

SHARE EXCHANGE AGREEMENT

THIS SHARE EXCHANGE AGREEMENT is made effective the 11th day of August, 2023.

AMONG:

VINERGY CAPITAL INC.

a corporation existing under the laws of British Columbia, having its registered office at 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7

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

- and -

HEALTHCARE ACCRETION GROUP INC.

a corporation existing under the laws of the Province of British Columbia, having its registered office at 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2Z7

(hereinafter referred to as “**HAG**”)

- and -

JACQUELINE KELLY, a common shareholder of HAG resident in the Province of Ontario

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

WHEREAS:

- A. The Shareholder is the legal and beneficial owner of 2,500,000 common shares of HAG (the “**HAG Shares**”); and
- B. The Purchaser has agreed to purchase up to 100% of the Shareholder’s HAG Shares (the “**Transaction**”) on the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the respective covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I INTERPRETATION

1.01 Definitions

In this Agreement, unless otherwise defined, capitalized words and terms shall have the following meanings:

- (a) “**Agreement**” means this share exchange agreement as the same may be supplemented or amended from time to time;
- (b) “**Alternative Transaction**” means any of the following (and excludes the transactions contemplated by this Agreement): (a) any merger, amalgamation, arrangement, share exchange, take-over bid, tender offer, recapitalization, consolidation or other business combination directly or indirectly involving HAG or the Purchaser, or any analogous transaction; (b) any acquisition of all or substantially all of the assets of HAG or the Purchaser (or any lease, long-term supply agreement, exchange, mortgage, pledge or other arrangement having a similar economic effect); (c) any acquisition of beneficial ownership of 50% or more of HAG’s or the Purchaser’s common shares in a single transaction or a series of related transactions; (d) solely with respect to HAG, any acquisition by HAG of any assets or capital stock of another person (other than acquisitions of capital stock or assets of any other person that are not, individually or in the aggregate, material to HAG); or (e) any bona fide proposal to, or public announcement of an intention to, do any of the foregoing on or before the Termination Date;
- (c) “**Applicable Laws**” means all applicable rules, policies, notices, orders and legislation of any kind whatsoever of any Governmental Authority having jurisdiction over the transactions contemplated hereby;
- (d) “**HAG Shares**” has the meaning set forth in the recitals of this Agreement;
- (e) “**Books and Records**” means all technical, business and financial records, financial books and records of account, books, data, reports, files, lists, drawings, plans, logs, briefs, customer and supplier lists, deeds, certificates, contracts, surveys, title opinions or any other documentation and information in any form whatsoever (including written, printed, electronic or computer printout form) relating to a corporation and its business;
- (f) “**Business Day**” means a day which is not a Saturday, Sunday or a statutory holiday in the Province of British Columbia or the Province of Ontario;
- (g) “**Closing**” shall mean, as applicable, each of the Initial Closing, the First Option Closing and the Second Option Closing;
- (h) “**Closing Date**” means the date of each Closing, which shall be the second Business Day following the satisfaction or waiver of all conditions to the obligations of the parties to consummate the Transaction (other than conditions that are satisfied with respect to actions the respective parties will take at the Closing itself), or earlier or later date as the Purchaser and HAG may mutually determine;
- (i) “**Common Shares**” means common shares without par value in the capital of the Purchaser;
- (j) “**Contracts**” (individually, a “**Contract**”) means all written or oral outstanding contracts and agreements, leases (including the real property leases), third-party licenses, insurance policies, deeds, indentures, instruments, entitlements, commitments, undertakings and orders made by or to which a party is bound or under which a party has, or will have, any rights or obligations and includes rights to use, franchises, license and sub-licenses agreements and agreements for the purchase and sale of assets or shares;

- (k) “**Corporate Records**” means the corporate records of a corporation, including (i) its articles, notice of articles or other constating documents, any unanimous shareholders agreement and any amendments thereto; (ii) all minutes of meetings and resolutions of shareholders, directors and any committee thereof; (iii) the share certificate books, register of shareholders, register of transfers and registers of directors and officers; and (iv) all accounting records;
- (l) “**CSE**” means the Canadian Securities Exchange, operated by the CNSX Markets Inc.;
- (m) “**Disclosed**” means, in the case of the Shareholder and HAG, fairly disclosed in writing to the Purchaser prior to the date of this Agreement (with sufficient details to identify the nature and scope of the matter disclosed), and, in the case of the Purchaser, fairly disclosed in writing to HAG prior to the date of this Agreement (with sufficient details to identify the nature and scope of the matter disclosed);
- (n) “**First Option**” has the meaning set forth in Section 0;
- (o) “**First Option Closing**” means the completion of the acquisition of the First Option Shares in accordance with the terms and conditions of this Agreement;
- (p) “**First Option Expiry Time**” has the meaning set forth in Section 0;
- (q) “**First Option Notice**” has the meaning set forth in Section 0;
- (r) “**First Optioned Payment Shares**” has the meaning set forth in Section 0;
- (s) “**First Optioned Shares**” has the meaning set forth in Section 0;
- (t) “**GAAP**” means generally accepted accounting principles in Canada (and, if applicable, includes International Financial Reporting Standards);
- (u) “**Governmental Authority**” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign, or (b) regulatory authority, including any securities commission, or stock exchange, including the CSE;
- (v) “**Initial Closing**” means the completion of the acquisition of the Initial Purchased Shares in accordance with the terms and conditions of this Agreement;
- (w) “**Initial Payment Shares**” has the meaning set forth in Section 2.02;
- (x) “**Initial Purchased Shares**” has the meaning set forth in Section 2.02;
- (y) “**IP**” means any and all intellectual property or proprietary rights arising at law or in equity, including, without limitation, (i) patents, all patent rights and all patent rights and all applications therefor and all reissues, re-examinations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models, (iii) registered and unregistered copyrights, copyright registrations and applications, mask works and mask work registrations and applications therefor, author’s rights and works of authorship, (iv) URLs, web sites, web pages and any part thereof, (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications,

proprietary data, customer lists, databases, proprietary and manufacturing processes, technology, formulae, and algorithms, (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor, (vii) industrial designs or design patents, whether or not patentable or registrable, patented or registered or the subject of applications for registration or patent or registration and all rights of priority, applications, continuations, continuations-in-part, divisions, re-examinations, reissues and other derivative applications and patents therefor, (viii) licenses, contacts and agreements otherwise relating to the IP, and (ix) the goodwill symbolized or represented by the foregoing;

- (z) “**laws**” means all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or any provisions of the foregoing, including general principles of common and civil law and equity, binding on or affecting the person referred to in the context in which such word is used; and “**law**” means any one of them;
- (aa) “**Lien**” means any mortgage, encumbrance, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition, which, in substance, secures payment, or performance of an obligation;
- (bb) “**Material Adverse Effect**” means (i) any change, effect, fact, circumstance or event which, individually or when taken together with any other changes, effects, facts, circumstances or events, could reasonably be expected to be materially adverse to the assets, liabilities, condition (financial or otherwise), business, properties or results of operation of the Purchaser or HAG, as applicable, or (ii) a material impairment of or delay in the ability of the parties (or any one of them) to perform their obligations hereunder or consummate the Transaction;
- (cc) “**Material Contract**” means any Contract to which a person is a party and which is material to such person, including any Contract: (i) the termination of which would have a Material Adverse Effect on such person; (ii) any contract which would result in payments to or from such person or its subsidiaries (if any) in excess of \$10,000, whether payable in one payment or in successive payments; (iii) any agreement or commitment relating to the borrowing of money or to capital expenditures; and (iv) any agreement or commitment not entered into in the ordinary course of business;
- (dd) “**material fact**” shall have the meaning ascribed to it in the *Securities Act* (British Columbia);
- (ee) “**Non-Resident Shareholder**” means any Shareholder identified as being non-residents of Canada for the purposes of the Tax Act;
- (ff) “**Payment Shares**” means, as applicable, the Initial Payment Shares, the First Optioned Payment Shares and the Second Optioned Payment Shares;
- (gg) “**person**” includes an individual, sole proprietorship, partnership, limited partnership, unincorporated association or organization, unincorporated syndicate, body corporate, trust, trustee, executor, administrator, legal representative of the Crown or any agency or instrumentality thereof;

- (hh) “**Purchased Shares**” means the HAG Shares to be purchased by the Purchaser pursuant to this Agreement;
- (ii) “**Purchaser Financial Statements**” has the meaning set forth in Section 5.01(l);
- (jj) “**Purchaser Material Contracts**” has the meaning set forth in Section 5.01(s);
- (kk) “**Regulation D**” means Regulation D under the U.S. Securities Act;
- (ll) “**Regulation S**” means Regulation S under the U.S. Securities Act;
- (mm) “**Securities Laws**” means the securities legislation having application, the regulations and rules thereunder and all administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable securities regulatory authority, all as amended;
- (nn) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;
- (oo) “**Second Option**” has the meaning set forth in Section 2.04;
- (pp) “**Second Option Closing**” means the completion of the acquisition of the Second Option Shares in accordance with the terms and conditions of this Agreement;
- (qq) “**Second Option Expiry Time**” has the meaning set forth in Section 2.04;
- (rr) “**Second Option Notice**” has the meaning set forth in Section 2.04;
- (ss) “**Second Optioned Payment Shares**” has the meaning set forth in Section 2.04;
- (tt) “**Second Optioned Shares**” has the meaning set forth in Section 2.04;
- (uu) “**Shareholder**” has the meaning set forth in the first page of this Agreement;
- (vv) “**Tax**” means any tax, impost, levy, withholding, duty, fee, premium, assessment and other charge of any kind, however denominated and any instalment or advance payment in respect thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Authority, including for greater certainty any income, gain or profit tax (including federal, state, provincial and territorial income tax), payroll and employee withholding tax, employment or payroll tax, unemployment insurance, disability tax, social insurance tax, social security contribution, sales and use tax, consumption tax, customs tax, ad valorem tax, excise tax, goods and services tax, harmonized sales tax, franchise tax, gross receipts tax, capital tax, business license tax, alternative minimum tax, estimated tax, abandoned or unclaimed (escheat) tax, occupation tax, real and personal property tax, stamp tax, environmental tax, transfer tax, severance tax, workers’ compensation, Canada and other government pension plan premium or contribution and other governmental charge, and other obligations of the same or of a similar nature to any of the foregoing, together with any interest, penalties or other additions to tax that may become payable in respect of such tax, and any interest in respect of such interest, penalties and additions whether disputed or not, and “**Taxes**” has a corresponding meaning;

- (ww) “**Tax Act**” means the *Income Tax Act* (Canada);
- (xx) “**Tax Return**” means all returns, declarations, designations, forms, schedules, reports, elections, notices, filings, statements (including withholding tax returns and reports and information returns and reports) and other documents of every nature whatsoever filed or required to be filed with any Governmental Authority with respect to any Tax together with all amendments and supplements thereto;
- (yy) “**Termination Date**” means August 18, 2023;
- (zz) “**Time of Closing**” means 10:00 a.m. (Vancouver time) on each Closing Date, or such other time as the parties may mutually determine;
- (aaa) “**Transaction**” has the meaning set forth in the recitals of this Agreement;
- (bbb) “**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (ccc) “**U.S. Person**” means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act;
- (ddd) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended; and
- (eee) “**U.S. Shareholder**” means (i) a U.S. Person, (ii) any person who receives or received an offer of the Payment Shares while in the United States; (iii) any person acquiring the Payment Shares on behalf of, or for the account or benefit of any U.S. Person or any person in the United States, or (iv) any person who is or was in the United States at the time when such person executed or delivered this Agreement.

1.02 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section or a Schedule or Exhibit refers to the specified Article or Section of, or Schedule or Exhibit to this Agreement.

1.03 Number, etc.

Unless the subject matter or context requires the contrary, words importing the singular number only shall include the plural and vice versa; words importing the use of any gender shall include all genders and words importing persons shall include natural persons, firms, trusts, partnerships and corporations.

1.04 Date for Any Action

In the event that any date on which any action is required or permitted to be taken hereunder by any person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.05 Statutory References

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

1.06 Accounting Principles

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be the International Financial Reporting Standards or the Canadian generally accepted accounting principles, as applicable, approved by the International Accounting Standards Board or the Canadian Institute of Chartered Accountants, as the case may be, or any successor thereto, applicable as at the date on which a calculation is made or required to be made in accordance with generally accepted accounting principles.

1.07 Knowledge

- (a) Any reference herein to “the knowledge of the Purchaser” (or similar expressions) will be deemed to mean the actual knowledge of any director or executive officer of the Purchaser, together with the knowledge such person would have had if they had conducted a diligent inquiry into the relevant subject matter.
- (b) Any reference herein to “the knowledge of HAG” (or similar expressions) will be deemed to mean the actual knowledge of any director or officer of HAG, together with the knowledge such person would have had if they had conducted a diligent inquiry into the relevant subject matter.
- (c) Any reference herein to “the knowledge of the HAG Shareholder” (or similar expressions) will be deemed to mean the actual knowledge of the applicable Shareholder.

ARTICLE II PURCHASE AND SALE OF PURCHASED SHARES

2.01 Purchase and Sale

Subject to the terms and conditions hereof, the Shareholder covenants and agrees, on its own behalf, to sell, assign and transfer to the Purchaser and the Purchaser covenants and agrees to purchase from the Shareholder, 1,000,000 HAG Shares (the “**Initial Purchased Shares**”) on the date hereof (the “**Initial Closing**”).

2.02 Purchase Price

In consideration for the acquisition of the Initial Purchased Shares, the Purchaser shall issue from treasury to the Shareholder an aggregate of 7,500,000 common shares without par value in the capital of the Purchaser, free and clear of any encumbrances (the “**Initial Payment Shares**”). The Initial Payment Shares are being issued at a deemed value of **\$0.055** per Initial Payment Share.

2.03 First Option

The Shareholder hereby grants the Purchaser an irrevocable option (the “**First Option**”) to purchase from the Shareholder an aggregate of 320,000 HAG Shares, free and clear of all encumbrances, liens and interests thereon (the “**First Optioned Shares**”) in exchange for an aggregate of 1,920,000 Common Shares (the “**First Optioned Payment Shares**”), free and clear of any encumbrances. The exercise of the First Option shall be in the Purchaser’s sole and absolute discretion and nothing in this Agreement shall require the Purchaser to exercise the First Option.

The First Option shall vest immediately upon the Initial Closing and shall expire at 5:00 p.m. Vancouver time on the date that is twelve (12) months after the date of Initial Closing (the “**First Option Expiry Time**”). The Purchaser may exercise the First Option, at any time, on or prior to the First Option Expiry Time, by notice in writing given by the Purchaser to the Shareholder at its address for notice listed in Section 10.02 of this Agreement (the “**First Option Notice**”).

Closing of the First Option shall be conducted in the same manner as the Initial Closing and shall be completed no later than thirty (30) days following the date of the First Option Notice, or such later date as the Purchaser and Shareholder may mutually determine.

2.04 Second Option

If the Purchaser exercises the First Option, the Shareholder shall grant the Purchaser an irrevocable option (the “**Second Option**”) to purchase from the Shareholder an aggregate of 1,180,000 HAG Shares, free and clear of all encumbrances, liens and interests thereon (the “**Second Optioned Shares**”) in exchange for an aggregate of 4,720,000 Common Shares (the “**Second Optioned Payment Shares**”), free and clear of any encumbrances. The exercise of the Second Option shall be in the Purchaser’s sole and absolute discretion and nothing in this Agreement shall require the Purchaser to exercise the Second Option.

The Second Option shall vest immediately upon the Purchaser’s exercise of the First Option and shall expire at 5:00 p.m. Vancouver time on the date that is twelve (12) months after the date the First Option is exercised (the “**Second Option Expiry Time**”). The Purchaser may exercise the Second Option, at any time, on or prior to the Second Option Expiry Time, by notice in writing given by the Purchaser to the Shareholder at its address for notice listed in Section 10.02 of this Agreement (the “**Second Option Notice**”).

Closing of the Second Option shall be conducted in the same manner as the Initial Closing and the First Option Closing and shall be completed no later than thirty (30) days following the date of the Second Option Notice, or such later date as the Purchaser and Shareholder may mutually determine.

2.05 Tax Election

The Purchaser agrees that, at the request and expense of the Shareholder who is resident in Canada for the purposes of the Tax Act, the Purchaser shall jointly elect with the Shareholder for the provisions of subsection 85(1) or (2) of the Tax Act and any equivalent provision under provincial legislation (each a “**Tax Election Provision**”) to apply to the Purchased Shares acquired by the Purchaser from the Shareholder. In order to make any such election, the Shareholder shall prepare any prescribed election form (each a “**Tax Election Form**”) and deliver any such Tax Election Form to the Purchaser within 90 days of each Closing Date. Upon receipt, the Purchaser shall sign the Tax Election Form and deliver a copy of the Tax Election Form to the Shareholder by mail using the address that the Shareholder provided to the Purchaser in the Tax Election Form within 30 days of receipt thereof. It shall be the sole

responsibility of the Shareholder making the request to file the Tax Election Form with the Canada Revenue Agency or relevant provincial Governmental Authority. The Purchaser shall not be liable for any damages arising to a Shareholder for a late filing of a Tax Election Form or any errors or omissions on a Tax Election Form.

Notwithstanding anything contained in this Agreement, the Purchaser does not assume and shall not be liable for any taxes under the Tax Act or under provincial legislation or any other amount whatsoever which may be or become payable by the Shareholder including, without limiting the generality of the foregoing, any Tax resulting from or arising as a consequence of the sale by the Shareholder to the Purchaser of the Purchased Shares herein contemplated, or the availability (or lack thereof) of any Tax Election Provision, or the content or impact of any election made under any Tax Election Provision.

2.06 Restrictions on Resale

The Shareholder acknowledges and agrees as follows:

- (a) the transfer of the Purchased Shares and the issuance, as applicable, of the Initial Payment Shares, the First Optioned Payment Shares and the Second Optioned Payment Shares, in exchange therefor, will be made pursuant to appropriate exemptions, including (but not limited to) the take-over bid prospectus exemption found in Section 2.16 of National Instrument 45-106 – *Prospectus Exemptions* (the “**Exemptions**”) from any applicable take-over bid and registration and prospectus (or equivalent) requirements of applicable securities laws;
- (b) as a consequence of acquiring the Payment Shares or pursuant to the Exemption:
 - (i) the Shareholder will be restricted from using certain of the civil remedies available under applicable securities laws;
 - (ii) the Shareholder may not receive information that might otherwise be required to be provided to the Shareholder, and the Purchaser is relieved from certain obligations that would otherwise apply under applicable securities laws if the Exemption were not being relied upon by the Purchaser;
 - (iii) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Payment Shares or;
 - (iv) there is no government or other insurance covering the Payment Shares or; and
 - (v) an investment in the Payment Shares is speculative and of high risk; and
- (c) the certificates representing the Payment Shares and any Common Shares issuable upon exercise of the First Option or Second Option will bear such legends as required by applicable securities laws and it is the responsibility of the Shareholder to find out what those restrictions are and to comply with them before selling the Payment Shares.

**ARTICLE III
CONDITIONS OF CLOSING**

3.01 Mutual Conditions of Closing

The obligations to complete the Transaction are subject to the fulfillment of the following conditions on or before the Time of Closing of each Closing:

- (a) there shall be no action taken under any applicable law by any court or Governmental Authority that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to the Purchaser or HAG or that could reasonably be expected to impose any condition or restriction upon the Purchaser or HAG which, after giving effect to the Transaction, would so materially and adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;
- (b) there shall be no legislation (whether by statute, regulation, order-in-council, notice of ways and means motion, by-law or otherwise) enacted, introduced or tabled which, in the opinion of the Purchaser, acting reasonably, materially adversely affects or is reasonable likely to materially adversely affect the Transaction;
- (c) receipt of all required regulatory, corporate and third party approvals including CSE approval, if applicable, and compliance with all applicable regulatory requirements and conditions necessary to complete the Transaction;
- (d) neither party shall be subject to unresolved litigation or court proceedings;
- (e) the completion of the Transaction without being classified as a "Fundamental Change" or "Change of Business" for the Purchaser, pursuant to the policies of the CSE;
- (f) there being no prohibition at law against the completion of the Transaction;
- (g) as applicable, the Initial Closing Date shall be on or before the Termination Date, the First Option Closing shall be on or before the First Option Expiry Time, and the Second Option Closing shall be on or before the Second Option Expiry Time;
- (h) the purchase by the Purchaser on the Initial Closing Date of 40% of the HAG Shares pursuant to this Agreement and other share exchange agreements with other HAG shareholders of even date herewith;
- (i) in respect of the First Option, the purchase by the Purchaser on the First Option Closing of 30% of the HAG Shares pursuant to this Agreement and other share exchange agreements with other HAG shareholders of even date herewith; and
- (j) in respect of the Second Option, the purchase by the Purchaser on the Second Option Closing of 30% of the HAG Shares pursuant to this Agreement and other share exchange agreements with other HAG shareholders of even date herewith.

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

3.02 Conditions of Closing in Favour of the Purchaser

The obligations of the Purchaser to complete the Transaction are subject to the fulfillment of the following conditions on or before the Time of Closing of each Closing:

- (a) the Shareholder and HAG shall have tendered all closing deliveries set forth in Sections 4.03 and 4.04, respectively, including delivery of the Purchased Shares, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers or other evidence of authorizing transfer of the Purchased Shares to the Purchaser acceptable to the Purchaser, acting reasonably;
- (b) neither HAG nor the Shareholder shall have violated Section 9.01;
- (c) the representations and warranties of the Shareholder set forth in this Agreement shall have been true and correct in all material respects as of the date hereof and shall be true and correct in all material respects as of the Time of Closing and delivery by the Shareholder of the documents described in Section 4.04 required to be delivered by the Shareholder shall constitute a reaffirmation and confirmation by the Shareholder of such representations and warranties;
- (d) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Shareholder at or before the Time of Closing will have been complied with or performed and delivery of the documents described in Section 4.04 shall constitute confirmation of such compliance and performance;
- (e) all consents, assignments, waivers, permits, orders and approvals of all Governmental Authorities (including the CSE) or other persons, including, if applicable, all those party to HAG Material Contracts necessary to permit the completion of the Transaction shall have been obtained;
- (f) there being no inquiry or investigation (whether formal or informal) in relation to HAG or its respective directors or officers commenced or threatened by any securities commission or official of the CSE or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on, HAG, its business, assets or financial condition; and
- (g) there shall not have been after the date of this Agreement any Material Adverse Effect with respect to HAG.

The foregoing conditions precedent are for the benefit of the Purchaser and may be waived by the Purchaser, in whole or in part, without prejudice to the Purchaser's right to rely on any other condition in favour of the Purchaser.

3.03 Conditions of Closing in Favour of HAG and the Shareholder

The obligations of HAG and the Shareholder to complete the Transaction are subject to the fulfillment of the following conditions on or before the Time of Closing:

- (a) the Purchaser shall have tendered all closing deliveries set forth in Section 0 including delivery of the Payment Shares;

- (b) all consents, waivers, permits, orders and approvals of all Governmental Authorities (including the CSE) or other persons, including, if applicable, all those party to the Purchaser Material Contracts necessary to permit the completion of the Transaction shall have been obtained;
- (c) the Purchaser shall not have violated Section 9.02;
- (d) there shall not have been after the date of this Agreement any Material Adverse Effect with respect to the Purchaser;
- (e) the Payment Shares will have been approved for issuance by the directors of the Purchaser and the Payment Shares will be issued as fully paid and non-assessable shares in the capital of the Purchaser, free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature; and
- (f) there being no inquiry or investigation (whether formal or informal) in relation to the Purchaser or its respective directors or officers commenced or threatened by any securities commission or official of the CSE or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on, the Purchaser, its business, assets or financial condition.

The foregoing conditions precedent are for the benefit of HAG and the Shareholder and may be waived by HAG and the Shareholder, in whole or in part, without prejudice to HAG's and the Shareholder's right to rely on any other condition in favour of HAG and the Shareholder.

3.04 Notice and Cure Provisions

Each party will give prompt notice to the other parties hereto of the occurrence, or failure to occur, at any time from the date hereof until each Closing Date, of any event or state of facts which occurrence or failure would or would be likely to:

- (a) cause any of the representations or warranties of such party contained herein to be untrue or inaccurate on the date hereof or at each Closing Date; or
- (b) result in the failure by such party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such party hereunder prior to each Closing Date.

Subject to Article VII, no party may elect not to complete the Transaction as contemplated herein as a result of the non-fulfillment of the conditions precedent contained in Sections 3.01 , 3.02, or 3.03, as applicable, unless the party intending to rely thereon has delivered a written notice to the other parties hereto prior to the Time of Closing specifying, in reasonable detail, all breaches of representations and warranties or covenants or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition precedent.

ARTICLE IV
CLOSING AND POST CLOSING ARRANGEMENTS

4.01 Time and Place of Closing

Closing of each of the Initial Closing, and, if applicable, First Option Closing and Second Option Closing shall take place at such time(s) (the “**Time of Closing**”) at such locations(s) as the Parties shall mutually agree.

4.02 Closing Deliveries of the Purchaser

At the Time of Closing, the Purchaser will deliver or cause to be delivered:

- (a) share certificates or direct registration statement (DRS) evidencing the Payment Shares;
- (b) a certificate of one of the Purchaser’s senior officers, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the notice of articles and articles of the Purchaser (and all amendments thereto as in effect as on such date); (ii) all resolutions of the board of directors of the Purchaser approving the entering into of this Agreement and all ancillary agreements contemplated herein and the completion of the Transaction, including the issuance of the Payment Shares; (iii) that the representations and warranties of the Purchaser set forth in this Agreement shall have been true and correct as of the date hereof and shall be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any materiality or material adverse effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or material adverse effect qualifier), except as affected by the transactions contemplated by this Agreement; (iv) that the completion of the Closing will not be classified as a “Fundamental Change” or “Change of Business” for the Purchaser pursuant to the policies of the CSE; and (v) that there is no prohibition at law against the completion of the Closing; and
- (c) a certificate of good standing for the Purchaser.

4.03 Closing Deliveries of HAG

At the Time of Closing, HAG will deliver or cause to be delivered:

- (a) a certificate of one of the directors of HAG’s, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the articles and by-laws of HAG (and all amendments thereto as in effect as on such date); and (ii) all resolutions of the board of directors of HAG approving the entering into of this Agreement and the completion of the Transaction;
- (b) a certificate of good standing for HAG.

4.04 Closing Deliveries of the Shareholder

At the Time of Closing, the Shareholder will deliver or cause to be delivered:

- (a) share certificates evidencing the Purchased Shares owned by the Shareholder, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers; and

- (b) with respect to any U.S. Shareholder, the U.S. Representation Letter attached hereto as Schedule “A”.

ARTICLE V REPRESENTATIONS AND WARRANTIES

5.01 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to and in favour of the Shareholder and HAG as follows, and acknowledges that such parties are relying upon such representations and warranties in connection with the transactions contemplated herein:

- (a) the Purchaser is a corporation validly existing and in good standing under the laws of the Province of British Columbia and is duly registered, licensed or qualified to carry on business as an extra-provincial or foreign corporation under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;
- (b) the Purchaser is a “**reporting issuer**” in the provinces of British Columbia, Alberta and Ontario and is not in material default of applicable securities laws;
- (c) the Purchaser has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder, to own and lease its property, and to carry on its businesses as now being conducted;
- (d) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by the Purchaser and each is, or will be at the Time of Closing, a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms;
- (e) the Common Shares are listed for trading on the CSE and the Purchaser is not in material default of any of the listing requirements of the CSE;
- (f) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) result in a breach or violation of the articles of the Purchaser or of any resolutions of the directors or shareholders of the Purchaser, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement (including any Purchaser Material Contract), licence or permit to which the Purchaser is a party or by which the Purchaser is bound or to which any material assets or property of the Purchaser is subject, or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to the Purchaser;
- (g) the authorized capital of the Purchaser consists of an unlimited number of Common Shares, of which, as of the date hereof, 57,624,663 Common Shares are issued and outstanding as fully paid and non-assessable; as of the date hereof, 2,760,000 common

share purchase warrants of the Purchaser are outstanding and 400,000 stock options are outstanding;

- (h) when issued in accordance with the terms hereof, the Payment Shares will be validly issued as fully paid and non-assessable Common Shares;
- (i) other than as set out in Section 5.01(g), there are no other Common Shares or securities convertible, exercisable or exchangeable into Common Shares or preferred shares issued or outstanding;
- (j) all disclosure documents of the Purchaser filed under applicable securities laws of the Provinces of British Columbia, Alberta and Ontario since the date of its incorporation, but not limited to, financial statements, prospectuses, offering memorandums, information circulars, material change reports and shareholder communications contain no untrue statement of a material fact (as such term is defined in the *Securities Act* (British Columbia)) as at the date thereof nor do they omit to state a material fact which, at the date thereof, was required to have been stated or was necessary to prevent a statement that was made from being false or misleading in the circumstances in which it was made;
- (k) except for the holders of the securities set out Section 5.01(g), and other than the Shareholder pursuant to this Agreement, no person has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Purchaser;
- (l) the audited financial statements of the Purchaser for the year ended February 28, 2023, and the unaudited interim financial statements for the nine-month period ended November 30, 2022 (collectively, the “**Purchaser Financial Statements**”), copies of which have been filed publicly with the British Columbia, Ontario and Alberta Securities Commissions and are available on SEDAR, are true and correct in every material respect and present fairly and accurately the financial position and results of the operations of the Purchaser for the periods then ended and the Purchaser Financial Statements have been prepared in accordance with generally accepted accounting principles in Canada (and, if applicable, includes International Financial Reporting Standards) applied on a consistent basis;
- (m) to the knowledge of the Purchaser, no information has come to the attention of the Purchaser since the last date of the most recently issued Purchaser Financial Statements that would or would reasonably be expected to require any restatement or revisions of any such financial statements;
- (n) the Purchaser’s auditors who audited the Purchaser Financial Statements (as applicable) are independent public accountants;
- (o) except as disclosed in the Purchaser Financial Statements, there are no related-party transactions or off-balance sheet structures or transactions with respect to the Purchaser;
- (p) except as disclosed in the Purchaser Financial Statements, the Purchaser is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or

any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;

- (q) since February 28, 2023, there has been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of the Purchaser;
- (r) the Purchaser has conducted and is conducting its business in compliance in all material respects with all applicable laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried on;
- (s) all of the Contracts of the Purchaser material to its business and operations (the “**Purchaser Material Contracts**”), together with this Agreement, and after the execution and delivery hereof, all ancillary agreements contemplated herein, constitute all the Material Contracts of the Purchaser. Each of the Purchaser Material Contracts is in full force and effect, unamended, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act (including the purchase and sale of the Purchased Shares hereunder and the other transactions contemplated hereunder, including, without limitation, the issuance of the Payment Shares) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default, or give rise to a warranty claim or other obligation or liability thereunder. The Purchaser has not violated or breached, in any material respect, any of the terms or conditions of any Purchaser Material Contract and all the covenants to be performed by any other party thereto have been fully and properly performed;
- (t) there are no waivers, consents, notices or approvals required to be given or obtained by the Purchaser in connection with the Transaction and the other transactions contemplated by this Agreement under any Contract to which the Purchaser is a party;
- (u) no consent, approval, order or authorization of, or registration or declaration with, any applicable multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign, or regulatory authority, including any securities commission or stock exchange (a “**Governmental Authority**”) with jurisdiction over the Purchaser is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement or the consummation of the Transaction, including, without limitation, the issuance of the Payment Shares, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay the Purchaser from performing its obligations under this Agreement and could not reasonably be expected to have a “Material Adverse Effect” on the Purchaser.;
- (v) there is no suit, action or proceeding or, to the knowledge of the Purchaser, pending or threatened against the Purchaser that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on the Purchaser, and there is no judgment, decree, injunction, rule or order of any Governmental Authority outstanding against the Purchaser causing, or which could reasonably be expected to cause, a Material Adverse Effect on the Purchaser;

- (w) no bankruptcy, insolvency or receivership proceedings have been instituted by the Purchaser or, to the knowledge of the Purchaser, are pending against the Purchaser;
- (x) the Purchaser has good and marketable title to its properties and assets (other than property or an asset as to which the Purchaser is a lessee, in which case it has a valid leasehold interest), except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Purchaser;
- (y) no person has any written or oral agreement, option, understanding or commitment for the purchase from the Purchaser of any of its assets or property;
- (z) the Purchaser has all permits, licences, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, applicable Governmental Authorities that are required in order to permit it to carry on its business as presently conducted, except for such permits, licences, certificates, orders, filings, applications and registrations, the failure to have or make, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Purchaser, and all such all permits, licences, certificates of authority, orders and approvals are in good standing in all material respects;
- (aa) the Purchaser has filed in the prescribed manner and within the prescribed times all Tax Returns required to be filed by the Purchaser in all applicable jurisdictions as of the date hereof and all Tax Returns that have been filed by, or with respect to the Purchaser are true, complete and correct, report all income and all other amounts and information required to be reported thereon and disclose any Tax required to be paid for the periods covered thereby. The Purchaser has duly and timely paid any Tax due and payable by it, including all instalments on account of Tax that are due and payable before the date hereof, whether or not assessed by the appropriate Governmental Authority, and has duly and timely paid all assessments and reassessments it has received in respect of any Tax;
- (bb) there are no audits, reassessments or other proceedings in progress or, to the knowledge of the Purchaser, threatened against the Purchaser, in respect of any Tax and, in particular, there are no currently outstanding reassessments or written enquiries which have been issued or raised by any Governmental Authority relating to any Tax, and the Purchaser is not aware of any contingent liability of the Purchaser for Tax or any grounds that could prompt an assessment or reassessment for any Tax, and the Purchaser has not received any indication from any Governmental Authority that any assessment or reassessment is proposed;
- (cc) the Purchaser has deducted, withheld or collected and remitted in a timely manner to the relevant Governmental Authority each Tax or other amount required to be deducted, withheld or collected and remitted by the Purchaser;
- (dd) the Purchaser has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified the Purchaser of such Governmental Authority's intention to commence or to conduct any investigation, that could be reasonably likely to have a Material Adverse Effect on the Purchaser;
- (ee) no current or former employee, officer or director of the Purchaser is entitled to a severance, termination or other similar payment as a result of the Transaction;

- (ff) the Corporate Records of the Purchaser are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable laws and with the constating documents of the Purchaser, and without limiting the generality of the foregoing: (i) the minute books contain complete and accurate minutes of all meetings of the directors (and any committee thereof) and shareholders of the Purchaser; (ii) such minute books contain all written resolutions passed by the directors (and any committee thereof) and shareholders of the Purchaser; (iii) the share certificate books, if any, the central securities register and register of transfers, and branch registers, of the Purchaser are complete and accurate, and all transfers of shares of the Purchaser reflected therein have been duly completed and approved; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers of the Purchaser were duly elected or appointed as the case may be;
- (gg) all Books and Records of the Purchaser have been fully, properly and accurately kept and, where required, completed in accordance with generally accepted accounting principles, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein; and
- (hh) to the knowledge of the Purchaser, no representation or warranty of the Purchaser contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

5.02 Representations and Warranties of the Shareholder

The Shareholder, hereby represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated herein:

- (a) this Agreement has been, and each additional agreement or instrument required to be delivered by the Shareholder pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by the Shareholder and each is, or will be at the Time of Closing, a legal, valid and binding obligation of the Shareholder, enforceable against the Shareholder in accordance with its terms;
- (b) if the Shareholder is not an individual, the Shareholder is validly existing under the laws of its jurisdiction of organization and has the corporate or other power to enter into this Agreement and any other agreement to which it is, or is to become, a party pursuant to the terms hereof and to perform its obligations hereunder and thereunder;
- (c) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) if the Shareholder is not an individual, result in a breach or violation of the articles or by-laws of the Shareholder (or other constating documents of the Shareholder) or of any resolutions of the directors or shareholders of the Shareholder, or (ii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to the Shareholder;
- (d) the Shareholder is the registered and beneficial owner of that number of HAG Shares indicated in the recitals hereto, free and clear of all liens, charges, mortgages, security interests, pledges, demands, claims and other encumbrances of any nature whatsoever;

- (e) except for the Purchaser's rights hereunder, no person has any agreement or option or any right or privilege capable of becoming an agreement for the purchase of the Purchased Shares held or beneficially owned by the Shareholder and none of such common shares of HAG are subject to any voting trust, shareholders agreement, voting agreement or other agreement with respect to the disposition or enjoyment of any rights of such common shares of HAG;
- (f) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over the Shareholder is required to be obtained by the Shareholder in connection with the execution and delivery of this Agreement or the consummation by the Shareholder of the Transaction, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent the Shareholder from performing its obligations under this Agreement;
- (g) unless the Shareholder is a Non-Resident Shareholder, the Shareholder is not a "non-resident" of Canada within the meaning of the Tax Act;
- (h) unless the Shareholder is a U.S. Shareholder and has completed and delivered a U.S. Representation Letter for U.S. Shareholder in the form attached hereto as Schedule "A" (in which case the Shareholder makes the representations, warranties and covenants therein):
 - (i) the offer to purchase the Shareholder's Purchased Shares was not made to the Shareholder when either the Shareholder or any beneficial purchaser for whom it is acting, if applicable, was in the United States;
 - (ii) the Shareholder is not a U.S. Person, is not in the United States and is not acquiring the applicable Payment Shares on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States;
 - (iii) at the time this Agreement was executed and delivered by the Shareholder, the Shareholder was outside the United States;
 - (iv) if the Shareholder is a corporation or entity, (A) a majority of the Shareholder's voting equity is beneficially owned by persons resident outside the United States; and (B) the Shareholder's affairs are wholly controlled and directed from outside of the United States;
 - (v) the Shareholder or any beneficial purchaser for whom it is acting, if applicable, has no intention to distribute either directly or indirectly any of the Payment Shares or Common Shares issued upon exercise of either the First Option or the Second Option in the United States, except in compliance with the U.S. Securities Act; and
 - (vi) the current structure of this transaction and all transactions and activities contemplated in this Agreement is not a scheme by the Shareholder to avoid the registration requirements of the U.S. Securities Act and any applicable state securities laws;

- (i) any Non-Resident Shareholder represents, warrants and/or acknowledges, as applicable, that:
 - (i) the Payment Shares, and any Common Shares issued upon the exercise of the First Option or Second Option, issuable thereunder have not been and will not be registered under the securities laws of any foreign jurisdiction and that the issuance of the Payment Shares, and any Common Shares issued upon the exercise of either the First Option or Second Option pursuant to the terms of this Agreement is being made in reliance on applicable exemptions; and
 - (ii) the receipt of the Payment Shares by a Non-Resident Shareholder does not contravene any of the applicable securities legislation in the jurisdiction in which it is resident and does not trigger: (i) any obligation to prepare and file a prospectus or similar document, or any other report with respect to such transfer; and (ii) any registration or other obligation on the part of Purchaser;
- (j) the Shareholder has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement, that in any manner may or will impose liability on HAG or the Purchaser; and
- (k) to the knowledge of the Shareholder, no representation or warranty of the Shareholder contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

5.03 Representations and Warranties of HAG

HAG (and for clarity, not the Shareholder) represents and warrants to the Purchaser as follows, except as Disclosed, and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated herein:

- (a) HAG is a corporation validly existing and in good standing under the laws of the jurisdiction of incorporation and is duly registered, licensed or qualified to carry on business under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;
- (b) HAG has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder to own and lease its property, and to carry on its businesses as now being conducted;
- (c) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by HAG and each is, or will be at the Time of Closing, a legal, valid and binding obligation of HAG, enforceable against HAG in accordance with its terms;
- (d) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) result in a breach or violation of the articles or by-laws of HAG or of any resolutions of the directors or shareholders of HAG, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any

material agreement (including any HAG Material Contract), license or permit to which HAG is a party or by which HAG is bound or to which any material assets or property of HAG is subject, or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to HAG;

- (e) the authorized capital of HAG consists of an unlimited number of common shares, of which, as of the date of this Agreement, 10,000,000 HAG Shares are issued and outstanding as fully paid and non-assessable shares; as of the date hereof, nil common share purchase warrants of HAG are outstanding and nil stock options are outstanding;
- (f) other than as set out in Section 5.03, there are no other common shares of HAG or securities convertible, exercisable or exchangeable into common shares or preferred shares issued or outstanding;
- (g) other than as described herein, HAG does not own, and has not at any time owned, and does not have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in any person, and HAG does not have any agreements to acquire or lease any material assets or properties or any other business operations;
- (h) no person (other than the Purchaser pursuant to this Agreement) has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of HAG;
- (i) HAG is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (j) HAG has conducted and is conducting its business in compliance in all material respects with all applicable laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried on;
- (k) all of the Contracts of HAG material to its business and operations and this Agreement (together, the “**HAG Material Contracts**”) and after the execution and delivery hereof, all ancillary agreements contemplated herein, constitute all the Material Contracts of HAG. Each of the HAG Material Contracts is in full force and effect, unamended, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act (including the purchase and sale of the Purchased Shares hereunder and the other transactions contemplated hereunder, including, without limitation, the issuance of the Payment Shares) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default, or give rise to a warranty claim or other obligation or liability thereunder. HAG has not violated or breached, in any material respect, any of the terms or conditions of any HAG Material Contract and all the covenants to be performed by any other party thereto have been fully and properly performed;
- (l) there are no waivers, consents, notices or approvals required to be given or obtained by HAG in connection with the Transaction and the other transactions contemplated by this Agreement under any Contract to which HAG is a party;

- (m) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over HAG is required to be obtained by HAG in connection with the execution and delivery of this Agreement, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay HAG from performing its obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on HAG;
- (n) there is no suit, action or proceeding or, to the knowledge of HAG, pending or threatened against HAG that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on HAG, and there is no judgment, decree, injunction, rule or order of any Governmental Authority outstanding against HAG causing, or which could reasonably be expected to cause, a Material Adverse Effect on HAG;
- (o) no bankruptcy, insolvency or receivership proceedings have been instituted by HAG or, to the knowledge of HAG, are pending against HAG;
- (p) HAG has good and marketable title to its properties and assets (other than property or an asset as to which HAG is a lessee, in which case it has a valid leasehold interest), except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on HAG;
- (q) no person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, option, understanding or commitment for the purchase from HAG of any of its assets or property;
- (r) HAG has all permits, licences, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, applicable Governmental Authorities and other persons that are required in order to permit it to carry on its business as presently conducted, except for such permits, licences, certificates, orders, filings, applications and registrations, the failure to have or make, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on HAG, and all such permits, licenses, certificates of authority, orders and approvals are in good standing and fully complied with in all material respects;
- (s) HAG has filed in the prescribed manner and within the prescribed times all Tax Returns required to be filed by HAG in all applicable jurisdictions as of the date hereof and all Tax Returns that have been filed by, or with respect to HAG are true, complete and correct, report all income and all other amounts and information required to be reported thereon and disclose any Tax required to be paid for the periods covered thereby. HAG has duly and timely paid any Tax due and payable by it, including all instalments on account of Tax that are due and payable before the date hereof, whether or not assessed by the appropriate Governmental Authority, and has duly and timely paid all assessments and reassessments it has received in respect of any Tax;
- (t) there are no audits, reassessments or other proceedings in progress or, to the knowledge of HAG, threatened against HAG, in respect of any Tax and, in particular, there are no currently outstanding reassessments or written enquiries which have been issued or raised by any Governmental Authority relating to any Tax, and HAG is not aware of any contingent liability of HAG for Tax or any grounds that could prompt an assessment or

reassessment for any Tax, and HAG has not received any indication from any Governmental Authority that any assessment or reassessment is proposed;

- (u) HAG has deducted, withheld or collected and remitted in a timely manner to the relevant Governmental Authority each Tax or other amount required to be deducted, withheld or collected and remitted by HAG;
- (v) HAG has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified HAG of such Governmental Authority's intention to commence or to conduct any investigation that could be reasonably likely to have a Material Adverse Effect on HAG;
- (w) HAG has no employees and HAG is not a party to any employment, management or consulting agreement of any kind whatsoever;
- (x) no current or former employee, officer or director of HAG is entitled to a severance, termination or other similar payment as a result of the Transaction;
- (y) the Corporate Records of HAG are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable laws and with the constating documents of HAG, and without limiting the generality of the foregoing: (i) the minute books of HAG contain complete and accurate minutes of all meetings of the directors and shareholders of HAG; (ii) such minute books contain all written resolutions passed by the directors and shareholders of HAG; (iii) the securities register of HAG are complete and accurate, and all transfers of shares of HAG have been duly completed and approved; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers of HAG were duly elected or appointed as the case may be;
- (z) all Books and Records of HAG have been fully, properly and accurately kept and, where required, completed in accordance with generally accepted accounting principles, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;
- (aa) HAG has no material IP and there are no Contracts that are material to the business and operations of HAG as presently conducted under which HAG licenses any IP from a third party;
- (bb) HAG is not a 'reporting issuer' or equivalent in any jurisdiction nor are any shares of HAG listed or quoted on any stock exchange or electronic quotation system; and
- (cc) to the knowledge of HAG, no representation or warranty of HAG contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

5.04 Survival of Representations and Warranties

The representations and warranties made by the parties and contained in this Agreement or any document or certificate given pursuant hereto shall survive the Closing of the Transaction until the date that is 12 months from the date of Closing. No claim for breach of any representation, warranty or covenant shall be valid unless that party against whom such claim is made has been given notice thereof before the expiry of such 12-month period.

ARTICLE VI COVENANTS

6.01 Mutual Covenants

Each of the parties hereby covenants and agrees as follows:

- (a) to use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws and regulations to complete the Transaction in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, in the event that any person, including without limitation, any securities regulatory authority, seeks to prevent, delay or hinder implementation of all or any portion of the Transaction or seeks to invalidate all or any portion of this Agreement, the Purchaser and HAG shall use commercially reasonable efforts to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the parties to complete the Transaction;
- (b) to use commercially reasonable efforts to obtain, before the Time of Closing, all authorizations, waivers, exemptions, consents, orders and other approvals from domestic or foreign courts, Governmental Authorities, shareholders and third parties as are necessary for the consummation of the transactions contemplated herein;
- (c) to promptly notify each of the other parties if any representation or warranty made by it in this Agreement ceases to be true and correct in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier) and of any failure to comply in any material respect with any of its obligations under this Agreement;
- (d) to co-operate with each of the other parties hereto in good faith in order to ensure the timely completion of the Transaction; and
- (e) to use commercially reasonable efforts to co-operate with each of the other parties hereto in connection with the performance by the other of its obligations under this Agreement.

6.02 Covenants of the Purchaser

The Purchaser covenants and agrees with the Shareholder and HAG that, until the earlier of the last Closing and the date upon which this Agreement is terminated in accordance with Article VII, subject to Section 9.02, it will:

- (a) in a timely and expeditious manner:
 - (i) file and/or deliver any document or documents as may be required in order for the Transaction as contemplated herein to be effective; and
 - (ii) file and/or deliver any document or documents required pursuant to applicable laws and/or the rules and policies of the CSE in connection with the Transaction as contemplated herein after the Closing;

- (b) not solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or “takeover bid,” exempt or otherwise, within the meaning of the *Securities Act* (British Columbia), for securities or assets of the Purchaser, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Transaction, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event the Purchaser, including any of its officers or directors, receives any form of offer or inquiry, the Purchaser shall forthwith (in any event within one business day following receipt) notify HAG of such offer or inquiry and provide HAG with such details as it may request;
- (c) to make available and afford HAG and its authorized representatives and, if requested by HAG, provide a copy of all title documents, contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to the Purchaser. The Purchaser will afford HAG and its authorized representatives every reasonable opportunity to have free and unrestricted access to the Purchaser’s property, assets, undertaking, records and documents. At the request of HAG, the Purchaser will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of the Purchaser’s business and any of its property or to enable HAG or its authorized representatives to obtain full access to all files and records relating to any of the assets of the Purchaser maintained by governmental or other public authorities. The obligations in this Section 6.02(c) are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance the Purchaser will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of HAG under this Section 6.02(c) will not mitigate or otherwise affect the representations and warranties of the Purchaser hereunder;
- (d) to the extent necessary, make application to the CSE and diligently pursue the approval of the Transaction;
- (e) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance the Purchaser will be required to disclose that information has been withheld on this basis), furnish promptly to HAG (on behalf of itself and the Shareholder) a copy of each notice, report, schedule or other document or communication delivered, filed or received by the Purchaser in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Authority in connection with or in any way affecting the Transaction as contemplated herein;

- (f) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction as contemplated herein, including using commercially reasonable efforts to:
 - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other Contracts, as applicable;
 - (ii) effect all necessary registrations and filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either the Purchaser or HAG before any Governmental Authority to the extent permitted by such authorities; and
 - (iii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;
- (g) subject to Applicable Laws or as authorized by this Agreement, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (h) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its notice of articles or articles as the same exist at the date of this Agreement;
- (i) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;
- (j) take all necessary corporate action and proceedings to approve and authorize the issuance of the Payment Shares to the Shareholder; and
- (k) prepare and file with all applicable securities commissions such notifications and fees necessary to permit, or that are required in connection with, the issuance of the Payment Shares to the Shareholder, on a basis exempt from the prospectus and registration requirements of the applicable Securities Laws of the provinces of Canada in which the Shareholder is resident.

6.03 Covenants of HAG

HAG covenants and agrees with the Purchaser that, until the earlier of the last Closing and the date upon which this Agreement is terminated in accordance with Article VII, subject to Section 9.01, it will:

- (a) not to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or “takeover bid,” exempt or otherwise, within the meaning of the *Securities Act* (British Columbia), for securities or assets of HAG, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Transaction, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event, HAG, including any of its officers or directors, receives any form of offer or inquiry, HAG shall forthwith (in any event within one business day following receipt) notify the Purchaser of such offer or inquiry and provide the Purchaser with such details as it may request;
- (b) to make available and afford the Purchaser and its authorized representatives and, if requested by the Purchaser, provide a copy of all title documents, contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to HAG. HAG will afford the Purchaser and its authorized representatives every reasonable opportunity to have free and unrestricted access to HAG’s property, assets, undertaking, records and documents. At the request of the Purchaser, HAG will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of HAG’s business and any of its property or to enable the Purchaser or its authorized representatives to obtain full access to all files and records relating to any of the assets of HAG maintained by governmental or other public authorities. The obligations in this Section 6.03(b) are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance HAG will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of Purchaser under this Section 6.03(b) will not mitigate or otherwise affect the representations and warranties of HAG hereunder;
- (c) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance HAG will be required to disclose that information has been withheld on this basis), furnish promptly to the Purchaser a copy of each notice, report, schedule or other document or communication delivered, filed or received by HAG in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental

Authority in connection with or in any way affecting the Transaction as contemplated herein;

- (d) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using commercially reasonable efforts to:
 - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other Contracts;
 - (ii) effect all necessary registrations and filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either HAG or the Purchaser before any Governmental Authority to the extent permitted by such authorities; and
 - (iii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;
- (e) subject to Applicable Laws or as authorized by this Agreement, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (f) conduct and operate its business and affairs only in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and, for greater certainty, it will not enter into any material transaction out of the ordinary course of business consistent with past practice without the prior consent of the Purchaser, and HAG will keep the Purchaser fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained;
- (g) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its articles or notice of articles as the same exist at the date of this Agreement;
- (h) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:
 - (i) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;

- (ii) increase or decrease its paid-up capital or purchase or redeem any shares;
 - (iii) issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire any such shares;
 - (iv) not to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of HAG (including those that are convertible or exchangeable into securities of HAG), other than as contemplated under this Agreement; and
- (i) take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the Purchased Shares to the Purchaser.

6.04 Covenants of the Shareholder

The Shareholder covenants and agrees with the other parties hereto that, until the earlier of the last Closing and the date upon which this Agreement is terminated in accordance with Article VII, subject to Section 9.01, it will:

- (a) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using commercially reasonable efforts to:
 - (i) effect all necessary registrations and filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Transaction; and
 - (ii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;
- (b) subject to Applicable Laws or as otherwise authorized by this Agreement, not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (c) not sell, assign, transfer, alienate, gift, pledge, option, hedge or enter into any derivative transactions in respect of, or otherwise dispose of or encumber, as applicable, any of the Purchased Shares, First Optioned Shares or Second Optioned Shares, or tender any of the Purchased Shares, First Optioned Shares or Second Optioned Shares to a take-over bid, or enter into any agreement, arrangement, commitment or understanding therewith;
- (d) if the Shareholder is a corporation or entity, take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the Purchased Shares to the Purchaser; and
- (e) not encumber in any manner the Purchased Shares and ensure that at the Time of Closing the Purchased Shares are free and clear of all Liens, charges, mortgages, security interests, pledges, demands, claims and other encumbrances whatsoever.

**ARTICLE VII
TERMINATION**

7.01 Termination

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

- (a) by mutual written consent of the Purchaser, the Shareholder and HAG;
- (b) by any party, if any permanent injunction or other order of a court or other competent authority preventing the Closing shall have become final and non-appealable; provided, however, that no party shall be entitled to terminate this Agreement if such party's material breach of this Agreement or any of the documents contemplated hereby has resulted in such permanent injunction or order;
- (c) in the event the Initial Closing has not been completed by the Termination Date;
- (d) in the event the First Option has not been exercised on or before the First Option Expiry Time; and
- (e) in the event the Second Option has not been exercised on or before the Second Option Expiry Time.

7.02 Effect of Termination

Upon termination of this Agreement in accordance with the terms hereof, the parties hereto shall have no further obligations under this Agreement, other than the obligations contained in Sections 10.03 and 10.08.

**ARTICLE VIII
INDEMNIFICATION**

8.01 Indemnification by the Purchaser

Subject to Section 5.04, the Purchaser shall indemnify and save the Shareholder and HAG harmless for and from:

- (a) any loss, damages or deficiencies suffered by the Shareholder or HAG as a result of any breach of representation, warranty or covenant on the part of the Purchaser contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and
- (b) all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

8.02 Indemnification by HAG

Subject to Section 5.04, HAG shall indemnify and save the Purchaser harmless for and from:

- (a) any loss, damages or deficiencies suffered by the Purchaser as a result of any breach of representation, warranty or covenant on the part of HAG contained in this Agreement or

in any certificate or document delivered pursuant to or contemplated by this Agreement;
and

- (b) all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

8.03 Indemnification by Shareholder

Subject to Section 5.04, the Shareholder shall indemnify and save the Purchaser harmless for and from:

- (a) any loss, damages or deficiencies suffered by the Purchaser as a result of any breach by the Shareholder of any representation, warranty or covenant on the part of the Shareholder contained in this Agreement; and
- (b) all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

8.04 Notice of Claim

A party entitled to and seeking indemnification pursuant to the terms of this Agreement (the “**Indemnified Party**”) shall promptly give written notice to the party or parties, as applicable, responsible for indemnifying the Indemnified Party (the “**Indemnifying Party**”) of any claim for indemnification pursuant to Sections 8.01, 8.02 and 8.03 (a “**Claim**”, which term shall include more than one Claim). 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):

- (a) the factual basis for the Claim; and
- (b) the amount of the Claim, or, if any amount is not then determinable, an approximate and reasonable estimate of the likely amount of the Claim.

8.05 Procedure for Indemnification

- (a) Direct Claims. With respect to Direct Claims, following receipt of notice from the Indemnified Party of a Claim, the Indemnifying Party shall have 30 days to make such investigation of the Claim as the Indemnifying Party considers necessary or desirable, acting reasonably. 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. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such 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.
- (b) Third Party Claims. With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the negotiation, settlement or defence of such Third Party Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party’s commercially reasonable out-of-pocket expenses incurred as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall cooperate with the Indemnifying Party, shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim at its own expense and shall have the right to disagree on reasonable grounds with the selection and retention of

counsel, in which case counsel satisfactory to the Indemnifying Party and the Indemnified Party shall be retained by the Indemnifying Party. If the Indemnifying Party, having elected to assume such control, thereafter fails to defend any such 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.

8.06 General Indemnification Rules

The obligations of the Indemnifying Party to indemnify the Indemnified Party in respect of Claims shall also be subject to the following:

- (a) without limiting the generality of Sections 8.01, 8.02 and 8.03, any Claim for breach of any representation, warranty or covenant shall be subject to Section 5.04;
- (b) the Indemnifying Party's obligation to indemnify the Indemnified Party shall only apply to the extent that the Claims in respect of which the Indemnifying Party has given an indemnity, in the aggregate, exceed \$5,000;
- (c) notwithstanding anything to the contrary in this Agreement, the aggregate liability of an Indemnifying Party which is a Shareholder to any and all Indemnified Parties under this Article VIII shall be limited to the amount paid to such Indemnifying Party in respect of its Purchased Shares pursuant to Section 2.01; for greater certainty, no Shareholder shall be liable, in the aggregate, to any and all Indemnified Parties for any amount in excess of the value of its *pro rata* share of the Payment Shares;
- (d) notwithstanding anything to the contrary in this Agreement, the aggregate liability of HAG or the Purchaser to any and all Indemnified Parties under this Article VIII shall be limited to the value of the Payment Shares issuable under this Agreement;
- (e) if any Third Party Claim is of a nature such that the Indemnified Party is required by applicable law to make a payment to any person (a "**Third Party**") with respect to such Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and thereafter seek reimbursement from the Indemnifying Party for any such payment. If any Indemnifying Party pays, or reimburses an Indemnified Party in respect of any Third Party Claim before completion of settlement negotiations or related legal proceedings, and the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such a payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party;
- (f) except in the circumstance contemplated by Section 8.05, and whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnified Party shall not negotiate, settle, compromise or pay any Third Party Claim except with the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld);
- (g) the Indemnified Party shall not permit any right of appeal in respect of any Third Party Claim to terminate without giving the Indemnifying Party notice and an opportunity to contest such Third Party Claim;

- (h) the Indemnified Party and the Indemnifying Party shall cooperate 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); and
- (i) the provisions of this Article VIII shall constitute the sole remedy available to a party against another party with respect to any and all breaches of any agreement, covenant, representation or warranty made by such other party in this Agreement.

ARTICLE IX EXCLUSIVITY AND ACCESS

9.01 Obligations of HAG and the Shareholder

Prior to the Termination Date, or the earlier termination of this Agreement, neither HAG nor the Shareholder shall, directly or indirectly, negotiate or deal with any party other than with the Purchaser relating to an Alternative Transaction involving HAG or the sale or disposition of any part of the outstanding HAG Shares or assets of HAG, or solicit enquiries or provide information with respect to same. Notwithstanding the foregoing, nothing contained in this Agreement shall be interpreted to extend to the acts or omissions of any person acting in his or her capacity as a director or officer of HAG or otherwise to fetter the proper exercise of discretion of such person. In addition, nothing contained in this Agreement will prohibit, prevent or restrict HAG from furnishing or providing information in respect of or otherwise responding to or engaging in discussions or negotiations in respect of, an unsolicited Alternative Transaction not resulting from a breach of this Section 9.01, or the directors of HAG, in the fulfilment of their fiduciary duties, from supporting or facilitating any such unsolicited Alternative Transaction, or HAG or the Shareholder from completing any such Alternative Transaction, or entering into a definitive and binding agreement to effect such an Alternative Transaction, if directors of HAG determine in good faith, after consultation, to the extent considered appropriate by the directors, with its financial and legal advisors, that such unsolicited Alternative Transaction constitutes, or could reasonably be expected to lead to or result in, a transaction that would, if consummated in accordance with its terms, be more favourable to HAG or the Shareholder than the Transaction provided, however, that prior to taking such action, the directors of HAG shall have concluded, after considering applicable laws, and receiving advice of outside counsel, that such action would be a proper exercise of its fiduciary duties, or is otherwise required, under applicable laws, that it is appropriate that the directors take such action in order to properly discharge their fiduciary duties or that such action is otherwise required under applicable laws. In the event HAG or its Shareholder receive any form of offer or inquiry, HAG shall forthwith (in any event within one business day following receipt) notify the Purchaser of such offer or inquiry and provide the Purchaser with such details as it may request.

9.02 Obligations of Purchaser

Prior to the Termination Date, or the earlier termination of this Agreement, the Purchaser shall not, directly or indirectly, negotiate or deal with any party other than HAG relating to an Alternative Transaction involving the Purchaser, or solicit enquiries or provide information with respect to same. Notwithstanding the foregoing, nothing contained in this Agreement shall be interpreted to extend to the acts or omissions of any person acting in his or her capacity as a director or officer of the Purchaser or otherwise to fetter the proper exercise of discretion of such person. In addition, nothing contained in this Agreement will prohibit, prevent or restrict the Purchaser from furnishing or providing information in respect of or otherwise responding to or engaging in discussions or negotiations in respect of, an unsolicited Alternative Transaction not resulting from a breach of this Section 9.01, or the directors of the

Purchaser, in the fulfilment of their fiduciary duties, from supporting or facilitating any such unsolicited Alternative Transaction, or the Purchaser from completing any such Alternative Transaction, or entering into a definitive and binding agreement to effect such an Alternative Transaction, if directors of the Purchaser determine in good faith, after consultation, to the extent considered appropriate by the directors, with its financial and legal advisors, that such unsolicited Alternative Transaction constitutes, or could reasonably be expected to lead to or result in, a transaction that would, if consummated in accordance with its terms, be more favourable to the Purchaser than the Transaction provided, however, that prior to taking such action, the directors of the Purchaser shall have concluded, after considering applicable laws, and receiving advice of outside counsel, that such action would be a proper exercise of its fiduciary duties, or is otherwise required, under applicable laws, that it is appropriate that the directors take such action in order to properly discharge their fiduciary duties or that such action is otherwise required under applicable laws. In the event the Purchaser receives any form of offer or inquiry, the Purchaser shall forthwith (in any event within one business day following receipt) notify HAG of such offer or inquiry and provide HAG with such details as it may request.

ARTICLE X GENERAL

10.01 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

10.02 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement (each, a “**notice**”) shall be in writing shall be in writing addressed as follows:

- (a) if to the Purchaser:

Vinergy Capital Inc.
Suite 1000, 409 Granville Street
Vancouver, British Columbia V6C 1T2
Attention: Geoff Balderson, Chief Financial Officer.
E-mail: [Redacted: Personal Information]

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

1500 Royal Centre
1055 West Georgia Street
Vancouver, British Columbia V6E 4N7
Attention: Desmond Balakrishnan
E-mail: [Redacted: Personal Information]

- (b) if to HAG or the Shareholder:

c/o Healthcare Accretion Group Inc.
Suite 6000, 1 First Canada Place
Toronto, Ontario M5X 1E2
Attention: Michael Dalsin

E-mail: *[Redacted: Personal Information]*

or such other address as may be designated by notice given by either the Shareholder, HAG or the Purchaser to the other in accordance with this Section 10.02. Each notice shall be personally delivered to the addressee or sent by e-mail to the addressee and a notice which is personally delivered or sent by email shall, if delivered or sent prior to 4:00 p.m. (local time of the recipient) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the next Business Day.

10.03 Confidentiality

Prior to Closing and, if the Transaction is not completed, at all times thereafter, each of the parties hereto will keep confidential and refrain from using all information obtained by it in connection with the transactions contemplated by this Agreement relating to any other party hereto, provided however that such obligation shall not apply to any information which was in the public domain at the time of its disclosure to a party or which subsequently comes into the public domain other than as a result of a breach of such party's obligations under this Section 10.03. For greater certainty, nothing contained herein shall prevent any disclosure of information which may be required pursuant to applicable laws or pursuant to an order in judicial or administrative proceedings or any other order made by any Governmental Authority.

10.04 Assignment

Other than as provided herein, no party may assign this Agreement or its rights or obligations hereunder without the prior written consent of the other parties hereto, such consent not to be unreasonably withheld or delayed.

10.05 Binding Effect

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

10.06 Waiver

No waiver of any provision of this Agreement will constitute a waiver of any other provision, nor will any waiver constitute a continuing waiver unless otherwise expressly provided.

10.07 Governing Law

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and is to be treated in all respects as a British Columbia contract.

10.08 Expenses

Each party will be responsible for its own costs and expenses incurred with respect to the transactions contemplated herein. Accordingly, if during the term of this Agreement, the Transaction does not successfully complete, then each party will be responsible for its own expenses incurred.

10.09 No Personal Liability

- (a) No director, officer, employee or agent of the Purchaser shall have any personal liability whatsoever to HAG or the Shareholder under this Agreement or any other document delivered in connection with the Transaction on behalf of the Purchaser.
- (b) No director, officer, employee or agent of HAG (in such capacity) shall have any personal liability whatsoever to the Purchaser under this Agreement or any other document delivered in connection with the Transaction on behalf of HAG.

10.10 Time of Essence

Time is of the essence of this Agreement and of each of its provisions.

10.11 Public Announcements

HAG and the Purchaser shall co-operate with the other in releasing information concerning this Agreement and the transactions contemplated herein, and shall furnish to and discuss with the other drafts of all press and other releases prior to publication. No press release or other public announcement concerning the proposed transactions contemplated by this Agreement will be made by any party hereto without the prior consent of the other parties, such consent not to be unreasonably withheld or delayed; provided that nothing contained herein shall prevent any party hereto at any time from furnishing any information to any Governmental Authority or to the public if so required by applicable law.

10.12 Further Assurances

Each party will, upon request but without further consideration, from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to and perform the provisions and intent of this Agreement and to complete the transactions contemplated herein.

10.13 Entire Agreement

This Agreement, together with the documents required to be delivered pursuant to this Agreement, constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, between the parties hereto with respect to the subject matter hereof. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained in this Agreement and any document delivered pursuant to this Agreement.

10.14 Amendments

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

10.15 Severability

In the event that any provision or part of this Agreement is determined by any court or other judicial or administrative body to be illegal, null, void, invalid or unenforceable, that provision shall be severed to the extent that it is so declared and the other provisions of this Agreement shall continue in full force and effect.

10.16 Counterparts

This Agreement may be executed and delivered in one or more counterparts and may be executed and delivered by facsimile or any other electronically communicated method, each of which when executed and delivered shall be deemed an original and all of which counterparts together shall be deemed to constitute one and the same instrument.

10.17 Independent Legal Advice

THE SHAREHOLDER ACKNOWLEDGES, CONFIRMS AND AGREES THAT HE, SHE OR IT HAS HAD THE OPPORTUNITY TO SEEK AND WAS NOT PREVENTED OR DISCOURAGED BY ANY PARTY HERETO FROM SEEKING INDEPENDENT LEGAL ADVICE PRIOR TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THAT, IN THE EVENT THAT ANY SHAREHOLDER DID NOT AVAIL HIMSELF/HERSELF/ITSELF WITH THAT OPPORTUNITY PRIOR TO SIGNING THIS AGREEMENT, THE SHAREHOLDER DID SO VOLUNTARILY WITHOUT ANY UNDUE PRESSURE AND AGREES THAT THE SHAREHOLDER'S FAILURE TO OBTAIN INDEPENDENT LEGAL ADVICE SHALL NOT BE USED BY HIM/HER/IT AS A DEFENCE TO THE ENFORCEMENT OF HIS/HER/ITS OBLIGATIONS UNDER THIS AGREEMENT. THE SHAREHOLDER ACKNOWLEDGES AND AGREES THAT MCMILLAN LLP NEITHER REPRESENTS NOR ACTS FOR THE SHAREHOLDER IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[Signature pages follow.]

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

VINERGY CAPITAL INC.

By: “*Geoff Balderson*” (Signed)

Name: Geoff Balderson

Title: Chief Financial Officer

HEALTHCARE ACCRETION GROUP INC.

By: “*Michael Dalsin*” (Signed)

Name: Michael Dalsin

Title: Chairman

SHAREHOLDER

MICHAEL DAL SIN

Name of Witness [Please Print]

“*Michael Dalsin*” (Signed)

Signature of Witness

JACQUELINE KELLY

“*Jacqueline Kelly*” (Signed)

Signature of Shareholder

SCHEDULE A

U.S. Representation Letter for U.S. Shareholders

[Redacted: Personal Information]