (vi) has, or has had on its behalf, filed, declared, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any applicable Law or Authorizations and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission). None of the Primary Vendors or Abba Medix is aware of any fact, matter or circumstance which may reasonably be expected to result in any Authorization not being issued by a Governmental Authority to Abba Medix.

- (m) *Undisclosed Liabilities.* Except as set forth in Schedule 3.1(m), Abba Medix does not have any liabilities or obligations of any nature (whether known or unknown, liquidated or unliquidated, due or to become due and whether absolute, accrued, contingent or otherwise) except for liabilities and obligations disclosed or provided for in the Abba Medix Financial Statements and current liabilities incurred in the ordinary course of business since the date of the Abba Medix Financial Statements which do not exceed \$10,000 individually or \$20,000 in the aggregate. Without limiting the foregoing, Abba Medix is not a party to or bound by any agreement, contract or commitment providing for the guarantee, indemnification, assumption or endorsement with respect to the obligations or liabilities, contingent or otherwise, of any other Person.
- (n) *Purchase or Sale of Assets.* Abba Medix is not currently party to any agreement in respect of (i) the purchase of any material property or assets or any interest therein, except as disclosed in the Abba Medix Financial Statements or in Schedules 3.1(j) or 3.1(m) or (ii) the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by Abba Medix whether by asset sale, transfer of shares or otherwise.
- (o) *Taxes.* All Taxes due and payable, or required to be collected or withheld and remitted, by Abba Medix have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect. All Tax Returns required to be filed by Abba Medix have been filed with all appropriate Governmental Authorities and all such Tax Returns are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading or have a Material Adverse Effect. To the knowledge of the Primary Vendors, no examination of any Tax Return of Abba Medix is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by Abba Medix. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to Abba Medix.
- (p) *Reserves.* Abba Medix has established on its books and records reserves that are adequate for the payment of all material Taxes not yet due and payable and there are no Liens for Taxes on the assets of Abba Medix, and there are no audits pending of the Tax Returns of Abba Medix (whether federal, state, provincial, local or foreign) and there are no claims which have been or may be asserted relating to any such Tax Returns, which audits and claims, if determined adversely, would result in the assertion by any Governmental Authority of any deficiency that would result in a Material Adverse Effect.
- (q) *Internal Controls.* Abba Medix maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets.
- (r) *Indebtedness.* Abba Medix has no indebtedness except (i) as disclosed in the Abba Medix Financial Statements; and (ii) for indebtedness to vendors, suppliers and service providers incurred in the ordinary course of business in connection with the establishment of commercial operations of Abba Medix and the negotiation and closing of the transactions

contemplated hereby which, in the aggregate, does not exceed \$10,000 and as disclosed in Schedule 3.1(m).

- (s) *Litigation.* No legal or governmental actions, suits, judgments, investigations or proceedings are pending to which Abba Medix, or to the knowledge of the Primary Vendors, the directors, officers or employees of Abba Medix are a party or to which Abba Medix's property or assets are subject which if finally determined adversely to Abba Medix or its directors, officers or employees, as applicable, would be expected to result in a Material Adverse Effect and, to the knowledge of the Primary Vendors, no such proceedings have been threatened against or are pending with respect to Abba Medix, its property and assets or with respect to its directors, officers or employees, and Abba Medix is not subject to any judgment, order, writ, injunction, decree or award of any Governmental Authority, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

- (t) *Environmental Matters.* The business of Abba Medix and the Abba Medix Assets as carried on or used by Abba Medix and its predecessors have been carried on and used and are currently carried on and used in material compliance with all Environmental Laws. To the knowledge of the Primary Vendors, there is no Hazardous Substance on, in or under any of the real or personal property owned or leased by Abba Medix nor has there ever been any release, escape or other discharge of any Hazardous Substance therefrom other than in accordance with Environmental Law. Abba Medix and its predecessors have not used any of its or their property or assets, or permitted them to be used, to generate, manufacture, refine, treat, transport, store, handle, dispose of, transfer, produce or process any Hazardous Substance except in compliance with all Environmental Laws. The Environmental Approvals held by Abba Medix and listed in Schedule 3.1(t) are the only Environmental Approvals required for the operation of the business of Abba Medix or of any of the Abba Medix Assets used in the business of Abba Medix and are in full force and effect. There are no underground storage tanks, pits, lagoons, waste disposal sites, above-ground storage tanks or materials or other assets containing asbestos or polychlorinated biphenyls located on any lands leased by Abba Medix.

- (u) *Employees and Employee Benefits and Contractors.* Abba Medix is not a party to or bound by, either directly or by operation of applicable Law, any collective agreement, labour contract, letter of understanding, letter of intent, voluntary recognition agreement or legally binding commitment or written communication to any labour union, trade union or employee organization or group which may qualify as a trade union in respect of or affecting employees or independent contractors nor is Abba Medix subject to any union organization effort, nor is it engaged in any labour negotiation. Except as set out in Schedule 3.1(u), Abba Medix does not have written contracts of employment with any employee or any written contract with any consultant. Except as disclosed in Schedule 3.1(u), Abba Medix has no obligation to make any severance or termination payment to any employee in excess of any amount payable under Applicable Law. Each Employee Plan maintained by Abba Medix is listed on Schedule 3.1(u) (the "**Abba Medix Employee Plans**"). True, up-to-date and complete copies of all Employee Plans (or, where oral, written summaries of the material terms thereof) as amended as of the date hereof, together with all related documentation including annuity contracts, trust or other funding agreements, participation agreements, insurance policies and contracts, actuarial reports,

annual information returns, investment management agreements, copies of all material correspondence with Governmental Authorities and plan summaries, employee booklets, brochures and personnel manuals have been provided to Saratoga. Each Abba Medix Employee Plan has been established, administered and invested in accordance with its terms and applicable Law. No Abba Medix Employee Plan provides post-retirement or post-employment employment benefits to or in respect of any employees or former employees or their beneficiaries. All contributions or premiums required to be made by Abba Medix under each Abba Medix Employee Plan have been made in a timely fashion in accordance with Applicable Law, the terms of the applicable Abba Medix Employee Plan and any applicable collective agreement, and Abba Medix does not have, and as of the Closing Date will not have, any actual or potential unfunded liabilities (other than liabilities accruing after the Closing Date) with respect to any Abba Medix Employee Plans. All liabilities of Abba Medix (whether accrued, absolute, contingent or otherwise) related to all Abba Medix Employee Plans have been fully and accurately disclosed in accordance with GAAP in the Financial Statements. Schedule 3.1(u) lists all the employees and other Persons who are receiving remuneration for work or services provided to Abba Medix who are not employees as of the date of this Agreement and the age, position, status, length of service, location of employment, compensation and benefits of each employee and the terms on which each other Person who is providing work or services to Abba Medix is engaged. Except as set out in Schedule 3.1(u), no employee is on long-term disability leave, receiving benefits pursuant to the *Workplace Safety and Insurance Act, 1997* (Ontario) or otherwise an inactive Employee. Except as disclosed in Schedule 3.1(z), Abba Medix has not paid nor will it be required to pay any bonus, fee, distribution, remuneration or other compensation to any Person (other than salaries, wages or bonuses paid or payable to employees in the ordinary course of business in accordance with current compensation levels and practices as set out in Schedule 3.1(u)) as a result of the transactions contemplated by this Agreement or otherwise.

- (v) *Transactions with Affiliates et al.* Abba Medix is not liable in respect of advances, loans, guarantees, liabilities or other obligations to or on behalf of any shareholder, officer, director, employee or Affiliate of Abba Medix or any associates or relatives of any of the foregoing, or any other Person with whom Abba Medix does not deal at arm's length, except for the obligation to indemnify the officers and directors of Abba Medix in accordance with the by-laws of Abba Medix. There are no intercompany services provided to Abba Medix by any Vendor or by any Affiliate of a Vendor. No officer or director of Abba Medix owns any interest in any competitor or supplier of Abba Medix.
- (w) *Insurance.* Abba Medix maintains insurance covering its property and assets and protecting the business of Abba Medix and the Abba Medix Assets in the amounts and under the policies described in Schedule 3.1(w). Each of such insurance policies is valid and subsisting and in good standing, there is no default thereunder and Abba Medix is entitled to all rights and benefits thereunder. There are no claims pending under such policies.
- (x) *No Material Adverse Change.* Since the date of the most recent annual financial statements forming part of the Abba Medix Financial Statements, there has been no material adverse change in the business of Abba Medix or its financial condition or

prospects or in the Abba Medix Assets and no event has occurred nor do any circumstances exist which could reasonably be expected to result in such a material adverse change.

- (y) *Absence of Certain Changes or Events.* Except as disclosed in Schedule 3.1(y), since the date of the most recent annual financial statements forming part of the Abba Medix Financial Statements, Abba Medix has carried on its business in the ordinary course and, in particular, but without limitation, has not:
- (i) amended its articles or by-laws or similar document adopted or filed in connection with the creation, formation or organization of Abba Medix;
 - (ii) directly or indirectly, declared, set aside for payment or paid any dividend or made any other payment or distribution on or in respect of any of its shares;
 - (iii) redeemed, purchased, retired or otherwise acquired, directly or indirectly, any Target Shares;
 - (iv) issued or sold any shares or other securities or issued, sold or granted any option, warrant or right to purchase any of its shares or other securities or issued any security convertible into its shares, granted any registration rights or otherwise made any change to its authorized or issued share capital;
 - (v) disposed of or revalued any of the assets reflected on the balance sheet forming part of the most recent annual financial statements forming part of the Abba Medix Financial Statements;
 - (vi) changed any accounting principles, policies, practices or methods;
 - (vii) incurred or assumed any liabilities or obligations, except unsecured current liabilities incurred in the ordinary course of business which do not exceed \$10,000 individually, or \$20,000, in the aggregate;
 - (viii) granted a security interest in or otherwise created a Lien on any of the Abba Medix Assets except in the ordinary course of business;
 - (ix) entered into any contract or any other transaction that was not in the ordinary course of business;
 - (x) terminated, cancelled, modified or amended in any material respect or received notice or a request for termination, cancellation, modification or amendment of any lease or other contract to which it is a party or taken or failed to take any action that would entitle any party to a lease or other contract with Abba Medix to terminate, modify, cancel or amend it;
 - (xi) cancelled or waived any debt, claim or other right with a value to Abba Medix in excess of \$10,000;

- (xii) purchased or otherwise acquired any interest in any securities of any other Person;
 - (xiii) made any capital expenditure or authorized any capital expenditure or made any commitment for the purchase, construction or improvement of any capital assets except in the ordinary course of business and which do not exceed \$10,000 individually, or \$20,000, in the aggregate; or
 - (xiv) authorized or agreed or otherwise become committed to do any of the foregoing.
- (z) *No Brokers.* Except as disclosed in Schedule 3.1(z), there is no Person acting or purporting to act at the request or on behalf of Abba Medix that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE VENDORS

4.1 Representations and Warranties of the Vendors. In order to induce Saratoga to enter into this Agreement and to consummate the transactions contemplated by this Agreement, each of the Vendors jointly (and not solidarily) represents and warrants as follows to and in favour of Saratoga, and acknowledges that Saratoga is relying upon such representations and warranties in connection with the transactions contemplated herein:

- (a) *Capacity.* If a Vendor is an individual, such Vendor has the capacity to own the Target Shares owned by him or her, to enter into this Agreement and all other agreements and instruments to be executed by him or her and to perform his or her obligations hereunder and thereunder. If a Vendor is not an individual, such Vendor has the corporate power, authority and capacity to own or hold its Target Shares and to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations hereunder and thereunder. Rasouli, in his capacity as trustee for 2418659, has the requisite power and capacity to (i) enter into this Agreement and all other agreements and instruments for and on behalf of 2418659 to be executed by it and to perform its obligations hereunder and thereunder and (ii) own and dispose of the Target Shares on behalf of 2418659.
- (b) *Authorization and Enforceability.* If a Vendor is not an individual, the execution and delivery of this Agreement and all other agreements and instruments to be executed and delivered hereunder have been duly authorized by all necessary corporate action on the part of such Vendor. This Agreement constitutes the valid and binding obligation of each Vendor enforceable against him, her or it in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principals when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law.

- (c) *No Violation.* The execution and delivery of this Agreement, the transfer of the Target Shares, as applicable, and the performance, observance or compliance with the terms of this Agreement by such Vendor will not breach any applicable Law the articles or by-laws of a Vendor that is not an individual, or require the Consent of any Person.
- (d) *Bankruptcy, Insolvency and Reorganization.* Such Vendor is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) nor has such Vendor made an assignment in favour of his, her or its creditors, nor a proposal in bankruptcy to its creditors or any class thereof nor had any petition for a receiving order presented in respect of it. If a Vendor is not an individual, such Vendor has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver has been appointed in respect of such Vendor or any of its property or assets and no execution or distress has been levied upon any of his, her or its property or assets.
- (e) *Ownership.* Such Vendor is the registered and beneficial holder of the Target Shares set out beside his, her or its name in Schedule 2.1, being the only issued and outstanding shares of Abba Medix, with good and marketable title thereto, free and clear of all Liens. There are no restrictions of any kind on the transfer of the Target Shares except those set out in the articles of incorporation of Abba Medix. The Target Shares have been validly issued in compliance with Applicable Law. Except for the rights of Saratoga pursuant to this Agreement with respect to the Target Shares, there are no outstanding options, calls or rights of any kind binding on such Vendor relating to or providing for the issuance, purchase, delivery or transfer of any of his, her or its Target Shares.
- (f) *Residency.* Such Vendor is not a non-resident of Canada for the purposes of the Income Tax Act.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF SARATOGA

5.1 Reresentations and Warranties of Saratoga. Except as disclosed in the Saratoga Public Documents, Saratoga hereby represents and warrants as follows to and in favour of each of the Vendors and Saratoga acknowledges that each of the Vendors is relying upon such representations and warranties in connection with the transactions contemplated herein:

- (a) *Organization and Operation of Saratoga.* Saratoga is incorporated, organized and subsisting under the laws of its jurisdiction of incorporation. Saratoga has the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations hereunder and thereunder. There are no shareholders' agreements governing the affairs of Saratoga or the relationship, rights and duties of its shareholders, nor are there any voting trusts, pooling arrangements or other similar agreements with respect to the ownership or voting of any shares of Saratoga. Except as disclosed in Schedule 5.1(a), Saratoga has conducted and is conducting its affairs in compliance with applicable Law in all material respects. Saratoga is not a party to any agreement, nor, to the knowledge of Saratoga, will there be any agreement, which in any manner affects the voting control of any of the securities of Saratoga or any shareholders agreements of Saratoga in effect other than as contemplated by Section 8.2(g). The completion of the transactions contemplated

by this Agreement will not breach any applicable Law, the articles or by-laws of Saratoga or have any adverse effect on Saratoga's rights under any licence, lease or other contract.

- (b) *Qualification to do Business.* Saratoga is registered, licensed or otherwise qualified to do business under the Laws of its jurisdiction of incorporation, being the only jurisdiction in which the location of the properties and assets owned by Saratoga requires registration, licensing or other qualification. Saratoga has all necessary corporate power, authority, and capacity to carry on its business and to own or lease and operate its property and assets as now carried on and owned or leased and operated.
- (c) *Authorization and Enforceability.* The execution and delivery of this Agreement and all agreements and instruments to be executed and delivered hereunder have been duly authorized by all necessary corporate action on the part of Saratoga and this Agreement constitutes the valid and binding obligation of Saratoga enforceable against it in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principals when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law.
- (d) *Capitalization.* The authorized capital of Saratoga consists of an unlimited number of common shares, Series I preferred shares issuable in series and Series II preferred shares issuable in series of which, immediately prior to the Closing Time, 18,461,300 common shares will be issued and outstanding as fully paid and non-assessable shares in the capital of Saratoga. Except as disclosed in Schedule 5.1(u), there are no rights, subscriptions, warrants, options, conversion rights, calls, commitments or plans or agreements of any kind outstanding which would enable any Person to purchase or otherwise acquire any shares or other securities of Saratoga. Saratoga does not have a direct or indirect equity interest in any other Person. The Saratoga Shares to be issued in exchange for the Target Shares pursuant to the transactions contemplated hereby will be, at the Time of Closing, duly authorized, validly allotted and issued as fully paid, non-assessable shares in the share capital of Saratoga.
- (e) *Reporting Issuer Status.*
 - (i) Saratoga is a reporting issuer under the securities laws applicable in the Provinces of Alberta, British Columbia and Quebec and no material change relating to Saratoga has occurred with respect to which the requisite material change report has not been filed under applicable securities Laws in such provinces and no such disclosure is currently on file with any securities commissions or authority of such provinces on a confidential basis;
 - (ii) all press releases, material change reports, financial statements and other documents filed in the 24-months preceding the date of this Agreement by, or on behalf of, Saratoga with the securities commissions or authority of Alberta, British Columbia and Quebec were, at the respective dates of such filings, true and correct in all material respects and collectively provide disclosure of all material facts relating to Saratoga required to be disclosed in accordance with applicable securities Laws in such provinces and each such document did not contain any misrepresentation as of the respective dates of such filings,

except to the extent that any statement contained in such document was modified or superseded in any subsequently filed document. The modifying or superseding statement need not have stated that it had modified or superseded a prior statement or included any other information set forth in the statement or document which it modified or superseded. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made;

(iii) the outstanding Saratoga Shares are listed for trading on the TSXV and are currently halted from trading;

(iv) no current orders ceasing or suspending trading in the Saratoga Shares nor prohibiting the sale of such securities have been issued to Saratoga or its directors or officers and, to the best of the knowledge of Saratoga, no investigations or proceedings for such purposes are pending or threatened; and

(v) Saratoga is not in material default of any applicable securities legislation of the Provinces of Alberta, British Columbia or Quebec or of its listing agreement with the TSXV or any policies of the TSXV.

- (f) *Contractual and Regulatory Approvals.* Other than the approvals required from or by the TSXV, the CSE and the *Autorité des marchés financiers*, Saratoga is not under any obligation, contractual or otherwise, to request or obtain the Consent of any Persons, and no permits, licenses, certifications, Authorizations or approvals of, or notifications to, any Governmental Authorities are required to be obtained by Saratoga in connection with the execution, delivery or performance by Saratoga of this Agreement or the completion of the Amalgamation.
- (g) *Bankruptcy, Insolvency and Reorganization.* Saratoga has not made an assignment in favour of its creditors, nor a proposal in bankruptcy to its creditors or any class thereof nor had any petition for a receiving order presented in respect of it. Saratoga has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver has been appointed in respect of Saratoga or any of its property or assets and no execution or distress has been levied upon any of its property or assets. No act or proceeding has been taken or authorized by or against Saratoga with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, Saratoga, nor have any such proceedings been authorized by any other Person.
- (h) *Corporate Records.* The minute books, share certificate book, register of shareholders, register of transfers and register of directors and officers of Saratoga have been maintained in accordance with applicable Law and are complete and accurate in all material respects.
- (i) *Financial Statements.* The Saratoga Financial Statements have been prepared in accordance with IFRS consistently applied throughout the periods to which they relate, subject, in the case of the interim financial statements forming part of the Saratoga Financial Statements, to usual year-end adjustments. The balance sheets contained in the

Saratoga Financial Statements fairly present the financial position of Saratoga as of their respective dates and the statements of earnings and retained earnings contained in the Financial Statements fairly present the revenues, earnings and results of operations for the periods indicated. The Financial Statements are accurate and complete in all material respects and are based upon, and are consistent with, Saratoga's financial records.

- (j) *Undisclosed Liabilities.* Saratoga does not have any liabilities or obligations of any nature (whether known or unknown, liquidated or unliquidated, due or to become due and whether absolute, accrued, contingent or otherwise) except for liabilities and obligations disclosed or provided for in the most recent annual financial statements forming part of the Saratoga Financial Statements and current liabilities incurred in the ordinary course of business since the date of such annual financial statements. Without limiting the foregoing, Saratoga is not a party to or bound by any agreement, contract or commitment providing for the guarantee, indemnification, assumption or endorsement with respect to the obligations or liabilities, contingent or otherwise, of any other Person.
- (k) *Sale of Assets.* Except for this Agreement, Saratoga is not currently party to any agreement in respect of the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by Saratoga whether by asset sale, transfer of shares or otherwise.
- (l) *Taxes.* All Taxes due and payable, or required to be collected or withheld and remitted, by Saratoga have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect. All Tax Returns required to be filed by Saratoga have been filed with all appropriate Governmental Authorities and all such Tax Returns are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading or have a Material Adverse Effect. To the knowledge of Saratoga, no examination of any Tax return of Saratoga is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by Saratoga except as disclosed in Schedule 5.1(l). There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to Saratoga.
- (m) *Reserves.* Saratoga has established on its books and records reserves that are adequate for the payment of all material Taxes not yet due and payable and there are no liens for Taxes on the assets of Saratoga, and there are no audits pending of the Tax Returns of Saratoga and there are no claims which have been or may be asserted relating to any such Tax Returns, which audits and claims, if determined adversely, would result in the assertion by any Governmental Authority of any deficiency that would result in a Material Adverse Effect.
- (n) *Internal Controls.* Saratoga maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets.

- (o) *Litigation.* Except as disclosed in Schedule 5.1(l), no legal or governmental actions, suits, judgments, investigations or proceedings are pending to which Saratoga, or to the knowledge of Saratoga, the directors, officers or employees of Saratoga are a party or to which Saratoga's property or assets are subject which if finally determined adversely to Saratoga or its directors, officers or employees, as applicable, would be expected to result in a Material Adverse Effect and, to the knowledge of Saratoga, no such proceedings have been threatened against or are pending with respect to Saratoga, its property and assets or with respect to its directors, officers or employees, and Saratoga is not subject to any judgment, order, writ, injunction, decree or award of any Governmental Authority, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.
- (p) *Employees and Employee Benefits.* Saratoga is not a party to or bound by, either directly or by operation of applicable Law, any collective agreement, labour contract, letter of understanding, letter of intent, voluntary recognition agreement or legally binding commitment or written communication to any labour union, trade union or employee organization or group which may qualify as a trade union in respect of or affecting employees or independent contractors nor is Saratoga subject to any union organization effort, nor is it engaged in any labour negotiation. Saratoga does not have written contracts of employment with any employee or any written contract with any consultant. Saratoga has no obligation to make any severance or termination payment to any employee in excess of any amount payable under Applicable Law. Saratoga does not maintain any Employee Plans other than the stock option plan described in the Saratoga Public Documents. Each Saratoga Employee Plan has been established, administered and invested in accordance with its terms and applicable Law. Schedule 5.1(p) lists all the employees and other Persons who are receiving remuneration for work or services provided to Saratoga who are not employees as of the date of this Agreement and the terms on which each other Person who is providing work or services to Saratoga is engaged. No employee is on long-term disability leave, receiving benefits under applicable labour Law. Except as disclosed in Schedule 5.1(u), Saratoga has not paid nor will it be required to pay any bonus, fee, distribution, remuneration or other compensation to any Person (other than salaries, wages or bonuses paid or payable to employees in the ordinary course of business in accordance with current compensation levels and practices as set out in Schedule 5.1(p)) as a result of the transactions contemplated by this Agreement or otherwise.
- (q) *Transactions with Affiliates et al.* Saratoga is not liable in respect of advances, loans, guarantees, liabilities or other obligations to or on behalf of any shareholder, officer, director, employee or Affiliate of Saratoga or any associates or relatives of any of the foregoing, or any other Person with whom Saratoga does not deal at arm's length. There are no intercompany services provided to Saratoga by shareholder or by any Affiliate of a shareholder. No officer or director of Saratoga owns any interest in any competitor or supplier of Saratoga.
- (r) *Insurance.* Saratoga maintains insurance covering its property and assets in the amounts and under the policies described in Schedule 5.1(r). Each of such insurance policies is valid and subsisting and in good standing, there is no default thereunder and Saratoga is entitled to all rights and benefits thereunder. There are no claims pending under such policies.

- (s) *No Material Adverse Change.* Since the date of the most recent annual financial statements forming part of the Saratoga Financial Statements, there has been no material adverse change in the business of Saratoga or its financial condition or prospects or in the property or assets of Saratoga and no event has occurred nor do any circumstances exist which could result in such a material adverse change.
- (t) *Absence of Certain Changes or Events.* Except for the sale of the shares of its wholly-owned subsidiary 9261-5277 Quebec Inc. to a third party, since the date of the most recent quarterly financial statements forming part of the Saratoga Financial Statements, Saratoga has carried on its business in the ordinary course and, in particular, but without limitation, has not:
- (i) amended its articles or by-laws or similar document adopted or filed in connection with the creation, formation or organization of Saratoga;
 - (ii) directly or indirectly, declared, set aside for payment or paid any dividend or made any other payment or distribution on or in respect of any of its shares;
 - (iii) redeemed, purchased, retired or otherwise acquired, directly or indirectly, any of the Saratoga Shares;
 - (iv) issued or sold any shares or other securities or issued, sold or granted any option, warrant or right to purchase any of its shares or other securities or issued any security convertible into its shares, granted any registration rights or otherwise made any change to its authorized or issued share capital;
 - (v) disposed of or revalued any of the assets reflected on the balance sheet forming part of the most recent quarterly financial statements forming part of the Saratoga Financial Statements;
 - (vi) changed any accounting principles, policies, practices or methods;
 - (vii) incurred or assumed any liabilities or obligations, except unsecured current liabilities incurred in the ordinary course of business which do not exceed \$10,000 individually, or \$20,000, in the aggregate;
 - (viii) granted a security interest in or otherwise created a Lien on any of the Saratoga Assets except in the ordinary course of business;
 - (ix) entered into any contract or any other transaction that was not in the ordinary course of business;
 - (x) terminated, cancelled, modified or amended in any material respect or received notice or a request for termination, cancellation, modification or amendment of any lease or other contract to which it is a party or taken or failed to take any action that would entitle any party to a lease or other contract with Saratoga to terminate, modify, cancel or amend it;

- (xi) cancelled or waived any debt, claim or other right with a value to Saratoga in excess of \$10,000;
 - (xii) purchased or otherwise acquired any interest in any securities of any other Person;
 - (xiii) made any capital expenditure or authorized any capital expenditure or made any commitment for the purchase, construction or improvement of any capital assets except in the ordinary course of business and which do not exceed \$10,000 individually, or \$20,000, in the aggregate; or
 - (xiv) authorized or agreed or otherwise become committed to do any of the foregoing.
- (u) *No Brokers.* Except as disclosed in Schedule 5.1(u), there is no Person acting or purporting to act at the request or on behalf of Saratoga that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement.

ARTICLE 6 COVENANTS

6.1 Actions During Interim Period.

- (a) *Filings and other Pre-Closing Matters.* Saratoga and Abba Medix shall prepare and file any applications required under any applicable Laws or the rules and policies of the TSXV, the CSE or other regulatory bodies relating to the transactions contemplated herein. Saratoga and Abba Medix covenant and agree to take commercially reasonable actions and steps in a timely manner in order to have (a) the Saratoga Shares delisted from the TSXV prior to the Closing Date, (b) the Listing Statement completed and approved by the CSE prior to the Closing Date and (c) the distribution of Saratoga Shares to the Vendors exempt from the prospectus and registration requirements of the securities Laws of the provinces of Canada. Saratoga and Abba Medix covenant and agree to take commercially reasonable actions and steps in a timely manner in order that the Saratoga Shares be listed and posted for trading on the CSE promptly following the Closing. Abba Medix shall forthwith provide Saratoga with copies of the conditional and final approval of the CSE respecting the transactions contemplated herein.
- (b) *Operate in Ordinary Course.* Except for those actions disclosed in Schedule 6.1(a), from the date hereof until the Closing Date, each of Saratoga and Abba Medix shall operate its business in the ordinary course in compliance with applicable Law and the terms and conditions of all contracts relating to its respective business, and in a manner that maintains relations with employees and the suppliers, customers and landlords of Saratoga and Abba Medix, as the case may be, in accordance with past custom and practice.
- (c) *Negative Covenants.* From the date hereof until the Closing Date, each of Saratoga and Abba Medix shall not take any action that would cause any of the representations and warranties in Section 3.1 or Section 5.1, as the case may be, to become untrue on the Closing Date.

- (d) *No Solicitation.* Abba Medix and the Primary Vendors shall not, and shall ensure that its representatives do not, during such period, solicit or pursue any such proposal or provide any information concerning Abba Medix or its business to any Person other than Saratoga or its representatives.

6.2 Additional Agreements.

Each of the parties hereto agrees to 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 to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts to:

- (a) obtain all necessary Consents from other parties to material agreements, leases and other contracts or agreements or under applicable Laws;
- (b) effect all necessary registrations and other filings and submissions of information requested by governmental authorities;
- (c) comply with all provisions of this Agreement; and
- (d) provide such officers' or directors' certificates as may be reasonably requested by the other parties hereto in respect of the representations, warranties and covenants of a party hereto.

ARTICLE 7 CLOSING CONDITIONS

7.1 Saratoga's Conditions. Saratoga shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the conditions listed below in this Section 7.1 has been satisfied, it being understood that the said conditions are included for the exclusive benefit of Saratoga.

- (a) *Representations and Warranties.* The representations and warranties of the Primary Vendors and Abba Medix in Section 3.1 and those of the Vendors in Section 4.1 shall be true and correct as of the Closing Date as though made on and as of the Closing Date (other than such representations and warranties that are expressly made as of an earlier date, in which case such representations and warranties shall have been true and correct as of such earlier date), and Saratoga shall have received a certificate of the Vendors' Representative addressed to Saratoga and dated as of the Closing Time, signed on behalf of the Vendors and Abba Medix by the President or other senior officer of the Vendors' Representative (on behalf of the Vendors and Abba Medix and without personal liability), confirming the same as at the Closing Date.
- (b) *Vendors' Compliance and Deliverables.* The Vendors and Abba Medix shall have performed and complied in all material respects with all of the terms and conditions in this Agreement on their part to be performed or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to Saratoga at the Closing all the documents contemplated in Section 8.2 and elsewhere in this Agreement in a form and substance acceptable to Saratoga, acting reasonably and

Saratoga shall have received a certificate of the Vendors' Representative addressed to Saratoga and dated as of the Closing Time, signed on behalf of the Vendors and Abba Medix by the President or other senior officer of the Vendors' Representative (on behalf of the Vendors and Abba Medix and without personal liability), confirming the same as at the Closing Date.

- (c) *No Law.* Since the date of this Agreement, no Governmental Authority shall have enacted, issued or promulgated any Law which has the effect of (i) making any of the transactions contemplated by this Agreement illegal, or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.
- (d) *Material Adverse Change.* There shall have been no Material Adverse Change in respect of Abba Medix since the date of this Agreement.
- (e) *Delisting from the TSXV.* The Saratoga Shares shall have been delisted from the NEX board of the TSXV.
- (f) *CSE Listing and AMF Approval.* The CSE shall have delivered a conditional listing approval letter approving the listing of the Saratoga Shares on the CSE following completion of the transaction contemplated hereby and the *Autorité des marchés financiers* shall have provided its written consent to the completion of the Transactions contemplated by this Agreement.
- (g) *Other Vendors.* Each of the Other Vendors who has not executed this Agreement on the date hereof shall have executed and delivered a Counterpart Execution Page for Vendors in the form included in this Agreement on or prior to the Closing Date and shall be contractually bound hereunder and considered Vendors.
- (h) *Termination of Shareholders' Agreement.* The shareholders' agreement among Abba Medix and the Primary Vendors shall have been terminated other than the confidentiality and non-competition covenants set forth therein and the Primary Vendors shall have all consented to the transactions contemplated by this Agreement.

7.2 Condition Not Fulfilled. If any condition in Section 7.1 has not been fulfilled at or before the Closing Time or if any such condition is, or becomes, impossible to satisfy prior to the Closing Time, other than as a result of the failure of Saratoga to comply with its obligations under this Agreement, then Saratoga in its sole discretion may, without limiting any rights or remedies available to Saratoga at law or in equity, either:

- (a) terminate this Agreement by notice to the Vendors' Representative, as provided in Section 7.5; or
- (b) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfilment of any other condition.

7.3 Vendors' Conditions. The Vendors shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the conditions listed below in this Section 7.3 has been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendors.

- (a) *Representations and Warranties.* The representations and warranties of Saratoga in Section 5.1 shall be true and correct as of the Closing Date as though made on and as of the Closing Date (other than such representations and warranties that are expressly made as of an earlier date, in which case such representations and warranties shall have been true and correct as of such earlier date) and the Vendors' Representative shall have received a certificate of Saratoga addressed to the Vendors' Representative and dated as of the Closing Time, signed on behalf of Saratoga by the President or other senior officer of Saratoga (on Saratoga's behalf and without personal liability), confirming the same as at the Closing Date.
- (b) *Saratoga's Compliance and Deliverables.* Saratoga shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before the Closing Time in all material respects and shall have executed and delivered or caused to have been executed and delivered to the Vendors' Representative at the Closing all the documents contemplated in Section 8.3 and elsewhere in this Agreement, in a form and substance acceptable to the Primary Vendors, acting reasonably, and the Vendors' Representative shall have received a certificate of Saratoga addressed to the Vendors' Representative and dated as of the Closing Time, signed on behalf of Saratoga by the President or other senior officer of Saratoga (on Saratoga's behalf and without personal liability), confirming the same as at the Closing Date.
- (c) *No Law.* Since the date of this Agreement, no Governmental Authority shall have enacted, issued or promulgated any Law which has the effect of (i) making any of the transactions contemplated by this Agreement illegal, or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.
- (d) *Material Adverse Change.* There shall have been no Material Adverse Change in respect of Saratoga since the date of this Agreement.
- (e) *Changes to the Saratoga Board.* Each of Donald Seal and Martin Fontaine shall have executed a resignation from the Saratoga Board and accompanying release in forms satisfactory to the Vendors, acting reasonably, and such individuals shall have been replaced on the Saratoga Board with Paul Cancilla, Ahmad Rasouli and Nick Migliore, or such other individuals as may be approved by the Vendors, the CSE and other applicable regulatory authorities.
- (f) *Delisting from the TSXV.* The Saratoga Shares shall have been delisted from the NEX board of the TSXV.
- (g) *CSE Listing Approval.* The CSE shall have delivered a conditional listing approval letter approving the listing of the Saratoga Shares on the CSE following completion of the transaction contemplated hereby.

7.4 Condition Not Fulfilled. If any condition in Section 7.3 has not been fulfilled at or before the Closing Time or if any such condition is, or becomes, impossible to satisfy prior to the Closing Time, other than as a result of the failure of the Vendors or Abba Medix to comply with their obligations under this Agreement, then the Vendors' Representative in their sole discretion may, without limiting any rights or remedies available to the Vendors' Representative at law or in equity, either:

- (a) terminate this Agreement by notice to Saratoga as provided in Section 7.5; or
- (b) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfilment of any other condition.

7.5 Termination. This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of Abba Medix, the Vendors' Representative and Saratoga;
- (b) by written notice from Saratoga to the Vendors' Representative as permitted in Section 7.2(a);
- (c) by written notice from the Vendors' Representative to Saratoga as permitted in Section 7.4(a); or
- (d) by the Vendors' Representative or Saratoga, if the Closing has not occurred on or before April 30, 2015, or such later date as may be agreed to by Abba Medix, the Vendors' Representative and Saratoga (provided, that the right to terminate this Agreement under this Section 7.5(d) 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) (the "**End Date**");

7.6 Effect of Termination. If this Agreement is terminated:

- (a) by the Vendors' Representative or by Saratoga under Section 7.5, subject to Section 7.6(b), all further obligations of the Parties under this Agreement shall terminate, except for the obligations under Sections 11.2 and 11.9, which shall survive such termination; or
- (b) by a Party under Section 7.5(b) or 7.5(c) and the right to terminate arose because of a breach of this Agreement by the other Party (including a breach by the other Party resulting in a condition in favour of the terminating Party failing to be satisfied), then the other Party shall remain fully liable for any and all Losses sustained or incurred by the terminating Party directly or indirectly as a result thereof. Without limiting the foregoing, in the event that this Agreement is terminated by Saratoga pursuant to Section 7.5(b), Abba Medix shall reimburse Saratoga for all fees, costs and expenses incurred by Saratoga in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.

ARTICLE 8 CLOSING ARRANGEMENTS

8.1 Closing. The Closing shall take place at the Closing Time on the Closing Date at the offices of Blake, Cassels & Graydon LLP in Montreal, Quebec, or at such other time on the

Closing Date or such other place as may be agreed orally or in writing by the Primary Vendors and Saratoga.

8.2 Vendors' Closing Deliveries. At the Closing, the Vendors' Representative shall deliver or cause to be delivered to Saratoga the following documents:

- (a) the certificate or certificates representing the Target Shares;
- (b) transfer forms in respect of the Target Shares, duly executed by each Vendor;
- (c) the minute books, share certificate books and corporate seal of Abba Medix;
- (d) the certificate of the President or other senior officer of Abba Medix contemplated by Sections 7.1(a) and 7.1(b);
- (e) a certificate of the Secretary or other officer of Abba Medix dated as of the Closing Date certifying the articles, by-laws, transaction resolutions and authorized signatories of Abba Medix;
- (f) evidence in form satisfactory to Saratoga, acting reasonably, that the Consents and have been obtained;
- (g) a voting trust agreement among the Primary Vendors and Georges Durst in respect of the composition of the board of directors of Saratoga following the Closing Date;
- (h) an escrow agreement in a form and substance satisfactory to the CSE and Saratoga, duly executed by the Primary Vendors, pursuant to which the Saratoga Shares issued to the Primary Vendors shall be deposited in escrow with an independent third party escrow agent mutually acceptable to Saratoga and the Primary Vendors and shall be incrementally released in tranches of 25%, respectively, on the third and fourth anniversary of the Closing Date, with the remaining 50% of the Saratoga Shares being released on the fifth anniversary of the Closing;
- (i) a release of claims against Abba Medix in the form of Exhibit I duly executed by each Vendor; and
- (j) all such other assurances, consents, agreements, documents and instruments as may be reasonably be required by Saratoga to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to Saratoga, acting reasonably.

8.3 Purchaser's Closing Deliveries. At the Closing, Saratoga shall deliver or cause to be delivered to the Vendors' Representative the following documents and payments:

- (a) The certificate of the President or other senior officer of Saratoga contemplated by Sections 7.3(a) and 7.3(b);
- (b) a certificate of the Secretary or other officer of Saratoga dated as of the Closing Date certifying the articles, by-laws, transaction resolutions and authorized signatories of Abba Medix;

- (c) the Saratoga Shares referred to in Schedule 2.1;
- (d) the resignations and releases referred to in Section 7.3(e);
- (e) a counterpart to the voting trust agreement contemplated by Section 8.2(g);
- (f) a counterpart to the escrow agreement contemplated by Section 8.2(h); and
- (g) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Vendor to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Vendor, acting reasonably.

ARTICLE 9 VENDORS' REPRESENTATIVE

9.1 Appointment of Vendors' Representative. Each Vendor hereby irrevocably constitutes and appoints Rasouli as its representative (the "**Vendors' Representative**") and as such Vendor's attorney-in-fact and mandatary in connection with the execution and performance of this Agreement. This power is irrevocable and shall not be affected by the death, incapacity, illness, dissolution or other incapacity to act of any Vendor.

9.2 Authority. Each Vendor hereby irrevocably grants the Vendors' Representative full power and authority:

- (a) to execute and deliver, on behalf of such Vendor, and to accept delivery of, on behalf of such Vendor, such documents as the Vendors' Representative determines, in his sole discretion, to be appropriate to consummate this Agreement and any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
- (b) to acknowledge receipt of the Saratoga Shares issued in consideration for any Target Shares held by such Vendor as payment in full thereof, to designate the registration and delivery instructions in respect of such Saratoga Shares, and to certify, on behalf of such Vendor, as to the accuracy of the representations and warranties of Vendors under, or pursuant to the terms of, this Agreement;
- (c) to receive any Saratoga Shares due to such Vendor, on behalf of such Vendor, for distribution to such Vendor in accordance with the terms of this Agreement;
- (d) to (i) dispute or refrain from disputing, on behalf of such Vendor, any claim made by Saratoga under this Agreement; (ii) negotiate and compromise, on behalf of such Vendor, any dispute that may arise under, and to exercise or refrain from exercising any remedies available under, this Agreement; and (iii) execute, on behalf of such Vendor, any settlement agreement, release or other document with respect to such dispute or remedy;
- (e) to waive, on behalf of such Vendor, any closing condition contained in Section 7.3 and to give or agree to, on behalf of such Vendor, any and all consents, waivers, amendments or modifications, the Vendors' Representative determines, in his sole discretion, to be necessary or appropriate, under this Agreement, and, in each case, to execute and deliver any documents that may be necessary or appropriate in connection therewith;

- (f) to enforce, on behalf of such Vendor any claim against Saratoga arising under this Agreement;
- (g) to engage attorneys, accountants and mandataries at the expense of Vendors;
- (h) to amend this Agreement (other than this Article 9) or any of the instruments to be delivered to Saratoga by such Vendor pursuant to this Agreement; and
- (i) to give such instructions and to take such action or refrain from taking such action, on behalf of such Vendor, as the Vendors' Representative deems, in his sole discretion, necessary or appropriate to carry out the provisions of this Agreement.

9.3 Reliance. Each Vendor hereby agrees that:

- (a) in all matters in which action by the Vendors' Representative is required or permitted, notwithstanding any dispute or disagreement among the Vendors, or between any Vendor and the Vendors' Representative, Saratoga shall be entitled to rely on any and all action taken by the Vendors' Representative under this Agreement without any liability to, or obligation to inquire of, any Vendor, regardless of whether Saratoga has knowledge of any such dispute or disagreement;
- (b) notice to the Vendors' Representative, delivered in a manner provided herein, shall be deemed to be notice to Vendors for purposes of this Agreement; and
- (c) the power and authority of the Vendors' Representative, as described in this Agreement, shall continue in force until all rights and obligations of Vendors under this Agreement shall have terminated, expired or been fully performed.

9.4 Actions by Vendors. Notwithstanding the foregoing, each Vendor agrees, at the request of the Vendors' Representative: (a) to take all actions necessary or appropriate to consummate the transactions contemplated hereby (including delivery of such Vendor's Target Shares and acceptance of the consideration therefor) individually on such Vendor's own behalf, and (b) to deliver, individually on such Vendor's own behalf, any other documents required of such Vendor pursuant to this Agreement.

9.5 Indemnification of Vendors' Representative. The Vendors shall solidarily indemnify and hold harmless the Vendors' Representative from and against any Losses (except Losses caused by the Vendors' Representative's willful misconduct) that such the Vendors' Representative may suffer or incur in connection with any action or omission taken or omitted to be taken by him pursuant to this Article 9.

9.6 Replacement of Vendors' Representative. The Vendors' Representative may be replaced by another Person named in a written notice to Saratoga from the retiring Vendors' Representative.

ARTICLE 10 INDEMNIFICATION

10.1 Survival of Covenants, Agreements, Etc.

Subject to Section 10.6, all provisions of this Agreement and of any other agreement, certificate or instrument delivered pursuant to this Agreement, other than the conditions in Article 7, shall not merge on Closing but shall survive the execution, delivery and performance of this Agreement, the Closing and the execution and delivery of any transfer documents or other documents of title to the Target Shares and all other agreements, certificates and instruments delivered pursuant to this Agreement and the issuance of the Saratoga Shares in payment of the Target Shares.

10.2 Indemnification by the Vendors.

- (a) The Primary Vendors agree to solidarily indemnify and save harmless Saratoga and its directors, officers, agents and representatives (collectively, the “**Saratoga Indemnified Persons**”) from all Losses suffered or incurred by the Saratoga Indemnified Persons as a result of or arising out of or in connection with:
 - (i) any incorrectness in or breach of any representation or warranty of Abba Medix or the Primary Vendors contained in this Agreement (other than the representations and warranties set forth in Section 4.1 which are subject to Section 10.2(b)) or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
 - (ii) any breach or any non-fulfilment of any solidary covenant or agreement on the part of Abba Medix or the Primary Vendors contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; and
 - (iii) any action, suit, claim, trial, demand, investigation, arbitration or other proceeding by any Person containing allegations which, if true, would constitute an event described in Sections 10.2(a)(i) and 10.2(a)(ii).

- (b) Each Vendor agrees to jointly (and not solidarily) indemnify and save harmless the Saratoga Indemnified Persons from all Losses suffered or incurred by the Saratoga Indemnified Persons as a result of or arising out of or in connection with:
 - (i) any incorrectness in or breach of any representation or warranty of such Vendor contained in Section 4.1 of this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
 - (ii) any breach or any non-fulfilment of any joint covenant or agreement on the part of such Vendor contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;

- (iii) any action, suit, claim, trial, demand, investigation, arbitration or other proceeding by any Person containing allegations which, if true, would constitute an event described in Sections 10.2(b)(i) and 10.2(b)(iii).

10.3 Indemnification by Saratoga.

Saratoga agrees to indemnify and save harmless the Vendors from all Losses suffered or incurred by the Vendors as a result of or arising directly or indirectly out of or in connection with:

- (a) any incorrectness in or breach of any representation or warranty of Saratoga contained in Section 5.1 of this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
- (b) any breach or any non-fulfilment of any covenant or agreement on the part of Saratoga contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; and
- (c) any action, suit, claim, trial, demand, investigation, arbitration or other proceeding by any Person containing allegations which, if true, would constitute an event described in Sections 10.3(a) and 10.3(b).

10.4 Notice of Claim.

- (a) In the event that a party (the “**Indemnified Party**”) shall become aware of any claim, proceeding or other matter (a “**Claim**”) in respect of which another party (the “**Indemnifying Party**”) agreed to indemnify the Indemnified Party pursuant to this Agreement, the Indemnified Party shall promptly give written notice thereof to the Indemnifying Party. Such notice shall specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a “**Third Party Claim**”) or whether the Claim does not so arise (a “**Direct Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Claim and the amount of the Claim, if known.
- (b) If, through the fault of the Indemnified Party, the Indemnifying Party does not receive notice of any Claim in time to contest effectively the determination of any liability susceptible of being contested, the Indemnifying Party shall be entitled to set off against the amount claimed by the Indemnified Party the amount of any Losses incurred by the Indemnifying Party resulting from the Indemnified Party’s failure to give such notice on a timely basis.

10.5 Direct Claims.

- (a) With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Claim, the Indemnifying Party shall have sixty (60) days to make such investigation of the Claim as is considered necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If both parties agree at or prior to the expiration of such sixty (60) day period (or any mutually agreed upon

extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim, failing which the matter shall be determined by a court of competent jurisdiction.

10.6 Time Limits for Claim Notice for Breach of Representations and Warranties.

- (a) No Losses may be recovered from the Vendors pursuant to Section 10.2(a) or 10.2(b) unless (subject to the fraud exception below) a Claim Notice is delivered by Saratoga in accordance with the timing set out below:
 - (i) with respect to the representations and warranties in Sections 3.1(a), 3.1(c), 3.1(d), 3.1(h), 3.1(z), 4.1(a), 4.1(b), 4.1(e) and 4.1(f), at any time after Closing;
 - (ii) with respect to the representations and warranties in Section 3.1(o), at any time before the date that is 60 days after the relevant Governmental Authorities are no longer entitled to assess or reassess Abba Medix in respect of the Taxes in question, having regard, without limitation, to: (A) any waiver given by Abba Medix before the Closing Date in respect of such Taxes; and (B) any entitlement of a Governmental Authority to assess or reassess Abba Medix without limitation in the event of fraud or misrepresentation attributable to neglect, carelessness or wilful default; and
 - (iii) with respect to all other representations and warranties, on or before the date that is 12 months after Closing,

provided, however, that in the event of fraud relating to a representation and warranty of the Vendor in this Agreement, then notwithstanding the foregoing time limitations, the Saratoga Indemnified Parties shall be entitled to deliver a Claim Notice at any time for purposes of such a claim. Unless (subject to the fraud exception above) a Claim Notice has been given in accordance with the timing set out in Sections 10.6(a)(ii) or 10.6(a)(iii) with respect to the representations and warranties referred to in any such Section, the Vendor shall be released on the date set out in Sections 10.6(a)(ii) or 10.6(a)(iii), as applicable, from all obligations in respect of representations and warranties referenced in those Sections and from the obligation to indemnify the Saratoga's Indemnified Parties in respect thereof pursuant to Section 10.2(a)(i) or 10.2(b)(i). This Section 10.6(a) shall not be construed to impose any time limit on Saratoga's right to assert a claim to recover Losses under Sections 10.2(a)(ii) or 10.2(b)(ii), whether or not the basis on which such a claim is asserted could also entitle the Purchaser to make a claim for Losses pursuant to Sections 10.2(a)(i) or 10.2(b)(i).

- (b) No Losses may be recovered from Saratoga pursuant to Section 10.3(a) unless (subject to the fraud exception below) a Claim Notice is delivered by Saratoga in accordance with the timing set out below:
 - (i) with respect to the representations and warranties in Sections 5.1(a), 5.1(c), 5.1(d) and 5.1(u), at any time after Closing;

- (ii) with respect to the representations and warranties in Section 5.1(l), at any time before the date that is 60 days after the relevant Governmental Authorities are no longer entitled to assess or reassess Saratoga in respect of the Taxes in question, having regard, without limitation, to: (A) any waiver given by Saratoga before the Closing Date in respect of such Taxes; and (B) any entitlement of a Governmental Authority to assess or reassess Saratoga without limitation in the event of fraud or misrepresentation attributable to neglect, carelessness or wilful default; and
- (iii) with respect to all other representations and warranties, on or before the date that is 12 months after Closing,

provided, however, that in the event of fraud relating to a representation and warranty of Saratoga in this Agreement, then notwithstanding the foregoing time limitations, the Vendors shall be entitled to deliver a Claim Notice at any time for purposes of such a claim. Unless (subject to the fraud exception above) a Claim Notice has been given in accordance with the timing set out in Sections 10.6(b)(ii) or 10.6(b)(iii) with respect to the representations and warranties referred to in any such Section, Saratoga shall be released on the date set out in Sections 10.6(b)(ii) or 10.6(b)(iii), as applicable, from all obligations in respect of representations and warranties referenced in those Sections and from the obligation to indemnify the Vendors in respect thereof pursuant to Section 10.3(a). This Section 10.6(b) shall not be construed to impose any time limit on the Purchaser's right to assert a claim to recover Losses under Section 10.3(b), whether or not the basis on which such a claim is asserted could also entitle the Purchaser to make a claim for Losses pursuant to Sections 10.3(a).

10.7 Third Party Claims.

With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of the Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party's out-of-pocket expenses as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the Indemnifying Party consents to the retention of such counsel or unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and the representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (such as the availability of different defences). If the Indemnifying Party, having elected to assume such control, thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control, and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim. If any Third Party Claim is of a nature such that the Indemnified Party is required by applicable Law or the order of any court, tribunal or regulatory body having jurisdiction to make a payment to any to any Person (a "**Third Party**") with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, as the case may be, the Indemnified Party may make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the

Indemnified Party for such payment. If the amount of any liability of the Indemnified Party under the Third Party Claim in respect to of which such payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party.

10.8 Settlement of Third Party Claims.

If the Indemnifying Party fails to assume control of the defence of any Third Party Claim, the Indemnified Party shall have the exclusive right to contest, settle or pay the amount claimed. Whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnifying Party shall not settle any Third Party Claim without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed; provided, however, that the liability of the Indemnifying Party shall be limited to the proposed settlement amount if any such consent is not obtained for any reason.

10.9 Co-operation.

The Indemnified Party and the Indemnifying Party shall co-operate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available).

10.10 Limitations on Amount.

Notwithstanding the provisions of this Article 10:

- (a) subject to the provisions of this Section 10.10, the Vendors and Saratoga shall have no liability with respect to any single claim for indemnification or otherwise and no Losses may be recovered from any of them unless the amount of the Losses with respect to such claim is greater than \$10,000;
- (b) (i) the solidary liability of the Primary Vendors in respect of claims of Saratoga and any Saratoga Indemnified Persons for Losses under the indemnity set forth in Section 10.2(a)(i) and (ii) the liability of Saratoga in respect of claims of the Vendors for losses under the indemnity set forth in Section 10.3(a) shall not, in each case, exceed \$5,123,508;
- (c) the joint (and not solidary) liability of the Vendors in respect of claims of Saratoga and any Saratoga Indemnified Persons for Losses under the indemnity set forth in Section 10.2(b)(i) shall not exceed an amount equal to the number of Saratoga Shares held by each such Vendor multiplied by \$0.25; and
- (d) the limitations set forth in Sections 10.10(a) through 10.10(c) shall have no application to any claim to recover Losses based on (i) any incorrectness in or breach of any representation or warranty of the Primary Vendors and Abba Medix set forth in Sections 3.1(a), 3.1(c), 3.1(d), 3.1(h), 3.1(z), (ii) any incorrectness in or breach of any representation or warranty of the Vendors set forth in Sections 4.1(a), 4.1(b), 4.1(e) and 4.1(f), (iii) any incorrectness in or breach of any representation or warranty of Saratoga set forth in Sections 5.1(a), 5.1(c), 5.1(d) and 5.1(u), (iv) any incorrectness in or breach of any representation or warranty of the Primary Vendors, the Vendors or Saratoga resulting from

fraud, intentional misrepresentation or deliberate or wilful breach, or (v) the specific indemnities set forth in Sections 10.2(a)(ii), 10.2(a)(iii), 10.2(b)(ii), 10.2(b)(iii), 10.3(b) or 10.3(c).

10.11 Exclusive Remedy.

The provisions of this Article 10 shall apply to any Claim for breach of any covenant, representation, warranty or other provision of this Agreement or any agreement, certificate or other document delivered pursuant hereto (other than a claim for specific performance or injunctive relief) with the intent that all such Claims shall be subject to the limitations and other provisions contained in this Article 10.

ARTICLE 11 MISCELLANEOUS

11.1 Amendments and Waivers.

Except as otherwise expressly provided herein, any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by Abba Medix, Saratoga and the Vendors' Representative, or in the case of a waiver, by the Party against whom the waiver is to be effective. Any amendment or waiver effected in accordance with this Section 11.1 shall be binding upon the Vendors, Abba Medix and Saratoga pursuant to this Agreement.

11.2 Expenses.

Except as otherwise expressly provided herein, each Party shall be responsible for all costs and expenses (including any Taxes imposed on such expenses) incurred by it in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisers).

11.3 Notices.

(a) *Mode of Giving Notice.* Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent by fax, e-mail (return receipt requested) or other similar means of electronic communication, in each case to the applicable address set out below:

(i) if to the Vendors' Representative, to:

Ahmad (Ray) Rasouli

c/o Abba Medix Corp.

1773 Bayly Street

Pickering, Ontario L1W 2Y7

Attention: Ahmad (Ray) Rasouli
Fax: 905-492-8420
Email: rayrasouli@abbamedix.com

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

Dentons Canada LLP

77 King Street West, Suite 400
Toronto, Ontario M5K 0A1

Attention: Jason A. Saltzman
Fax: 416-863-4592
Email: jason.saltzman@dentons.com

(ii) if to Abba Medix, to:

Abba Medix Corp.

1773 Bayly Street
Pickering, Ontario L1W 2Y7

Attention: Ahmad (Ray) Rasouli
Fax: 905-492-8420
Email: rayrasouli@abbamedix.com

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

Dentons Canada LLP

77 King Street West, Suite 400
Toronto, Ontario M5K 0A1

Attention: Jason A. Saltzman
Fax: 416-863-4592
Email: jason.saltzman@dentons.com

(iii) if to Saratoga, to:

c/o Blake, Cassels & Graydon LLP

Until November 30, 2015:
600 de Maisonneuve Blvd. West, Suite 2200
Montreal, Quebec H3A 3J2

As of December 1, 2015:
1 Place Ville-Marie, Suite 3100
Montreal, Quebec H3B 4T9

Attention: Howard Levine
Fax: 514-982-5051
Email: howard.levine@blakes.com

- (b) *Deemed Delivery of Notice.* Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing, e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed, e-mailed or sent before 4:30 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth Business Day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.
- (c) *Change of Address.* Any Party may from time to time change its address under this Section 11.3 by notice to the other Party given in the manner provided by this Section 11.3.

11.4 Consent to Jurisdiction.

Each of the Vendors, Abba Medix and Saratoga hereby agrees to submit to the non-exclusive jurisdiction of the courts in and of the Province of Quebec and to the courts to which an appeal of the decisions of such courts may be taken, and consents that service of process with respect to all courts in and of the Province of Quebec may be made by registered mail to it at the address set forth in Section 11.3.

11.5 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the federal 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, and shall bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11.6 Further Assurances.

The Vendors, Abba Medix and Saratoga, upon the request of any other Party, whether before or after the Closing, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect complete consummation of the transactions contemplated herein.

11.7 Time.

Time is of the essence of this Agreement.

11.8 Assignment.

This Agreement may not be assigned by any Party hereto without the prior written consent of the other parties hereto, such consents not to be unreasonably withheld or delayed.

11.9 Public Announcement; Disclosure.

None of Abba Medix or the Vendors shall make any public announcement 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 Saratoga, which consent shall not be unreasonably withheld, and Saratoga shall not make any public announcement concerning this Agreement or the matters contemplated herein, its discussions or any other memoranda, letters or agreements between the parties relating to the matters contemplated herein without the prior consent of the Vendors' Representative, 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.

11.10 Entire Agreement, Counterparts, Section Headings

This Agreement, and the Schedules hereto, sets forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby and supersedes any prior written or oral understandings with respect thereto. This Agreement may be executed by facsimile and in one or more counterparts thereof, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The headings in this Agreement are for convenience of reference only and shall not alter or otherwise affect the meaning hereof.

11.11 Language

The Parties have requested that this Agreement and all documents ancillary thereto be prepared in the English Language. *Les parties aux présentes ont demandé que cette convention et tous les documents s'y rapportant soient rédigés en anglais.*

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of February 24, 2015.

**SARATOGA ELECTRONIC SOLUTIONS
INC.**

Per: (signed) "Georges Durst"
Name: Georges Durst
Title: President and Chief Executive
Officer

PRIMARY VENDORS:

2419104 ONTARIO INC.

Per: (signed) "Ahmad (Ray) Rasouli"
Name: Ahmad (Ray) Rasouli
Title: President

**AHMAD (RAY) RASOULI *es qualité trustee*
for 2418659 Ontario Inc.**

(signed) "Ahmad (Ray) Rasouli"

Counterpart Execution Page for the Other Vendors

This page constitutes the counterpart execution page of the agreement (the “**Share Exchange Agreement**”) dated as of February 24, 2015, by and among Saratoga Electronic Solutions Inc., Abba Medix Corp. and the Vendors (as defined therein), and upon execution hereof, the undersigned is bound by and is a party to such Share Exchange Agreement.

Name of Vendor (please print)

By: _____
Authorized Signatory

Registration Instructions:

Register the Saratoga Shares issuable to the Vendor in the name and at the address of the Vendor set forth herein or as follows:

Official Capacity or title (please print)

Name for Registration Purposes

Address for Registration Purposes

Please print name of individual whose signature appears above if different than the name of the Vendor printed above.

Vendor’s Telephone Number

Vendor’s Facsimile Number

Note: Saratoga Shares may only be registered in a name other than the Vendor with the approval of Saratoga and Abba Medix

Vendor’s E-mail Address

Social Insurance Number or Corporate Tax Identification Number

Number of Target Shares held by the Vendor

[EXECUTION PAGES OF OTHER VENDORS HAVE BEEN REDACTED]