

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO CERTAIN PORTIONS OF THIS AGREEMENT, WHICH PORTIONS HAVE BEEN REDACTED AND REPLACED WITH A SUMMARY OF REDACTED LANGUAGE

ASSET PURCHASE AGREEMENT

THIS AGREEMENT (this “**Agreement**”) is made the 28th day of June, 2013.

BETWEEN:

VERALIGHT, INC.,

a corporation existing under the laws of the State of Delaware

(hereinafter referred to as the “**Vendor**”)

- and -

MIRACULINS INC.,

a corporation existing under the laws of Canada

(hereinafter referred to as the “**Purchaser**”)

THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, agreements, representations, warranties and indemnities of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

1. INTERPRETATION

1.1 **Defined Terms.** For the purposes of this Agreement, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

- (a) “**\$7 Million Milestone**” has the meaning set out in Section 3.6(d);
- (b) “**\$10 Million Milestone**” has the meaning set out in Section 3.6(e);
- (c) “**Acquired Contracts**” means those Contracts to which the Vendor is a party or by which the Vendor is bound listed on Schedule 1.1(c);

- (d) “**Affiliate**” means, with respect to any specified person, any other person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such specified person;
- (e) “**Assumed Liabilities**” has the meaning set out in Section 4.1;
- (f) “**business day**” means any day which is not a Saturday, a Sunday or a statutory holiday in Winnipeg, Manitoba;
- (g) “**Fiscal Quarter**” means each successive period of three calendar months ending on each of February 28 (or February 29 in a leap year), May 31, August 31 and November 30.
- (h) “**Cash Payments**” has the meaning set out in Section 3.2(a);
- (i) “**Claim**” has the meaning set out in Section 11.4;
- (j) “**Closing Date**” means the business day which is two business days following the date on which the last of the conditions of closing in Section 8.1 and Section 8.3 are satisfied, or waived, as the case may be (other than conditions with respect to actions that the respective parties will take at the Time of Closing) or such other date as the parties mutually determine;
- (k) “**Contract**” means any agreement, indenture, contract, lease, deed of trust, licence, option, instrument or other commitment, whether written or oral;
- (l) “**control**” (including the terms “**controlled by**” and “**under common control with**”), with respect to the relationship between or among two or more persons, means the possession, directly or indirectly or as trustee, personal representative or executor, of the power to direct or cause the direction of the affairs or management of a person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract or otherwise, including without limitation, the ownership, directly or indirectly, of securities having the power to elect the majority of the board of directors or similar body governing the affairs of such person;
- (m) “**Direct Claim**” has the meaning set out in Section 11.4;
- (n) “**Early Call Right**” has the meaning set out in Section 3.2(b);
- (o) “**Encumbrance**” means any encumbrance, lien, charge, hypothecation, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, restriction, right of occupation, any matter capable of registration against title, option, right of pre-emption, privilege or any Contract to create any of the foregoing;
- (p) “**Environmental Law**” means any statute, code, by-law, regulation, published policy, permit, consent, approval, licence, judgment, order, writ, decision,

directive, common-law rule (including, without limitation, the common law respecting nuisance and tortious liability), decree, agency interpretation, injunction, agreement or authorization or requirement, whether federal, state, provincial, territorial, municipal or local, relating to environmental matters;

- (q) **“Event of Default”** has the meaning set out in Section 3.5(a);
- (r) **“Excluded Assets”** has the meaning set out in Section 2.2;
- (s) **“Governmental Charges”** means and includes all taxes, customs duties, rates, levies, assessments, reassessments and other charges, together with all penalties, interest and fines with respect thereto, payable to any federal, state, provincial, municipal, local or other government or governmental agency, authority, board, bureau or commission, domestic or foreign;
- (t) **“Gross Revenue”** means the gross revenue of the Purchaser or any of its Affiliates, calculated in accordance with IFRS and excluding any sales by the Purchaser or any of the Affiliates to the Purchaser or any of its Affiliates, in connection with the Purchased Business after deduction of the following amounts (to the extent not previously deducted): (i) any invoiced amounts which are not collected by the Purchaser, including bad debts; (ii) normal and customary trade, quantity or prompt payment discounts; (iii) amounts repaid or credited by reason of rejection, returns or recalls of goods or *bona fide* price reductions determined by the Purchaser; (iv) freight, insurance, customs duties, surcharges and other governmental charges incurred by Purchaser in transporting, importing and exporting final form products; and (v) any other similar and customary deductions that are consistent with IFRS; For the purposes of this definition, Gross Revenue shall include, without limitation, all license, sub-license, milestone, upfront, incentive, sales or distribution fees or royalties, but shall exclude: (i) any amounts received which are clearly established (through a sponsored research agreement or similar documentation) to support the cost of specifically itemized development or research, and (ii) any research, development or promotional support grant monies received in connection to the Purchased Business;
- (u) **“IFRS”** means International Financial Reporting Standards consistently applied;
- (v) **“Indemnified Party”** has the meaning set out in Section 11.4;
- (w) **“Indemnifying Party”** has the meaning set out in Section 11.4;
- (x) **“Intellectual Property”** has the meaning set out in Section 2.1(f);
- (y) **“ITA”** means the *Income Tax Act* (Canada);
- (z) **“Leased Property”** means the real property that is subleased by the Vendor under Real Property Lease;

- (aa) **“Licences”** has the meaning set out in Section 2.1(e);
- (bb) **“Losses”**, in respect of any matter, means all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all 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 (excluding any consequential damages incurred by such party);
- (cc) **“Milestone Payment Shares”** has the meaning set out in Section 3.6;
- (dd) **“Nominee”** has the meaning set out in Section 7.12(a);
- (ee) **“Notice of Pre-Emptive Right”** has the meaning set out in Section 7.13(b);
- (ff) **“Outside Date”** has the meaning set out in Section 8.5;
- (gg) **“Payment Shares”** has the meaning set out in Section 3.2(b);
- (hh) **“(Redacted: name of Secured Party) Security”** means the security granted by the Vendor pursuant to a security agreement, dated January 15, 2013, by and among the Vendor and the Secured Parties named therein;
- (ii) **“Purchase Price”** has the meaning set out in Section 3.1;
- (jj) **“Purchased Assets”** has the meaning set out in Section 2.1;
- (kk) **“Purchased Business”** means the business currently and previously carried on by the Vendor consisting primarily of the licencing, manufacture, distributing, use, development and commercialization of technology for skin testing for diseases and conditions including but not limited to risk assessment, or other testing or diagnosis, for prediabetes, type 2 diabetes, cardiovascular conditions, metabolic syndromes or other related or similar conditions, using biomarkers found in skin and including the product known as “SCOUT DS” or any other uses contemplated in the Intellectual Property;
- (ll) **“Purchaser Indemnites”** has the meaning set out in Section 11.1;
- (mm) **“Real Property Lease”** has the meaning set out in Section 2.1(a);
- (nn) **“Regulation D”** means Regulation D under the U.S. Securities Act;
- (oo) **“Regulation S”** means Regulation S under the U.S. Securities Act;
- (pp) **“Regulatory Approvals”** means any and all clearances or approvals, licences, registrations or authorizations of any national, regional, state, provincial or local regulatory agency, department, bureau, commissioning council or other

governmental entity, that are necessary for the operation of the Purchased Business;

- (qq) **“Rights”** has the meaning set out in Section 9.5;
- (rr) **“Securities Laws”** means all applicable securities laws (including statutes) in each of the provinces of Alberta, British Columbia and Manitoba, the respective regulations, rules, rulings, decisions and orders made thereunder, and the applicable policy statements, instruments, by-laws, guidelines, notices, awards, orders and prescribed forms issued by governmental authorities thereunder;
- (ss) **“Security Interest”** has the meaning set out in Section 3.5(a);
- (tt) **“Security Interest Period”** has the meaning set out in Section 3.5(c);
- (uu) **“Shares”** means the Payment Shares and the Milestone Payment Shares collectively;
- (vv) **“Subscription Date”** has the meaning set out in Section 7.13(b)(iii);
- (ww) **“Survival Time”** has the meaning set out in Section 10.1;
- (xx) **“Third Party Claim”** has the meaning set out in Section 11.4;
- (yy) **“Time of Closing”** means 9:00 a.m. (Winnipeg time) on the Closing Date, or such other time on the Closing Date as the Vendor and the Purchaser may mutually determine;
- (zz) **“TSX-V”** means the TSX Venture Exchange;
- (aaa) **“United States”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
- (bbb) **“U.S. Person”** has the meaning given to that term in Rule 902(k) of Regulation S under the U.S. Securities Act;
- (ccc) **“U.S. Securities Act”** means the United States Securities Act of 1933, as amended; and
- (ddd) **“Vendor Indemnitees”** has the meaning set out in Section 11.2;

1.2 **Sections and Headings.** The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section or Schedule refers to the specified Article or Section of or Schedule to this Agreement.

1.3 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings,

negotiations and discussions, whether written or oral including, without limitation, the term sheet dated April 8, 2013 between the parties and the undated and unsigned term sheet between the parties provided to the TSX-V. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

1.4 **Time of Essence.** Time shall be of the essence of this Agreement.

1.5 **Applicable Law; Arbitration.**

- (a) This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Manitoba and the federal laws of Canada applicable therein, and each of the parties hereto hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Manitoba.
- (b) Except for any claim for specific performance or injunctive relief, any dispute, controversy or claim arising out of or relating to this Agreement including any question regarding its existence, interpretation, validity, breach or termination or the business relationship created by it shall be referred to and finally resolved by arbitration under the Canadian Arbitration Association Arbitration Rules. The place of the arbitration shall be Toronto, Ontario, Canada.

1.6 **Schedules.** The following Schedules are attached to and form part of this Agreement:

Schedule 1.1(c)	-	Acquired Contracts
Schedule 2.1(a)	-	Real Property Lease
Schedule 2.1(b)	-	Equipment
Schedule 2.1(c)	-	Inventory
Schedule 2.1(e)	-	Licences
Schedule 2.1(f)	-	Intellectual Property
Schedule 3.4	-	Allocation of Purchase Price
Schedule 3.6	-	Options, Warrants and Convertible Securities
Schedule 4.1	-	Assumed Liabilities
Schedule 5.1	-	Foreign Registrations
Schedule 5.4	-	No Violation
Schedule 5.5	-	Purchased Assets
Schedule 5.6	-	Title to Personal Property
Schedule 5.10	-	Intellectual Property
Schedule 5.15	-	Consents and Approvals
Schedule 8.1(i)	-	Non-Competition Agreement

1.7 **Purchased Business.** For the purposes of this Agreement, the phrase “in connection with” the Purchased Business, where used with reference to any matter or thing, means the matter or thing pertains in whole or in part to the Purchased Business; and the phrases “in relation to” and “relating to” the Purchased Business where used with reference to any matter or

thing, means a matter or thing affects, pertains to or touches upon, in any manner or way, the Purchased Business.

1.8 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are expressed in Canadian funds.

1.9 **Knowledge of the Vendor.** Any reference in this Agreement to “knowledge of the Vendor” means the knowledge that either (**Redacted: names of individuals representing the Vendor**) has or should reasonably be expected to have after reasonable enquiry. Notwithstanding the foregoing, reasonable enquiry does not require that any of such individuals conduct or have conducted or obtain or have obtained any freedom-to-operate opinions or similar opinions of counsel or any intellectual property clearance searches beyond the actual knowledge and reasonable inquiry actually conducted by the Vendor, and no knowledge of any third party Intellectual Property that would have been revealed by such further inquiries, opinions or searches will be imputed to such individuals.

2. PURCHASE AND SALE OF PURCHASED ASSETS

2.1 **Purchased Assets.** Subject to the provisions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor, effective as of the opening of business on the Closing Date, all of the Vendor’s right, title and interest in and to any and all assets, properties, rights and interests used in connection with or otherwise relating to the Purchased Business (other than the Excluded Assets), whether real or personal, tangible or intangible, of every kind and description and wheresoever situated (collectively, the “**Purchased Assets**”), including, without limitation:

- (a) **Real Property Lease** All rights of the Vendor under the sublease of real property described in Schedule 2.1(a), together with all leasehold improvements relating thereto (the “**Real Property Lease**”);
- (b) **Marketing Materials, Training Materials, Equipment and Hardware** All of the assets of all kinds used in relation to the Purchased Business and other goods and chattels of the Vendor, including, without limitation, all of the marketing materials, training materials, equipment, computer hardware and other fixed assets described in Schedule 2.1(b);
- (c) **Inventories** All inventories in relation to the Purchased Business, including, without limitation, raw materials, work-in-process, finished goods, replacement parts and office supplies, as more particularly described in Schedule 2.1(c) (the “**Inventory**”);
- (d) **Acquired Contracts** The Acquired Contracts;
- (e) **Licences and Approvals** All Regulatory Approvals, licences, permits, approvals, consents, certificates, registrations and authorizations (whether governmental, regulatory or otherwise) held by or granted to the Vendor in relation to the Purchased Business or the Intellectual Property (the “**Licences**”) as more particularly described in Schedule 2.1(e);

- (f) **Intellectual Property** All registered or pending or common law intellectual property issued to or owned or held by the Vendor in relation to the Purchased Business or in which the Vendor has an interest and relates to the Purchased Business, including, without limiting the generality of the foregoing, all trade or brand names, business names, domain names, websites, trade-marks (including logos), trade-mark registrations and applications, service marks, service mark registrations and applications, copyrights, copyright registrations and applications, issued patents and pending applications and other patent rights, industrial design registrations, pending applications and other industrial design rights, trade secrets, proprietary information and know-how, equipment and parts lists and descriptions, instruction manuals, inventions, inventors' notes, research data, blueprints, drawings and designs, formulae, processes, technology, computer software and other intellectual property issued to or owned or held by the Vendor in relation to the Purchased Business or in which the Vendor has an interest and relates to the Purchased Business, together with all rights under licences, registered user agreements, technology transfer agreements and other agreements or instruments relating to any of the foregoing (collectively, "**Intellectual Property**"), including, without limitation, the intellectual property described in Schedule 2.1(f);
- (g) **Books and Records** All books and records, including science lab books and files pertaining to any Regulatory Approvals or other pertinent filings or systems, including regulatory filings, quality systems and ISO certification filings, held or maintained by the Vendor in relation to the Purchased Assets or Purchased Business, whether in electronic or printed form; provided, however, that the Vendor may retain copies of such books and records as required by applicable law and as reasonably necessary to enable the Vendor to fulfill its tax filing, regulatory or statutory obligations after the Closing Date; provided, further, that the Vendor shall not sell, transfer or assign the minute book documents of the Vendor or any personnel records which are prohibited by law from being transferred; and
- (h) **Goodwill** All goodwill of the Purchased Business, together with the exclusive right for the Purchaser to represent itself as carrying on the Purchased Business in succession to the Vendor and the right to use any words indicating that the Purchased Business is so carried on, including the exclusive right to use the names "VeraLight" and "SCOUT DS", or any variation thereof, as part of the name or style under which the Purchased Business or any part thereof is carried on by the Purchaser.

2.2 **Excluded Assets.** There shall be specifically excluded from the Purchased Assets being purchased and sold hereunder, the following assets, properties, rights and interests of the Vendor related to the Purchased Business (the "**Excluded Assets**"):

- (a) **Cash** All cash on hand or in banks or other depositories of the Vendor as of the opening of business on the Closing Date;

- (b) **Accounts Receivable** All accounts receivable of the Vendor in connection with the Purchased Business and the benefit of all security for such accounts receivable;
- (c) **Pre-paid Expenses** All pre-paid expenses of the Vendor in connection with the Business; and
- (d) **Excluded Contracts** All Contracts to which the Vendor is a party or by which the Vendor is bound other than the Acquired Contracts.

3. PURCHASE PRICE

3.1 **Purchase Price.** The aggregate purchase price (the “**Purchase Price**”) payable by the Purchaser to the Vendor for the Purchased Assets will be equal to the sum of:

- (a) \$150,000.00; plus
- (b) the value of any Payment Shares that are issued, if applicable, determined based on the closing price of the common shares of the Purchaser on the TSX-V on the trading day prior to the date hereof, namely \$0.07 per Payment Share; plus
- (c) the value of any Milestone Payment Shares that are issued, if applicable, determined based on the closing price of the common shares of the Corporation on the TSX-V on the trading day prior to the issuance of such Milestone Payment Shares; plus
- (d) the amount of the Assumed Liabilities.

3.2 **Payment of Purchase Price.** The Purchaser shall satisfy the Purchase Price as follows:

- (a) as to the amount of \$150,000.00, by the payment to the Vendor, by wire transfer; certified cheque or bank draft of the readily available sum, of (collectively, the “**Cash Payments**”):
 - (i) Fifty Thousand Dollars (\$50,000.00) at the Time of Closing; and
 - (ii) One Hundred Thousand Dollars (\$100,000.00) within ninety (90) days of the Closing Date;
- (b) as to the amount attributable to the Payment Shares, if applicable, by the issuance to the Vendor of an aggregate of 13,060,315 common shares in the capital of the Purchaser (the “**Payment Shares**”) on the earlier of (i) the third (3rd) anniversary of the Closing Date or (ii) upon the achievement of the \$7 Million Milestone; provided, however, that the Vendor may require that the Payment Shares be issued to it at any time after the first (1st) anniversary of the Closing Date and prior to the third (3rd) anniversary of the Closing Date upon thirty (30) days notice to the Purchaser (the “**Early Call Right**”);

- (c) as to the amount attributable to the Milestone Payment Shares, if applicable, by the issuance of the Milestone Payment Shares pursuant to Section 3.6; and
- (d) as to the amount attributable to the Assumed Liabilities, by the assumption of the Assumed Liabilities pursuant to Section 4.1.

3.3 Transfer Taxes. The Purchaser shall be liable for and shall pay all federal, state and provincial sales taxes (including any retail sales taxes) and all other taxes, duties, fees or other like charges of any jurisdiction (except income taxes) properly payable in connection with the transfer of the Purchased Assets by the Vendor to the Purchaser; provided, however, that the Vendor will obtain, on or before the Closing Date, any applicable exemption certificates for the purposes of substantiating exemptions from the foregoing taxes otherwise payable by the Purchaser which are available from any applicable government or regulatory authority and provide a copy of such certificates to the Purchaser.

3.4 Allocation of Purchase Price. The Vendor and the Purchaser agree to allocate the Purchase Price among the Purchased Assets in accordance with Schedule 3.4 and to report the sale and purchase of the Purchased Assets for all national, regional, state, provincial and local tax purposes in a manner consistent with such allocation.

3.5 Security Interest.

- (a) To secure the Purchaser's full and timely performance of all of its obligations to the Vendor under this Agreement, the Purchaser hereby grants in favour of the Vendor a first ranking security interest over the Purchased Assets (the "**Security Interest**"). For a period of (**Redacted: number of years**) years following the Closing Date, the Vendor shall have the right, but not the obligation, to exercise its rights in respect of the Security Interest or exercise any other rights with respect to the Purchased Assets pursuant to the *Personal Property Security Act* (Manitoba) upon the occurrence of any of the following events (each an "**Event of Default**"):
 - (i) the Purchaser defaults on its obligation to pay the Cash Payment referred to in Section 3.2(a)(ii) and such default continues for a continuous period of (**Redacted: number of business days**) business days following notice of such default from the Vendor;
 - (ii) the Purchaser defaults on its obligation to pay any of the Assumed Liabilities set forth in Schedule 4.1 following a demand by payment from a creditor and such default continues for a continuous period of (**Redacted: number of business days**) business days following notice of such default from the Vendor;
 - (iii) the Purchaser defaults under any of its obligations contained herein, including, the issuance of the Payment Shares and the Milestone Payment Shares and the covenants of the Purchaser contained in Article 7, and such default continues for a continuous period of (**Redacted: number of days**) days following notice of such default from the Vendor;

- (iv) the Purchaser becomes insolvent or bankrupt or institutes proceedings under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) or applicable corporate law; the Purchaser makes an assignment for the benefit of creditors; or a trustee, receiver or similar official is appointed in respect of the Purchaser or any of the Purchased Assets;
 - (v) there is a change in the nature of the Purchaser's business such that it no longer devotes greater than **(Redacted: percentage of resources)** of its resources to developing and commercializing diagnostic, risk assessment, monitoring or screening medical devices;
 - (vi) beginning October 1, 2013, the Purchaser fails to maintain active manufacturing operations, meaning it is unable to fulfill customer orders for more than a continual **(Redacted: number of months)** month period (unless during a manufacturing transition period or as a result of component stock shortages beyond the control of the Purchaser); or
 - (vii) the Purchaser fails to maintain a minimum investment in the Purchased Business of **(Redacted: dollar amount)** in any given fiscal year, taking into account all sales, marketing, promotion, manufacturing, distribution, operations, intellectual property maintenance and management cost and the proportional share of the Purchaser's overhead expenses based on the amount of time and attention given to the Purchased Business compared to the other businesses of the Purchaser (it being understood that the minimum investment for the Purchaser's fiscal year ending November 30, 2013 shall be prorated to an amount equal to the product determined by multiplying **(Redacted: dollar amount)** by a fraction, the numerator of which is equal to the number of days elapsing from the Closing Date to such fiscal year end and the denominator of which is equal to 365).
- (b) The Purchaser will promptly (but in any event within five business days) notify the Vendor in writing of the occurrence of any Event of Default. The Vendor may exercise its rights with respect to the Security Interest within **(Redacted: number of days)** days following its receipt of the notice from the Purchaser of the occurrence of an Event of Default; for greater certainty, if the Vendor does not exercise its rights within such **(Redacted: number of days)** day period, it shall not be entitled to exercise its rights in respect of the Security Interest relating to the specific Event of Default which occurred. The Vendor's exercise of its rights with respect to the Security Interest shall be the Vendor's sole recourse against the Purchaser for an Event of Default.
- (c) The Vendor's Security Interest shall be automatically released and terminated upon the issuance and delivery of the Payment Shares to the Vendor, whether occurring on the **(Redacted: number)** anniversary of the Closing Date, upon the achievement of the \$7 Million Milestone or upon the exercise of the Early

Call Right by the Vendor (the period beginning on the Closing Date and ending on the earliest to occur of the foregoing, the “**Security Interest Period**”).

- (d) During the Security Interest Period, except for the Security Interest, following the Closing Date, the Purchaser will be the owner of the Purchased Assets free from any adverse lien, security interest or encumbrance and, subject to the Security Interest, will use its commercially reasonable efforts to preserve the Purchased Assets and defend the Purchased Assets against the claims and demands of all persons at any time claiming the same or any interest therein. Without limiting the foregoing, during the Security Interest Period: (i) the Purchaser will pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Purchased Assets or with respect to any of its income or profits derived from the Purchased Assets, as well as all claims of any kind against or with respect to the Purchased Assets, except to the extent that they may be contested in good faith and by appropriate proceedings and (ii) the Purchaser will keep all physical Purchased Assets in good condition, normal wear and tear excepted, and the Purchaser will not use the Purchased Assets illegally, or sell or lease the Purchased Assets without the prior written consent of the Vendor (except for sales of inventory in the ordinary course of business).
- (e) During the Security Interest Period, at any time and from time to time, upon the written request of the Vendor, and at the sole expense of the Purchaser, the Purchaser will promptly and duly execute and deliver such further instruments and documents and take such further action as the Vendor may reasonably request for the purpose of obtaining or preserving the full benefits of the Security Interest and of the rights and powers granted in this Section 3.6, including (i) protecting the Purchased Assets, (ii) perfecting, preserving and protecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Vendor.
- (f) The Purchaser acknowledges that (i) value has been given, (ii) as of the Closing Date, it will have rights in the Purchased Assets and the power to transfer rights in the Purchased Assets to the Vendor; (iii) the time of attachment of the Security Interest shall be the Closing Date, and (iv) it has received a copy of this Agreement.
- (g) The Security Interest does not extend to consumer goods (as such term is defined in the *Personal Property Security Act* (Manitoba)).
- (h) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, not held or hereafter acquired by the Purchaser, but the Purchaser will stand possessed of any such last day upon trust to assign and dispose of it as the Vendor may reasonably direct.

3.6 Milestone Payments. Subject to approval of the TSX-V to be obtained on or before the Closing Date and all applicable Securities Laws, additional common shares in the capital of the

Purchaser (the “**Milestone Payment Shares**”) shall be issued to the Vendor based on the following cumulative Gross Revenue milestones:

- (a) one million (1,000,000) Milestone Payment Shares shall be issued to the Vendor in respect of achievement of cumulative Gross Revenue of One Million Dollars (\$1,000,000.00);
- (b) three million (3,000,000) Milestone Payment Shares shall be issued to the Vendor in respect of achievement of cumulative Gross Revenue of Three Million Dollars (\$3,000,000.00);
- (c) three million (3,000,000) Milestone Payment Shares shall be issued to the Vendor in respect of achievement of cumulative Gross Revenue of Five Million Dollars (\$5,000,000.00);
- (d) three million (3,000,000) Milestone Payment Shares shall be issued to the Vendor in respect of achievement of cumulative Gross Revenue of Seven Million Dollars (\$7,000,000.00) (the “**\$7 Million Milestone**”);
- (e) three million (3,000,000) Milestone Payment Shares shall be issued to the Vendor in respect of achievement of cumulative Gross Revenue of Ten Million Dollars (\$10,000,000.00) (the “**\$10 Million Milestone**”);
- (f) within (**Redacted: number of days**) days after the Purchaser provides confirmation of achievement of the \$10 Million Milestone, such number of common shares of the Purchaser shall be issued to the Vendor equal to 19.9% (after giving effect to the share issuance contemplated in this Section 3.6(f)) of the aggregate number of common shares of the Purchaser that are issued subsequent to the Closing Date pursuant to the exercise of stock options, warrants and other convertible securities that are issued and outstanding on the Closing Date (for example, if the Purchaser were to issue 25,139,681 common shares pursuant to the exercise of stock options, warrants and/or other convertible securities that are issued and outstanding on the Closing Date, then the Vendor would be issued 6,245,689 common shares of the Purchaser), and, for greater certainty, a listing of stock options, warrants and other convertible securities that are issued and outstanding as at the date hereof, including expiry dates, is provided in Schedule 3.6 and such list will be updated by the Purchaser on the Closing Date; and
- (g) on each annual anniversary of the \$10 Million Milestone, starting on the first anniversary of the \$10 Million Milestone and ending in the anniversary following the exercise or expiry of the last stock options, warrants and other convertible securities that are issued and outstanding on the Closing Date, such number of common shares of the Purchaser shall be issued to the Vendor equal to 19.9% (after giving effect to the share issuance contemplated in this Section 3.6(g)) of the aggregate number of common shares of the Purchaser that are issued during the prior year pursuant to the exercise of stock options, warrants

and other convertible securities that are issued and outstanding on the Closing Date (for example, if the Purchaser were to issue, during the applicable year, 25,139,681 common shares pursuant to the exercise of stock options, warrants and/or other convertible securities that are issued and outstanding on the Closing Date, then the Vendor would be issued 6,245,689 common shares of the Purchaser).

3.7 **Milestone Reports; Payments.**

- (a) Within forty-five (45) days after the end of each Fiscal Quarter, the Purchaser shall submit to the Vendor a report providing in reasonable detail an accounting of the Gross Revenue during such Fiscal Quarter and the amount of any Milestone Payment Shares that are issuable pursuant to Section 3.6, including (as applicable), the exchange rates used to calculate the dollar amount of such Gross Revenue from the currencies in which such amounts of Gross Revenue were made (which exchange rate shall be determined in accordance with IFRS).
- (b) Concurrently with such report, the Purchaser shall issue to the Vendor, the aggregate Milestone Payment Shares to which the Purchaser is entitled pursuant to Section 3.6, as indicated in such report.

3.8 **Audits.**

- (a) The Purchaser shall keep (and shall cause each of its Affiliates to keep and make available to the Vendor) complete and accurate records of the underlying data relating to the reports and payments required by Section 3.7 for a period of not more than three years after delivery of such reports and payments. The Vendor shall have the right from time to time (but not more often than once in each of the Purchaser's fiscal years) at the expense of the Vendor, except as otherwise provided herein, to have a reputable firm of independent accountants reasonably acceptable to the Purchaser (provided, however, that such accounting firm shall not be retained or compensated on a contingency basis) review any such records in the location(s) where such records are maintained upon reasonable notice and during regular business hours and under obligations of strict confidence, for the sole purpose of verifying the basis and accuracy of payments made under Section 3.6.
- (b) If the review of such records reveals that Milestone Payment Shares were owed by the Purchaser during such period, then the Purchaser shall promptly issue to the Vendor any Milestone Payment Shares due hereunder.
- (c) If the review of such records reveals that Milestone Payment Shares were owed by the Purchaser during such period and that Gross Revenue was underreported by more than five percent (5%), then the Purchaser shall bear the full cost of such audit.

3.9 **Maximum Ownership** Notwithstanding anything to the contrary contained in this Agreement, for a period of ten (10) years from the Closing Date, the Vendor and its Affiliates,

collectively, shall be prohibited from holding in excess of 19.9% of the issued and outstanding common shares of the Purchaser at any time. For greater certainty, the Purchaser shall not be obligated to issue any portion of the Payment Shares or the Milestone Payment Shares to the Vendor if such issuance would result in the Vendor and its Affiliates, collectively, holding in excess of 19.9% of the issued and outstanding common shares of the Purchaser and the Purchaser shall not be required to compensate the Vendor in any way in lieu of such issuance.

4. ASSUMPTION OF LIABILITIES

4.1 Assumption of Certain Liabilities by the Purchaser. The Purchaser hereby assumes and agrees to timely pay, satisfy, discharge, perform and fulfill, from and after the Time of Closing (the following, collectively, the “**Assumed Liabilities**”): (a) the obligations arising out of the Acquired Contracts which relate solely to an event, act or occurrence that takes place after the Closing Date under the Acquired Contracts, (b) all liabilities which relate solely to the ownership, use, operation or maintenance of the Purchased Assets by or on behalf of the Purchaser after the Time of Closing and (c) those liabilities set forth on Schedule 4.1, excluding any further interest or penalties on such liabilities unless specifically stated in Schedule 4.1. The Purchaser shall not assume any liabilities of the Vendor or related to the Purchased Business (including, without limitation, warranty obligations to service any inventory, not covered by an Acquired Contract or not otherwise set forth on Schedule 4.1, previously sold by the Vendor to customers) other than the Assumed Liabilities. The Purchaser will use its commercially reasonable efforts to pay and satisfy those Assumed Liabilities set forth on Schedule 4.1 within (**Redacted: number of days**) days of the Closing Date.

5. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS OF THE VENDOR

The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with its purchase of the Purchased Assets:

5.1 Organization. The Vendor is a corporation validly existing under the laws of the State of Delaware. The Vendor is duly registered, licensed or qualified to carry on business as a foreign corporation under the laws of the jurisdictions set out in Schedule 5.1, being the only jurisdictions in which the nature of the Purchased Business or the Purchased Assets or any of them makes such registration, licensing or qualification necessary.

5.2 Corporate Power and Authorization. The Vendor has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder and to own or lease its property. This Agreement has been duly authorized by all necessary corporate action on the part of the Vendor. Each of the agreements, contracts and instruments required by this Agreement to be delivered by the Vendor at the Time of Closing has been duly authorized by all necessary corporate action on the part of the Vendor. This Agreement has been duly executed and delivered by the Vendor and is a legal, valid and binding obligation of the Vendor, enforceable against the Vendor by the Purchaser in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a

court of competent jurisdiction. At the Time of Closing, each of the agreements, contracts and instruments required by this Agreement to be delivered by the Vendor at the Time of Closing will be duly executed and delivered by the Vendor and will be legal, valid and binding obligations of the Vendor, enforceable against the Vendor by the Purchaser in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

5.3 No Other Agreements to Purchase. No person other than the Purchaser has any written or oral agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase or acquisition of any of the Purchased Assets.

5.4 No Violation. The execution and delivery of this Agreement by the Vendor and the consummation of the transactions herein provided for will not result in:

- (a) the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligation of the Vendor under:
 - (i) subject to receipt of the consents set forth in Schedule 5.15, any Contract to which either Vendor is a party or by which it is or its properties are bound;
 - (ii) any provision of the constating documents or resolutions of the board of directors (or any committee thereof) or stockholders of the Vendor;
 - (iii) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over the Vendor;
 - (iv) subject to receipt of the consents set forth in Schedule 5.15 and except as set forth in Schedule 5.4, any licence, permit, approval, consent, Regulatory Approval or authorization held by, or being pursued by, the Vendor in connection with the Purchased Assets or the Purchased Business; or
 - (v) to the Vendor's knowledge, any applicable law, statute, ordinance, regulation or rule; nor
- (b) the creation or imposition of any Encumbrance on any of the Purchased Assets.

5.5 Entirety of Purchased Assets. Other than the Excluded Assets, the Purchased Assets constitute all of the assets used or held by the Vendor in relation to the Purchased Business. All the tangible assets of the Purchased Business are situated at the locations set out in Schedule 5.5. Except as set forth on Schedule 5.5, all of the fixed assets included in the Purchased Assets are in good operating condition and are in a state of good repair and maintenance (normal wear and tear excepted).

5.6 Title to Personal Property. Except as set forth in Schedule 5.6, the Vendor is the absolute beneficial owner of the Purchased Assets and the Vendor has good and marketable title thereto, free and clear of all Encumbrances other than the (**Redacted: name of Secured Party**) Security, which will be released against the Purchased Assets on or before the Closing Date. The Vendor has the exclusive right to possess, use, occupy and dispose of the Purchased Assets, subject only to the rights of the other parties to the Contracts listed in Schedule 2.1(d) to this Agreement. At the Time of Closing, the Vendor will have full legal right, power and authority to sell, assign and transfer the Purchased Assets which it is conveying to the Purchaser pursuant to this Agreement to the Purchaser free of all Encumbrances.

5.7 Inventory. The Inventory, subject to a reasonable allowance for obsolete inventory, is good and usable and is capable of being processed and sold in the ordinary course of the Purchased Business.

5.8 Leased Property. Schedule 2.1(a) sets forth the municipal address and complete and accurate legal description of the Leased Property and sets forth the parties to the Real Property Lease, its date of execution and expiry date, the term, any options to renew, the rent and other amounts payable thereunder. The Vendor does not own or lease and has not agreed to acquire or lease any real property or interest in any real property other than the Leased Property. The Vendor has the exclusive right to possess, use and occupy, the Leased Property. All buildings, structures, improvements and appurtenances situated on the Leased Property are in operating condition and are adequate and suitable for the purposes for which they are currently being used and the Vendor has adequate rights of ingress and egress for the operation of the Purchased Business in the ordinary course of business. None of such buildings, structures, improvements or appurtenances (or any equipment therein), nor the operation or maintenance thereof, violates any restrictive covenant or any provision of any federal, provincial or municipal law, ordinance, rule or regulation, or encroaches on any property owned by others. The Vendor has provided a true and complete copy of the Real Property Lease and all amendments thereto to the Purchaser. Neither the Vendor nor the other parties thereto is in breach of any covenants, conditions or obligations contained in the Real Property Lease or has received or given notice alleging such breach.

5.9 Environmental. The Vendor, the Purchased Assets, the Leased Property and all operations thereon, has been and is in compliance with all applicable Environmental Laws and the Vendor has all licences, permits, approvals, consents, certificates, registrations and other authorizations required under Environmental Laws. The Vendor has never received any notice of, or been prosecuted for, non-compliance with any Environmental Laws, nor has the Vendor settled any allegation of non-compliance prior to prosecution.

5.10 Intellectual Property. Schedule 2.1(f) sets out all of the registered Intellectual Property (including particulars and status of registration or application for registration), all unregistered Intellectual Property which is material to the Purchased Business and all licences, registered user agreements and other Contracts which comprise or relate to Intellectual Property. The Intellectual Property comprises all trade or brand names, business names, domain names, trademarks, service marks, copyrights, patents, industrial designs, trade secrets, know-how, computer software, inventions, designs and other industrial or intellectual property relating to the Purchased Business. Except as set forth in Schedule 5.10, the Vendor is the legal and beneficial

owner of the Intellectual Property set out in Schedule 2.1(f) free and clear of all Encumbrances and is not a party to or bound by any Contract or any other obligation whatsoever that limits or impairs its ability to sell, transfer, assign or convey, or that otherwise affects, the Intellectual Property. All pending applications for any of the Intellectual Property are in good standing and all filings and fees required to be made on or before the date hereof in relation to such applications have been filed or paid, as the case may be. Except as set forth in Schedule 5.10, no person has been granted any interest in or right to use all or any portion of the Intellectual Property. To the knowledge of the Vendor, the Intellectual Property does not infringe upon the industrial or intellectual property rights, domestic or foreign, of any other person. To the knowledge of the Vendor, there are no outstanding claims of any infringement or breach by the Vendor of any industrial or intellectual property rights of any other person, and the Vendor has not received any notice that the use of the Intellectual Property, infringes upon or breaches any industrial or intellectual property rights of any other person, or the trade secrets, know-how or confidential or proprietary information of any other person, and to the knowledge of the Vendor there has been no infringement or violation of any of the Vendor's rights in the Intellectual Property by any other person. The Vendor has provided to the Purchaser a true and complete copy of all Contracts and amendments thereto which comprise or relate to the Intellectual Property.

5.11 Insurance. The Vendor has all fixed assets included in the Purchased Assets insured against loss or damage by all insurable hazards or risks on a replacement cost basis and such insurance coverage will be continued in full force and effect to and including the Time of Closing.

5.12 Contracts and Agreements. Except for the Acquired Contracts and the Contracts disclosed to the Purchaser, the Vendor is not a party to or bound by any Contract in connection with the Purchased Business or relating to the Purchased Assets. The Vendor has performed all of the obligations required to be performed by it and is entitled to all benefits under, and is not in default or alleged to be in default in respect of, any Acquired Contract to which it is a party or by which it is bound. All Acquired Contracts are in good standing and in full force and effect, and no event, condition or occurrence exists which, after notice or lapse of time or both, would constitute a default under any of the Acquired Contracts. The Vendor has provided to the Purchaser a true and complete copy of each Acquired Contract.

5.13 Compliance with Laws. The Vendor is operating, and has previously operated, the Purchased Business in compliance with all applicable laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders.

5.14 Licences and Regulatory Approvals. Schedule 2.1(e) sets out a complete and accurate list of all Licenses and Regulatory Approvals. Each Licence and Regulatory Approval is valid, subsisting and in good standing and the Vendor is not aware of any default or breach of any Licence or Regulatory Approval. The Vendor is the sole applicant pursuing all Regulatory Approvals and no other person has been involved with or has any interest in any of the Regulatory Approvals. Except for the Licences and Regulatory Approvals set out on Schedule 2.1(e), there are no Licences or Regulatory Approvals necessary for the conduct of the Purchased Business. The Vendor has provided to the Purchaser a true and complete copy of each License and Regulatory Approval.

5.15 Consents and Approvals. Except for the consents and approvals set out in Schedule 5.15, no authorization, consent or approval of, or filing with or notice to or under:

- (a) any governmental agency, regulatory body or court;
- (b) any law, statute, ordinance, regulation or rule; or
- (c) any party to a Contract to which the Vendor is a party or by which it is bound,

is required in connection with the execution, delivery and performance of this Agreement by the Vendor or the sale and assignment of any of the Purchased Assets hereunder.

5.16 Litigation and Other Proceedings. There are no court, administrative, regulatory or similar proceedings (whether civil, quasi-criminal or criminal) against or involving the Vendor in relation to the Purchased Assets (whether in progress or to the knowledge of the Vendor, threatened).

5.17 U.S. Securities Matters. The Vendor:

- (a) represents and warrants that:
 - (i) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares and it is able to bear the economic risk of loss of its entire investment;
 - (ii) the Vendor will be acquiring the Shares for investment purposes only and not with a view to any resale, distribution or other disposition of the Shares in violation of the United States securities laws;
 - (iii) the Vendor will not be acquiring the Shares as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet, or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
 - (iv) the Vendor, having obtained appropriate legal advice, is knowledgeable about the United States federal and state securities legislation that would apply to the offer and sale of the Shares contemplated in this Agreement; and
 - (v) on the understanding that the Purchaser will be relying on section 4(a)(2) of the U.S. Securities Act and Rule 506 of Regulation D promulgated thereunder to offer and sell the Shares to the Vendor on the terms and subject to the conditions of this Agreement, the Vendor is an “accredited investor” as defined in Rule 501(a)(8) of Regulation D on the basis that all

of the equity owners of the Vendor qualify as “accredited investors” within the meaning of Rule 501(a) of Regulation D; and

- (b) acknowledges and agrees that:
- (i) the Purchaser has provided to the Vendor the opportunity to ask questions and receive answers concerning the terms and conditions of the offering of the Shares contemplated herein, and the Vendor has had access to such information concerning the Purchaser as it has considered necessary or appropriate in connection with its investment decision to acquire the Shares, including access to the Purchaser’s public filings available on the Internet at www.sedar.com, and that any answers to questions and any request for information have been complied with to the Vendor’s satisfaction;
 - (ii) the Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States;
 - (iii) the Shares may not be offered or sold in the United States, or for the account or benefit of a U.S. Person or a person in the United States, without registration under the U.S. Securities Act and applicable state securities laws, absent an exemption from such registration requirements;
 - (iv) the Shares will be issued in certificated form as “restricted securities”, as that term is defined in Rule 144(a)(3) under the U.S. Securities Act, and the certificate(s) representing the Shares will bear a restrictive legend substantially in the following form, until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws and regulations:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ATAC RESOURCES LTD. (THE “CORPORATION”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND IN THE CASE OF (C) OR (D) THE HOLDER HAS PRIOR TO SUCH SALE FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S at a time when the Purchaser is a “foreign issuer” as defined in Rule 902(e) of Regulation S at the time of sale, the legends set forth above may be removed by providing an executed declaration to the Purchaser and the Purchaser’s registrar and transfer agent, in substantially the form set forth as Appendix A attached hereto (or in such other form as the Purchaser may prescribe from time to time) and, if requested by the Purchaser or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Purchaser and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Purchaser, the legend may be removed by delivery to the Purchaser and to the Purchaser’s registrar and transfer agent of an opinion of counsel, of recognized standing reasonably satisfactory to the Purchaser, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

(v) if the Vendor decides to offer, sell or otherwise transfer any of the Shares, it will not offer, sell or otherwise transfer any of such securities, directly or indirectly, unless:

- 1) the sale is to the Purchaser;
- 2) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;
- 3) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or “Blue Sky” laws; or
- 4) the securities are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities,

and, in the case of subclauses (3) or (4) above, it has prior to such sale furnished to the Purchaser an opinion of counsel or other evidence of exemption in form and substance reasonably satisfactory to the Purchaser; and

- (vi) if the Purchaser is deemed to have been at any time previously an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents, Rule 144 under the U.S. Securities Act may not be available for resales of the Shares and (ii) the Purchaser is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Shares.

5.18 **Residency.** The Vendor is a non-resident of Canada for the purposes of the ITA.

5.19 **Shares of Purchaser.** The Vendor does not own, directly or indirectly, any common shares in the capital of the Purchaser.

5.20 **Tax Matters.** The Vendor has paid, and by the Closing Date will have paid, all Governmental Charges which are due and payable by it on or before such date. There are no actions, suits, proceedings, investigations, enquiries or claims now pending or to the knowledge of the Vendor, made or threatened against the Vendor in respect of Governmental Charges.

5.21 **Employees.** The Vendor does not have any employees and there are no obligations owing to any former employees of the Vendor.

5.22 **No Liabilities.** There are no liabilities of the Vendor, whether or not accrued in respect of which the Purchaser would be reasonably likely to become liable on or after the consummation of the transactions herein provided for, other than the Assumed Liabilities.

5.23 **No Other Representations or Warranties.** Except for the representations and warranties contained in this Article 5, neither the Vendor nor any other person makes any other express or implied representation or warranty with respect to the Vendor, the Purchased Assets, the Purchased Business or the transactions contemplated by this Agreement, and the Vendor disclaims any other representations or warranties, whether made by the Vendor or any of its representatives.

6. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Vendor as follows and acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with the sale of the Purchased Assets:

6.1 **Organization.** The Purchaser is a corporation existing under the laws of Canada.

6.2 **Corporate Power and Authorization.** The Purchaser has the corporate power and capacity to enter into this Agreement and to perform its obligations hereunder. This Agreement has been duly authorized by the Purchaser. Each of the agreements, contract and instruments required by this Agreement to be delivered by the Purchaser at the Time of Closing has been duly authorized by the Purchaser. This Agreement has been duly executed and delivered by the Purchaser and is a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser by the Vendor in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a court of competent jurisdiction. At

the Time of Closing, each of the agreements, contracts and instruments required by this Agreement to be delivered by the Purchaser will be duly executed and delivered by the Purchaser and will be legal, valid and binding obligations of the Purchaser, enforceable against the Purchaser by the Vendor in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

6.3 No Violation. The execution and delivery of this Agreement by the Purchaser and the consummation of the transactions herein provided for will not result in the violation of, or constitute a default under, or conflict with or cause the acceleration of any obligation of the Purchaser under:

- (a) any Contract to which the Purchaser is a party or by which it is bound;
- (b) any provision of the constating documents or by-laws or resolutions of the board of directors (or any committee thereof) or shareholders of the Purchaser;
- (c) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over the Purchaser; or
- (d) any applicable law, statute, ordinance, regulation or rule.

6.4 Consents and Approvals. Except for the approval of the TSX-V to the issuance, listing and posting for trading of the Shares on the TSX-V, there is no requirement for the Purchaser to make any filing with, give any notice to or obtain any licence, permit, certificate, registration, authorization, order, waiver, consent or approval of, any government or regulatory authority as a condition to the lawful consummation of the transactions contemplated by this Agreement.

6.5 Securities Matters.

- (a) The Purchaser is, and will be at the Time of Closing, a “reporting issuer” in good standing in British Columbia, Alberta and Manitoba and is not in default of any of its obligations under the Securities Laws;
- (b) the issuance of the Shares is not subject to the pre-emptive rights of any shareholder of the Purchaser (or such rights have been irrevocably waived);
- (c) at the Time of Closing, all necessary corporate action will have been taken by the Purchaser to allot and authorize the issuance of the Shares, and upon meeting the conditions of issuance set out herein, the Shares will be issued as fully-paid and non-assessable shares in the capital of the Purchaser;
- (d) the Purchaser has, and will at the Time of Closing have, complied with the Securities Laws and the rules, regulations and policies of the TSX-V in connection with the issuance, listing and posting for trading of the Payment Shares and the Milestone Payment Shares;

- (e) no order ceasing or suspending trading in any security of the Purchaser or prohibiting the sale of securities of the Purchaser has been issued and to the knowledge of the Purchaser no proceedings for this purpose have been instituted or are pending, contemplated or threatened; and
- (f) the authorized capital of the Purchaser consists of an unlimited number of common shares and an unlimited number of Class A common shares of which, as of June 28, 2013, 104,896,043 common shares were issued and outstanding, all of which shares are fully paid and non-assessable, and no Class A common shares were issued and outstanding. The Shares form part of a class of shares which are listed and posted for trading on the TSX-V under the symbol "MOM". Prior to the Time of Closing, the TSX-V will have accepted notice of the issuance of the Shares and will have approved the issuance, listing and posting for trading of the Shares on the TSX-V subject only to the Purchaser fulfilling the usual requirements of the TSX-V.

6.6 Litigation. There is no suit, action, litigation, investigation, claim, complaint or proceeding before any governmental authority in progress or, to the knowledge of the Purchaser, pending or threatened against or relating to the Purchaser, which, if determined adversely to the Purchaser, would prevent the Purchaser from issuing the Payment Shares or the Milestone Payment Shares, or from otherwise fulfilling all of its obligations under this Agreement.

7. COVENANTS

7.1 Delivery of Conveyancing Documents. The Vendor shall deliver to the Purchaser all necessary deeds, conveyances, bills of sale, assurances, registerable forms of transfers, assignments and any other documentation necessary or reasonably required to transfer the Purchased Assets to the Purchaser with a good and marketable title, free and clear of all Encumbrances or to effect the re-registration of the ownership of any of the Intellectual Property with any governmental authority.

7.2 Delivery of Vendor's Closing Documentation. The Vendor shall deliver to the Purchaser a certificate of compliance and two copies, certified by a senior officer of the Vendor as of the Closing Date, of its constating documents and by-laws and of the resolutions of its directors and stockholders authorizing the execution, delivery and performance by the Vendor of this Agreement and any documents to be provided by the Vendor pursuant to the provisions hereof. The Vendor shall also execute and deliver or cause to be executed and delivered to the Purchaser two copies of such other documents relevant to the closing of the transactions contemplated hereby as the Purchaser, acting reasonably, may request.

7.3 Delivery of Purchaser's Closing Documentation. The Purchaser shall deliver to the Vendor a certificate of compliance and two copies, certified by a senior officer of the Purchaser as of the Closing Date, of its constating documents and by-laws and of the resolutions of its directors authorizing the execution, delivery and performance by the Purchaser of this Agreement and any documents to be provided by it pursuant to the provisions hereof. The Purchaser shall also execute and deliver or cause to be executed and delivered to the Vendor two

copies of such other documents relevant to the closing of the transactions contemplated hereby as the Vendor, acting reasonably, may request.

7.4 **Securities Matters.**

- (a) the Purchaser shall obtain, prior to the Closing Date, all orders, permits, waivers, licenses, consents, approvals, authorizations, registrations or qualifications, as may be required under the Securities Laws or by the TSX-V in order to effect the transactions contemplated within this Agreement, including, without limitation, obtaining the consent of the TSX-V to the issuance, listing and posting for trading of the Shares subject to the Purchaser fulfilling the usual requirements of the TSX-V;
- (b) the Purchaser shall file prior to the Closing Date all documents and information required to be filed by it so as to remain a reporting issuer in good standing under the Securities Laws and in conformity with all applicable policies and rules of the TSX-V; and
- (c) the Purchaser shall ensure that upon meeting the conditions of issuance set out herein, the Shares will be duly and validly authorized and issued as fully-paid and non-assessable shares in the capital of the Purchaser.

7.5 **Interim Period.** Between the date hereof and the Closing Date, the Vendor shall not, without the prior written consent of the Purchaser, enter into any transaction or refrain from doing any action that, if effected before the date of this Agreement, would constitute a material breach of any representation, warranty, covenant or other obligation of the Vendor contained herein.

7.6 **Access to Purchased Assets.** The Vendor shall forthwith make available to the Purchaser and its authorized representatives and, if requested by the Purchaser, provide a copy to the Purchaser of, all title documents, Contracts, plans, files, reports, licences, orders, permits, books of account, accounting records and all other documents, information and data relating to the Purchased Assets. Notwithstanding the foregoing provisions of this Section 7.6, the Vendor will not be required to make available or furnish information to the Purchaser or any of its representatives to the extent that such information is subject to an attorney/client or attorney work product privilege unless the Purchaser agrees to enter into a common interest privilege agreement to protect such privilege. The Vendor shall afford the Purchaser and its authorized representatives every reasonable opportunity to have free and unrestricted access to the Purchased Assets. At the request of the Purchaser, the Vendor shall execute such consents, authorizations and directions as may be reasonably necessary to permit any inspection of the Purchased Business or any of the Purchased Assets or to enable the Purchaser or its authorized representatives to obtain full access to all files and records relating to any of the Purchased Assets maintained by governmental or other public authorities. The exercise of any rights of inspection by or on behalf of the Purchaser under this Article 7 shall not mitigate or otherwise affect the representations and warranties of the Vendor hereunder which shall continue in full force and effect as provided in Section 10.1.

7.7 **Confidentiality.** Prior to the Time of Closing and, if the transaction contemplated hereby is not completed, at all times after the Time of Closing, the Purchaser will keep confidential all information obtained by it relating to the Purchased Assets and the Purchased Business, except such information which (i) prior to the date hereof was already in the possession of the Purchaser, as demonstrated by written records, (ii) is generally available to the public, other than as a result of a disclosure by the Purchaser, or (iii) is made available to the Purchaser on a non-confidential basis from the Vendor. The Purchaser further agrees that such information will be disclosed only to those of its employees and representatives of its advisors who need to know such information for the purposes of evaluating and implementing the transaction contemplated hereby. Notwithstanding the foregoing provisions of this paragraph, the obligation to maintain the confidentiality of such information will not apply to the extent that disclosure of such information is required pursuant to court order or applicable laws, including Securities Laws or in connection with governmental or other applicable filings relating to the transactions hereunder, provided that, in such case, if the Vendor so requests, the Purchaser will, if possible, request confidentiality in respect of such disclosure. If the transactions contemplated hereby are not consummated for any reason, the Purchaser will return forthwith, without retaining any copies thereof, all information and documents obtained from the Vendor.

7.8 **Consents.** The Vendor shall use its commercially reasonable efforts to obtain, at or prior to the Time of Closing, the consents, approvals and authorizations described in Schedule 5.15, on terms satisfactory to the Purchaser acting reasonably.

7.9 **Acknowledgement Regarding Payment Shares.** The Vendor hereby acknowledges that the Payment Shares and the Milestone Shares are subject to restrictions on resale and that the share certificate representing the Payment Shares and the Milestone Shares will bear a legend which reflects such restrictions.

7.10 **Delivery of Books and Records.** At the Time of Closing, there shall be made available to the Purchaser by the Vendor all the books and records described in Section 2.1(g). The Purchaser agrees that it will preserve the books and records so delivered to it for a period of six (6) years from the Closing Date, or for such longer period as is required by any applicable law, and will permit the Vendor or its authorized representatives reasonable access thereto in connection with the affairs of the Vendor relating to the Purchased Business, but the Purchaser shall not be responsible or liable to the Vendor for or as a result of any accidental loss or destruction of or damage to any such books or records.

7.11 **No Other Transactions.** The Vendor agrees, on its own behalf and on behalf of its officers, directors, agents and representatives, that it will not, directly or indirectly solicit, initiate or engage in any discussions or negotiations with, or provide any information to, or take any other action with the intent to facilitate the efforts of any third party relating to a potential transaction involving the Purchased Assets, the Purchased Business or any part thereof, prior to the Outside Date.

7.12 **Board Representation.**

- (a) The Purchaser covenants and agrees that it will appoint one (1) nominee of the Vendor (the “**Nominee**”), namely Lisa Suennen unless otherwise agreed to by

the Purchaser (such agreement by Purchaser not to be unreasonably withheld), to the board of directors of the Purchaser on the Closing Date. For a period of three (3) years following the Closing Date, and for a period of two (2) years thereafter provided that the Vendor holds ten percent (10%) or more of the outstanding common shares of the Purchaser at the time of the preparation of the Purchaser's annual proxy circular, the Purchaser will take all appropriate steps to ensure that the Purchaser shall, annually in conjunction with the preparation of its annual proxy circular, include the Nominee as part of management's proposed slate of directors to be elected by shareholders of the Purchaser.

- (b) The Vendor shall provide all information as may be reasonably requested or required by the Purchaser with respect to the Nominee, including information regarding the Nominee that would be required to be disclosed by the Purchaser pursuant to Securities Laws. The Vendor shall provide the Purchaser with a "Consent to Act as Director" pursuant to the *Canada Business Corporations Act* and a Personal Information Form (Form 2A) or Declaration (Form 2C1), as applicable, for such Nominee for submission to the TSX-V as soon as practicable. In the event that the Nominee is unable for any reason to serve as a director, including lack of qualifications, unwillingness to serve or failure to receive TSX-V approval for his or her appointment or election, the Vendor shall be entitled to name another Nominee to fill such position, subject to approval of such other Nominee by the Purchaser (such approval not to be unreasonably withheld), and the Vendor shall provide the information and documents as noted in this Section 7.12 for such Nominee.

7.13 Pre-Emptive Rights.

- (a) If the Purchaser wishes to issue additional shares or securities convertible into shares through equity financings at anytime within three (3) years following the Closing Date, the Purchaser shall offer such number of shares or securities convertible into shares from the total offering of shares or securities convertible into shares to the Vendor, on the same terms or terms no more or less favourable than such equity financing, equal to the proportion that number of common shares owned by the Vendor at the time of such offering is to the total number of common shares of the Purchaser issued and outstanding at such time. For greater certainty, the foregoing preemptive rights shall not apply to any common share issuances by the Purchaser for any purpose other than raising additional funds.
- (b) Every offer of shares or securities convertible into shares shall be made by notice to the Vendor ("**Notice of Pre-Emptive Right**") from the Purchaser which shall set out:
 - (i) the number of common shares which the Vendor is entitled to subscribe for;
 - (ii) the subscription price for each common share; and

- (iii) the subscription date (the “**Subscription Date**”), which shall be a date not earlier than twenty (20) days after the date of the Notice of Pre-Emptive Right.
- (c) The Vendor may subscribe for any or all of the number of shares or securities convertible into shares to which it is entitled pursuant to this Section 7.13 by giving notice of its subscription to the Purchaser within ten (10) days after receipt of the Notice of Pre-Emptive Right.
- (d) The Vendor shall pay for, and the Purchaser shall issue, the shares or securities convertible into shares subscribed for by it on the Subscription Date.

7.14 **Change and Use of Name.** The Vendor agrees that within ten (10) days after a written request from the Purchaser, it shall change its name to VL Holdings, Inc. or to a name which does not include the word “VeraLight” or any similar words. The Vendor agrees that, from and after the Closing Date, the Vendor will not use the word “VeraLight” or any part thereof or any similar words, unless otherwise agreed to in writing by the Purchaser.

8. CONDITIONS OF CLOSING

8.1 **Conditions of Closing in Favour of the Purchaser.** The purchase and sale of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of the Purchaser, to be performed or fulfilled at or prior to the Time of Closing:

- (a) **Representations and Warranties.** The representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects at the Time of Closing with the same force and effect as if such representations and warranties were made at and as of such time, and a certificate of a senior officer of the Vendor, dated the Closing Date, to that effect shall have been delivered to the Purchaser, such certificate to be in form and substance satisfactory to the Purchaser, acting reasonably;
- (b) **Covenants.** All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor at or before the Time of Closing shall have been complied with or performed in all material respects, and a certificate of a senior officer of the Vendor, dated the Closing Date to that effect shall have been delivered to the Purchaser, such certificate to be in form and substance satisfactory to the Purchaser, acting reasonably;
- (c) **No Action or Proceeding.** No legal or regulatory action or proceeding shall be pending or threatened by any person which would, in the opinion of the Purchaser, acting reasonably, enjoin, restrict, prohibit or materially adversely affect the purchase and sale of the Purchased Assets contemplated hereby;
- (d) **No Material Damage.** No material damage by fire or other hazard to the whole or any material part of the Purchased Assets shall have occurred from the date hereof to the Time of Closing;

- (e) **No Adverse Legislation.** No legislation (whether by statute, regulation, order-in-council, notice of ways and means motion, by-law or otherwise) shall have been enacted, introduced or tabled which, in the opinion of the Purchaser, acting reasonably, materially adversely affects or would be reasonably likely to materially adversely affect the Purchased Assets;
- (f) **Consents.** The consents set out in Schedule 5.15 shall have been obtained in form and substance satisfactory to the Purchaser, acting reasonably;
- (g) **Discharge of Encumbrances.** The Vendor shall have delivered to the Purchaser evidence in form and substance reasonably satisfactory to the Purchaser and its counsel that all Encumbrances affecting the Purchased Assets, including the **(Redacted: name of Secured Party)** Security, have been discharged in full;
- (h) **TSX-V Approval.** The TSX-V shall have approved the issuance of the Payment Shares and the Milestone Payment Shares and their listing and posting on the TSX-V subject to usual conditions;
- (i) **Non-Competition Agreement.** The Vendor shall have executed and delivered to the Purchaser a non-competition agreement in the form of the non-competition agreement annexed hereto as Schedule 8.1(i);
- (j) **Consulting Agreements.** The Purchaser shall have entered into consulting agreements with each of **(Redacted: names of consultants)**, in form and substance satisfactory to the Purchaser and its counsel, acting reasonably, including satisfactory non-competition provisions; and
- (k) **Deliveries.** The deliveries of the Vendor under Article 7 shall have been completed in accordance with the terms hereof.

8.2 **Breach by the Vendor.** If there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Vendor pursuant to this Agreement that would give rise to the failure of any of the conditions contained in Section 8.1 and such breach, inaccuracy or failure has not been cured by the Vendor within twenty (20) days of the Vendor's receipt of written notice from the Purchaser of such breach, inaccuracy or failure to perform, the Purchaser may terminate this Agreement and the obligations of the Purchaser to complete the transactions contemplated by this Agreement, other than the obligations contained in Sections 12.2, 12.3 and 12.4, shall be terminated.

8.3 **Conditions of Closing in Favour of the Vendor.** The purchase and sale of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of the Vendor, to be performed or fulfilled at or prior to the Time of Closing:

- (a) **Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects at the Time of Closing with the same force and effect as if such representations and warranties were made at and as of such time, and a

certificate of a senior officer of the Purchaser, dated the Closing Date, to that effect shall have been delivered to the Vendor, such certificate to be in form and substance satisfactory to the Vendor, acting reasonably;

- (b) **Covenants.** All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Time of Closing shall have been complied with or performed in all material respects, and a certificate of a senior officer of the Purchaser, dated the Closing Date to that effect shall have been delivered to the Vendor, such certificate to be in form and substance satisfactory to the Vendor, acting reasonably;
- (c) **Regulatory Consents.** There shall have been obtained, on terms satisfactory to the Vendor, acting reasonably, all orders, permits, waivers, licenses, consents, approvals, authorizations, registrations or qualifications as may be required under the Securities Laws or by the TSX-V in order to effect the transactions contemplated in this Agreement, including, without limitation, the consent of the TSX-V to the issuance, listing and posting for trading of the Shares;
- (d) **No Cease Trade.** No order ceasing or suspending trading in any security of the Purchaser or prohibiting the sale of securities of the Purchaser shall have been issued and remain in effect at the Time of Closing;
- (e) **Cash Payments.** The Purchaser shall have made the payment of the initial Fifty Thousand Dollars (\$50,000) of the Cash Payments in accordance with Section 3.2(a);
- (f) **No Action or Proceeding.** No legal or regulatory action or proceeding shall be pending or threatened by any person which would, in the opinion of the Vendor, acting reasonably, enjoin, restrict, prohibit or adversely affect the issuance of the Payment Shares or the Milestone Payment Shares;
- (g) **Discharge of Encumbrances.** The Purchaser shall have delivered to the Vendor evidence in form and substance reasonably satisfactory to the Vendor and its counsel that all Encumbrances, other than the Security Interest, that would affect the Purchased Assets following the Closing Date have been discharged in full; and
- (h) **Deliveries.** The deliveries of the Purchaser under Article 7 shall have been completed in accordance with the terms hereof.

8.4 **Breach by the Purchaser.** If there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Purchaser pursuant to this Agreement that would give rise to the failure of any of the conditions contained in Section 8.3 and such breach, inaccuracy or failure has not been cured by the Purchaser within twenty (20) days of the Purchaser's receipt of written notice from the Vendor of such breach, inaccuracy or failure to perform, the Vendor may terminate this Agreement and the obligations of the Vendor and the Purchaser under this Agreement, other than the obligations contained in Sections 12.2, 12.3 and 12.4, shall be terminated.

8.5 **Outside Date.** In the event that the Closing Date has not occurred on or prior to July 28, 2013 (the “**Outside Date**”) then the Purchaser or the Vendor may terminate this Agreement and the parties shall be relieved of their obligations hereunder (provided that the right to terminate this Agreement under this Section 8.5 shall not be available to a party if such party’s failure to fulfill any obligation under this Agreement has been the cause of or resulted in the failure of the Closing Date to occur on or before the Outside Date).

9. CLOSING DATE AND TRANSFER OF POSSESSION

9.1 **Risk of Loss.** From the date hereof up to the Time of Closing, the Purchased Assets shall be and remain at the risk of the Vendor. If, prior to the Time of Closing, all or any part of the Purchased Assets are destroyed or damaged by fire or any other casualty or shall be appropriated, expropriated or seized by governmental or other lawful authority, unless the Purchaser terminates its obligations under this Agreement as contemplated by Section 8.2, the Purchaser shall complete the purchase without reduction of the Purchase Price, in which event all proceeds of insurance or compensation for expropriation or seizure shall be paid to the Purchaser at the Time of Closing and all right and claim of the Vendor to any such amounts not paid by the Closing Date shall be assigned at the Time of Closing to the Purchaser.

9.2 **Transfer.** Upon the fulfillment of all the conditions set out in Sections 8.1 and 8.3 which have not been waived in writing by the Purchaser or the Vendor the transfer of possession of the Purchased Assets shall be deemed to take effect as at the opening of business on the Closing Date.

9.3 **Place of Closing.** The closing shall take place at the Time of Closing at the offices of McMillan LLP, counsel to the Purchaser, Suite 4400, 181 Bay Street, Toronto, Ontario, M5J 2T3.

9.4 **Further Assurances.** From time to time subsequent to the Closing Date, each party to this Agreement covenants and agrees that it will at all times after the Closing Date, at the expense of the requesting party, promptly execute and deliver all such documents, including, without limitation, all such additional conveyances, transfers, registerable forms of conveyances, consents and other assurances and do all such other acts and things as the requesting party, acting reasonably, may from time to time request be executed or done in order to comply with applicable Securities Laws or to better evidence or perfect or effectuate any provision of this Agreement, (including, without limitation, the transfer of any Regulatory Approvals from the Vendor to the Purchaser), or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

9.5 **Unassignable Contracts and Regulatory Approvals.** If any rights, benefits or remedies (the “**Rights**”) under any Acquired Contracts or in connection with any Regulatory Approvals are not assignable by the Vendor to the Purchaser without the consent of the other party thereto or the relevant governmental authority and such consent is not obtained, then, unless the Purchaser exercises its rights under Section 8.2 hereof:

- (a) the Vendor will hold the Rights for the benefit of the Purchaser; and

- (b) the Vendor will, at the request and expense and under the direction of the Purchaser, in the name of the Vendor or otherwise as the Purchaser shall specify, take all such actions and do all such things as shall, in the opinion of the Purchaser acting reasonably, be necessary or desirable in order that the obligations of the Vendor under such Acquired Contracts or Regulatory Approvals may be performed in a manner such that the value of the Rights shall be preserved and shall enure to the benefit of the Purchaser.

9.6 **Assignment of Additional Contracts.** The Purchaser may, but shall be under no obligation to, upon written notice to the Vendor, require the Vendor to assign any additional Contract entered into in connection with and relating to the Purchased Business to which it is a party or by which it is bound to the Purchaser if:

- (a) such Contract was not previously disclosed to the Vendor; or
- (b) such notice of assignment is provided within ninety (90) days of the Closing Date;

and if so assigned such Contract shall be deemed to be an Acquired Contract for the purposes of this Agreement.

9.7 **Enforcement of Contractual Rights.** Upon the reasonable request of the Purchaser at anytime following the Closing Date, the Vendor shall enforce any assignment of intellectual property rights, non-competition, non-solicitation, confidentiality or any other restrictive covenant provisions contained in any Contract to which it is a party or by which it is bound against any other party to such Contract, including, without limitation, any such provisions contained in any agreements with former employees of the Vendor; provided, however, that all costs and expenses associated with any such enforcement shall be borne solely by the Purchaser.

10. SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES

10.1 **Survival of Representations, Warranties and Covenants.** The representations and warranties contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement, and those covenants which by their terms are required to be wholly performed at or prior to the Time of Closing shall survive the closing of the transactions contemplated hereby and shall terminate at 11:59 p.m. on the date which is **(Redacted: number of months)** months from the Closing Date (the “**Survival Time**”) and, notwithstanding such closing nor any investigation made by or on behalf of the party entitled to the benefit thereof, shall continue in full force and effect during the Survival Time for the benefit of the party entitled to the benefit thereof, except that:

- (a) a claim for any breach of the representations and warranties contained in Sections 5.1 to 5.6, inclusive, and 5.20 may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by law;
- (b) a claim for any breach of any of the representations and warranties contained in this Agreement involving fraud or fraudulent misrepresentation may be made at

any time following the Closing Date, subject only to applicable limitation periods imposed by law; and

- (c) no claim for breach of any other representation, warranty or covenant shall be valid unless the party against whom such claim is made has been given notice thereof before the expiry of the Survival Time or other applicable period, as the case may be.

All other covenants shall continue in full force and effect without limitation of time, unless otherwise provided therein. The parties acknowledge that the time periods set forth in this Section 10.1 for the assertion of claims under this Agreement are the result of arms-length negotiation among the parties and that they intend for the time periods to be enforced as agreed by the parties. It is the express intent of the parties that, if an applicable survival period as contemplated by this Section 10.1 is shorter than the statute of limitations that would otherwise have been applicable, then, by contract, the applicable statute of limitations shall be reduced to the shortened survival period contemplated hereby.

11. INDEMNIFICATION

11.1 **Indemnification by the Vendor.** The Vendor agrees to indemnify and save harmless the Purchaser, its directors, officers, employees and agents (the “**Purchaser Indemnitees**”), from all Losses, suffered or incurred by the Purchaser, its directors, officers, employees and agents, as a result of or arising out of:

- (a) any breach by the Vendor of, or any inaccuracy of, any representation or warranty of the Vendor contained in this Agreement or in the certificate delivered pursuant to Section 8.1(a);
- (b) any breach or non-performance by the Vendor of any covenant to be performed by it which is contained in this Agreement or in the certificate delivered pursuant to Section 8.1(b);
- (c) the ownership of the Purchased Assets by the Vendor up to the Time of Closing;
- (d) the ownership of the Excluded Assets by the Vendor;
- (e) **(Redacted: sensitive information)**; and
- (f) any liabilities of the Vendor other than the Assumed Liabilities.

11.2 **Indemnification by the Purchaser.** The Purchaser agrees to indemnify and save harmless the Vendor, its directors, officers, employees and agents from all Losses suffered or incurred by the Vendor (the “**Vendor Indemnitees**”), its directors, officers, employees and agents, as a result of or arising out of:

- (a) any breach by the Purchaser of, or any inaccuracy of, any representation or warranty contained in this Agreement or in the certificate delivered pursuant to Section 8.3(a);
- (b) any breach or non-performance by the Purchaser of any covenant to be performed by it which is contained in this Agreement or in the certificate delivered pursuant to Section 8.3(b); and
- (c) any of the Assumed Liabilities.

11.3 Limitations on Indemnification Obligations. The indemnification obligations under this Agreement are subject to the following limitations:

- (a) No claims for indemnification may be made by the Purchaser Indemnitees against the Vendor under Sections 11.1(a) or 11.1(c) unless the aggregate amount of Losses for which the Purchaser Indemnitees are entitled to be indemnified under Sections 11.1(a) and 11.1(c) exceeds **(Redacted: dollar amount)**, in which event the accumulated aggregate amount of all Losses in excess of such amount may be recovered by the Purchaser.
- (b) No claims for indemnification may be made by the Vendor Indemnitees against the Purchaser under Section 11.2(a) unless the aggregate accumulated amount of all such Losses for which the Vendor Indemnitees are entitled to be indemnified under Section 11.2(a) exceeds **(Redacted: dollar amount)**, in which event the accumulated aggregate amount of all Losses in excess of such amount may be recovered by the Vendor.
- (c) The maximum aggregate liability of a party for Losses hereunder shall not exceed **(Redacted: sensitive information)**.
- (d) The sole recourse of the Purchaser Indemnitees for indemnification pursuant to Section 11.1 will be the right to set-off any such Losses to which it is entitled against any unpaid portion of the Purchase Price, including the right to set-off such amount against the Cash Payment referred to in Section 3.2(a)(ii) and/or the issuance of any Shares. In no event will the Purchaser be entitled to make any claim against the Vendor to recover the Cash Payment or any Shares already issued to the Vendor. For purposes of calculating the number of Shares to be withheld from issuance pursuant to this Section 11.3(d), the value of the Shares, determined in accordance with Section 3.1, shall be used.
- (e) The Purchaser may, subject to approval of the TSX-V and all applicable Securities Laws, issue additional common shares in its capital in satisfaction of the Vendor Indemnitees indemnification rights pursuant to Section 11.2. For purposes of calculating the number of shares to be issued pursuant to this Section 11.3(e), the value of the Shares, determined in accordance with Section 3.1, shall be used.

11.4 **Notice of Claim.** 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. 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.

11.5 **Direct Claims.** With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Claim, the Indemnifying Party shall have thirty (30) 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 thirty (30) 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 referred to binding arbitration in such manner as set forth in Section 1.5.

11.6 **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.

11.7 **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.

11.8 **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).

11.9 **Exclusivity.** The provisions of this Article 11 shall be the sole and exclusive remedy for any and all claims for breach of any covenant, representation, warranty or other provision of this Agreement or any certificate delivered pursuant to Section 8.1 or Section 8.3 (other than a claim for specific performance or injunctive relief) with the intent that all such claims shall be subject to the provisions contained in this Article 11.

12. MISCELLANEOUS

12.1 Notices.

- (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, sent by a nationally recognized overnight courier or transmitted by telecopier as follows:

if to the Vendor:

VeraLight, Inc.

(Redacted: sensitive information related to Secured Party)

with a copy to:

Cooley LLP
4401 Eastgate Mall
San Diego, CA 92121

Attention: Charles J. Bair
Facsimile: 858-550-6420

if to the Purchaser:

Unit 6 -1250 Waverley Street
Winnipeg, Manitoba
R3T 6C6

Attention: President
Facsimile: 204-453-1546

with a copy to:

McMillan LLP
Brookfield Place
Suite 4400, 181 Bay Street
Toronto, Ontario
M5J 2T3

Attention: Hellen Siwanowicz
Facsimile: 416-865-7048

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day, on the next following business day).
- (c) Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 12.1.

12.2 Press Release. The parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the transactions contemplated hereby; provided that the obligations herein will not prevent any party from making such disclosure as its counsel may advise is required by applicable law or the rules and policies of any securities regulatory authority or stock exchange having jurisdiction or potential jurisdiction.

12.3 Expenses of the Parties. Each of the parties hereto shall bear their own expenses (including those of counsel, accountants and advisers) incurred in connection with the transaction of purchase and sale herein provided.

12.4 Commissions, etc. No broker, agent or other intermediary acted for the Vendor or the Purchaser in connection with the sale or purchase of the Purchased Assets. Each party agrees to indemnify and save harmless the other party from and against any claims whatsoever for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for such party.

12.5 Successors and Assigns. This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and, where the context so permits, their respective successors and permitted assigns. The Vendor may not assign any of their rights or obligations hereunder without the prior written consent of the Purchaser. The Purchaser may, at any time prior to the Time of Closing:

- (a) assign all of its rights and obligations under this Agreement to any person if the Vendor's prior written consent is obtained and the assignee delivers to the Vendor an instrument in writing executed by the assignee confirming that it is bound by and shall perform all of the obligations of the Purchaser under this Agreement as if it were an original signatory; or

- (b) assign all of its rights and obligations hereunder to an Affiliate of the Purchaser who delivers an instrument in writing to the Vendor as set out in Section 12.5(a);

provided that no such assignment shall relieve the Purchaser of its obligations under this Agreement. In the event of an assignment as set out above, any reference in this Agreement to the Purchaser shall be deemed to include the assignee. After the Time of Closing, the Purchaser may assign its rights, benefits and obligations under this Agreement to any person who purchases all or substantially all of the Purchased Business, without the consent of the Vendor.

12.6 Third Party Beneficiaries. Except as expressly set forth herein, each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person, other than the parties hereto, and no person, other than the parties hereto, shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

12.7 Amendment and Waivers. No amendment or waiver of any provision of this Agreement shall be binding on either party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise provided.

12.8 Counterparts. This Agreement may be executed in counterparts, by original or telefacsimile signature, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF this Agreement has been executed by the parties as of the date first written above.

VERALIGHT, INC.

By: */s/ Lisa Suennen*

Name: Lisa Suennen

Title: Chairman

MIRACULINS INC.

By: */s/ Chris Moreau*

Name: Chris Moreau

Title: President and CEO

Appendix "A"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: **MIRACULINS INC.** (the "Corporation").

AND TO: Registrar and transfer agent for the Shares of the Corporation

The undersigned (A) acknowledges that the sale of _____ (the "Securities") of the Corporation, represented by certificate number _____, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not (a) an "affiliate" of the Corporation (as that term is defined in Rule 405 under the U.S. Securities Act), except solely by virtue of being an officer or director of the Corporation, (b) a "distributor" or (c) an affiliate of a distributor; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian National Stock Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated _____

VERALIGHT, INC.

X _____
Authorized signatory

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the foregoing representations of our customer, _____ (the "Seller") with regard to the sale, for such Seller's account, of _____ common shares (the "Shares") of the Corporation represented by certificate number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Shares was made to a person in the United States;
- (2) the sale of the Shares was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian National Stock Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Shares as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Shares (including, but not be limited to, the solicitation of offers to purchase the Shares from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Corporation shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

Name of Firm

By: _____
Authorized Officer

Dated: _____ 20__.

Schedule 1.1(c). Acquired Contracts.

(Redacted: listing and details of contracts acquired)

Schedule 2.1(a). Real Property Lease.

Pursuant to that certain Sublease Agreement, dated May 1, 2013, by and between the Vendor and Trilumina, Inc. (the “**Real Property Lease**”), the Vendor subleases 4,045 square feet of real property located at 800 Bradbury Drive SE, Albuquerque, NM 87106. The expiry date of the Real Property Lease is October 31, 2013, the term of the Real Property Lease is six months and the Vendor has an option to renew the Real Property Lease for an additional six months. The rent under the Real Property Lease is \$5,730,63 per month. There are no other amounts payable under the Real Property Lease.

Schedule 2.1(b). Equipment.

(Redacted: listing of acquired equipment and materials)

Schedule 2.1(c). Inventory.

(Redacted: listing of inventory acquired)

Schedule 2.1(e). Licenses.

Health Canada License #85875

CE Mark 0473

Mexico Sanitary Registration 1017E2012 SSA

VeraLight ISO 13485 certification

VeraLight ISO 9001 certification

VeraLight ETL Mark

Schedule 2.1(f). Intellectual Property.

(Redacted: listing of intellectual property)

Schedule 3.4. Allocation of Purchase Price.

(Redacted: sensitive information)

Schedule 3.6. Options, Warrants and Convertible Securities.

<u>Dilutives</u>	<u>Expiry Date</u>	<u>Number of Dilutive Securities</u>
Options:		-
Officers	23-Sep-13	500,000
Consultants	17-Feb-14	50,000
Employees	23-Jun-14	130,000
Officers	07-Jul-15	1,500,000
Employees	14-Jul-15	115,000
Consultants	07-Oct-15	350,000
Employees	01-Dec-15	420,000
Directors	25-Jul-16	200,000
Directors	08-Dec-16	100,000
Consultants	27-Jan-17	75,000
Consultants	07-Feb-17	50,000
Directors, Officers, Employees & Consultants	04-Jun-18	2,900,000
Directors, Officers & Employees	07-Feb-22	2,255,000
Directors, Officers & Employees	24-Aug-22	1,740,000
Total Options		10,385,000
Warrants:		
Investor Warrants	29-Mar-14	11,146,780
Investor and Finder Warrants	05-Apr-14	6,507,901
Total Warrants		17,654,681
Total Dilutives		28,039,681

Schedule 4.1. Assumed Liabilities.

(Redacted: details of liabilities assumed)

Schedule 5.1. Foreign Registrations.

New Mexico

Schedule 5.4. No Violation.

(a)(iv)

A medical device license amendment to Health Canada License #85875 may need to be filed in Canada if the Vendor's name is changed in connection with sale and assignment of the Purchased Assets under the Agreement.

Notice to the following entities may be required in connection with the sale and assignment of the Purchased Assets under the Agreement for the following Licenses and Regulatory Approvals held by the Vendor:

1. Intertek Group plc for CE Mark 0473, ISO 9001 certification, ISO 13485 certification and ETL Mark.
2. MedPass International for CE Mark 0473.
3. EMERGO Group, Inc. for Mexico Sanitary Registration 1017E2012 SSA.
4. Mexican Health Ministry (COFEPRIS) for Mexico Sanitary Registration 1017E2012 SSA.

Schedule 5.5. Purchased Assets.

All of the tangible assets of the Purchased Business are situated at the Vendor's offices, located at 800 Bradbury Drive SE, Albuquerque, NM 87106.

(Redacted: sensitive information)

Schedule 5.6. Title to Personal Property.

The Vendor in-licenses certain of the Purchased Assets pursuant to the InLight License Agreement.

Schedule 5.10. Intellectual Property.

Reference is made to the InLight License Agreement.

Security Agreement, dated January 15, 2013, by and among the Vendor and the Secured Parties named therein (the “**Security Agreement**”), which will be released against the Purchased Assets on or before the Closing Date.

Schedule 5.15. Consents and Approvals.

(Redacted: sensitive information)

Schedule 8.1(i). Non-Competition Agreement.

See Exhibit 8.1(i) attached hereto.

Exhibit 2.1(b)(1)

MARKETING MATERIALS

(Redacted: copy of marketing materials acquired)

Exhibit 2.1(b)(2)

EQUIPMENT

(Redacted: listing of equipment acquired)

Exhibit 2.1(b)(3)

COMPUTER HARDWARE

(Redacted: listing of computer hardware acquired)

Exhibit 2.1(c)

INVENTORY

(Redacted: listing of inventory acquired)

Exhibit 8.1(i)

NON-COMPETITION AGREEMENT

THIS AGREEMENT made the ____ day of _____, 2013.

B Y:

VERALIGHT, INC.,
a corporation existing under the laws of the State of Delaware

(hereinafter referred to as the “**Vendor**”)

IN FAVOUR OF:

MIRACULINS INC.
a corporation existing under the laws of Canada

(hereinafter referred to as the “**Purchaser**”)

WHEREAS the Vendor carries on the Purchased Business (as defined in the asset purchase agreement dated June 28, 2013 among the Vendor and the Purchaser (the “**Purchase Agreement**”));

AND WHEREAS pursuant to the Purchase Agreement the Purchaser agreed to purchase from the Vendor all of the assets used in the Purchased Business on the terms and subject to the conditions set out in the Purchase Agreement;

AND WHEREAS the obligations of the Purchaser under the Purchase Agreement are subject to the satisfaction of certain conditions, including the entering into of this Agreement by the Vendor;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the completion by the Purchaser of the transactions contemplated by the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Vendor, the Vendor hereby covenants and agrees with and in favour of the Purchaser as follows:

1. Confidential Information. The Vendor acknowledges that in the course of carrying on the Purchased Business up to the date hereof, it has had access to certain information concerning the Purchased Business which is not publicly known including, without limitation, financial statements and other financial or operating data, intellectual property and customer lists (collectively, “**Confidential Information**”). The Vendor further acknowledges that the disclosure of any Confidential Information to competitors of the Purchaser or to the general

public would be highly detrimental to the interests of the Purchaser. The Vendor acknowledges and agrees that the right to maintain the confidentiality of the Confidential Information and to preserve the goodwill of the Purchased Business constitute proprietary rights which the Purchaser is entitled to protect.

Accordingly, the Vendor covenants and agrees, on a joint and several basis, with the Purchaser that it will not, at any time from the date hereof, directly or indirectly disclose or use any Confidential Information for any purpose other than in the sole interest of the Purchaser; provided, however, that the foregoing restriction on the disclosure or use of Confidential Information shall not apply to:

- (a) the disclosure or use of any Confidential Information which hereafter becomes publicly known other than through a breach by the Vendor of this Agreement or the Purchase Agreement;
- (b) any disclosure required by any applicable law or any regulatory authority or stock exchange having jurisdiction; or
- (c) any disclosure made to any court or arbitrator in connection with any dispute arising under the Purchase Agreement, this Agreement or any of the other agreements or instruments executed pursuant to the Purchase Agreement.

2. Non-Competition. The Vendor covenants and agrees with the Purchaser that it will not, for a period of five (5) years following the date hereof, either individually or in partnership or jointly or in conjunction with any person, firm, association or any other entity whether as principal, agent, employee or shareholder or in any other manner whatsoever, be interested in, advise or engage, directly or indirectly, in any business anywhere in the world which is the same as or substantially similar to any part of the Purchased Business or which competes with any part of the Purchased Business.

Notwithstanding the foregoing, the Vendor may, either individually or in partnership or jointly in conjunction with any person or persons, firm, partnership, association, syndicate, company, corporation or trust, directly or indirectly, acquire or own the Payment Shares and/or Milestone Payment Shares (each as defined in the Purchase Agreement).

3. Non-Solicitation of Customers. The Vendors covenant and agree, on a joint and several basis, with the Purchaser that neither of them will, for a period of five (5) years following the date hereof, contact, or permit any affiliate (which term, for the purposes of this paragraph, means any entity which directly or indirectly controls or is controlled by or is under direct or indirect common control with either of the Vendors or any entity which is directly or indirectly controlled by an entity which controls either of the Vendors) to contact, any customer of the Purchaser or the Purchased Business for the purpose of soliciting any business which is the same as any part of the business or which competes with any part of the Purchased Business.

4. Equitable Relief. The Vendor hereby agrees that all restrictions in this Agreement are reasonable and valid and all defences to the strict enforcement thereof by the Purchaser are hereby waived by the Vendor to the fullest extent permitted by law. The Vendor acknowledges that a violation of any of the provisions of this Agreement will result in immediate and irreparable damage to the Purchaser and agree that in the event of such violation the Purchaser shall, in addition to any other rights to relief, be entitled to equitable relief by way of temporary or permanent injunction and to such other relief as any court of competent jurisdiction may deem just and proper.

5. Severability. In the event that any provision of this Agreement is determined to be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality or enforceability of such provision in any other jurisdiction or of the remaining provisions in any jurisdiction shall not be affected or impaired by such determination. Each provision of this Agreement is declared to be separate, severable and distinct.

7. Waiver. No waiver of any provision of this Agreement shall be binding on a party to this Agreement unless consented to in writing by that party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise clearly provided.

8. Number, Gender and Persons. In this Agreement, words importing the singular number only shall include the plural and *vice versa* and the word “person” includes individuals, corporations, companies, partnerships, firms, associations, syndicates, trusts, unincorporated organizations, governmental bodies and other legal entities of any kind whatsoever.

9. Successors and Assigns. This Agreement shall enure to the benefit of the Purchaser and its successors and assigns and shall be binding on the Vendor and its successors.

10. Governing Law and Attornment. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Manitoba and federal laws of Canada applicable therein without regard to principles of conflicts of law. Each of the parties hereto hereby irrevocably agrees to submit and attorn to the exclusive jurisdiction of courts of the Province of Manitoba to determine all disputes and claims arising between the parties.

11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, once delivered (including by facsimile transmission), shall constitute one and the same agreement.

[Signature page follows]

IN WITNESS WHEREOF this Agreement has been executed by the parties as of the date first above written.

VERALIGHT, INC.

Per: _____

Name:

Title:

MIRACULINS INC.

Per: _____

Name:

Title: