

**ACQUISITION AGREEMENT**

**by and among**

**CAPTOR CAPITAL CORP.**

**THREE HABITAT CONSULTING HOLDCO INC.**

**AND**

**THE SHAREHOLDERS OF THREE HABITAT CONSULTING HOLDCO INC.**

**DATED AS OF DECEMBER 13, 2021**

## ACQUISITION AGREEMENT

THIS ACQUISITION AGREEMENT (this "Agreement"), dated as of December 13, 2021 (the "Execution Date"), is entered into by and among Captor Capital Corp., an Ontario corporation ("Buyer"), Three Habitat Consulting Holdco Inc., a Delaware corporation dba One Plant (the "Company"), and the persons identified on the signature page hereto as the shareholders of the Company (the "Shareholders").

### PREAMBLE

A. The Shareholders own all of the issued and outstanding securities of the Company.

B. The Shareholders desire to sell to the Buyer, and the Buyer desires to purchase from the Shareholders, all of the outstanding equity interests in the Company owned by the Shareholders in exchange for common shares of the Buyer all on the terms and conditions hereinafter set forth.

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

### ARTICLE 1 DEFINITIONS

In addition to the capitalized terms defined elsewhere in this Agreement, the following capitalized terms shall have the meanings specified in this **Article 1**.

"Action" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena, notice of assessment, notice or reassessment or investigation of any nature, civil, criminal, administrative, investigative, regulatory or otherwise, whether at law or in equity.

"Affiliate" means, with respect to any Person, a Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the first person, including, but not limited to, a subsidiary of the first person, a person of which the first person is a subsidiary, or another subsidiary of a person of which the first person is also a subsidiary. In addition, "Control" (including the terms "Controlled by" and "under common Control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

"Benefit Plan" means all employee benefit plans, agreements, programs, policies, practices, material undertakings and arrangements (whether oral or written, formal or informal, funded or unfunded) maintained for, available to or

otherwise relating to any employees, directors or officers or former employees, directors or officers of the Company, or any spouses, dependents or survivors of any employee or former employee of the Company, or in respect of which the Company is a party to or bound by or is obligated to contribute or in any way liable, whether or not insured or whether or not subject to any Law, including bonus, deferred compensation, deferred profit-sharing, incentive compensation, share purchase, share appreciation, share option, severance and termination pay, hospitalization, health and other medical benefits including medical or dental treatment or expenses, life and other insurance including accident insurance, vision, legal, long-term and short-term disability, salary continuation, vacation, supplemental unemployment benefits, education assistance, equity or equity-based compensation, change of control benefits, profit-sharing, mortgage assistance, employee loan, employee assistance and pension, retirement and supplemental retirement plans (including any defined benefit or defined contribution pension plan and any group registered retirement savings plan), and supplemental pension plans.

“Business Day” means a day other than Saturday, Sunday or a public holiday on which banks are closed under the laws of the State of California.

“Buyer Financial Statements” means the audited financial statements of the Buyer for the financial period ended December 31, 2021 (the “Buyer Balance Sheet Date”) consisting of a balance sheet (the “Buyer Balance Sheet”), statement of income and retained earnings and cash flows and the related notes thereto.

“Buyer Indemnified Parties” has the meaning set forth in Section 9.1.

“Buyer Shares” have the meaning set forth in Section 2.1.

“Closing” has the meaning set forth in Section 7.1.

“Closing Date” has the meaning set forth in Section 7.1.

“Code” means the US Internal Revenue Code of 1986, as amended.

“Company Shares” means all of the issued and outstanding shares of the Company’s common stock.

“Continuous Disclosure Documents” means all forms, reports, schedules, statements and other documents filed by Buyer on SEDAR or EDGAR, as applicable, under applicable securities Laws, and including all news releases, financial statements, management’s discussion and analysis, material change reports, information circulars and other continuous disclosure documents.

“Contracts” means all contracts, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

“Contribution Agreement” means that certain Contribution Agreement dated as of July 29, 2020 between Buyer, the Company and Captor Retail.

“CSE” means the Canadian Securities Exchange.

“CSE Filing & Confirmation” has the meaning set forth in Section 7.3(a).

“Defense Counsel” has the meaning set forth in Section 9.4.

“Defense Notice” has the meaning set forth in Section 9.4.

“Direct Claim” has the meaning set forth in Section 9.5.

“Encumbrances” means any encumbrance or restriction of any kind or nature whatsoever and howsoever arising (whether registered or unregistered) and includes a security interest, mortgage, easement, adverse ownership interest, defect on title, condition, right of first refusal, right of first offer, right-of-way, encroachment, building or use restriction, conditional sale agreement, hypothec, pledge, deposit by way of security, hypothecation, assignment, charge, trust or deemed trust, voting trust or pooling agreement with respect to securities, any adverse claim, grant of any exclusive licence or sole licence, or any other right, option or claim of others of any kind whatsoever, and includes any agreement to give any of the foregoing in the future, and any subsequent sale or other title retention agreement or lease in the nature thereof, affecting the Company, the Company Shares or the Captor Retail Shares.

“Financial Statements” means the unaudited financial statements of the Company for the financial year ended June 30, 2020 (the “Balance Sheet Date”) consisting of a balance sheet (the “Balance Sheet”), statement of income and retained earnings and cash flows and the related notes thereto.

“GAAP” means generally accepted accounting principles in the United States as in effect from time to time.

“Governmental Authority” means (a) any court, tribunal, judicial body or arbitral body or arbitrator; (b) any domestic or foreign government or supranational body or authority whether multinational, national, federal, state, provincial, territorial, municipal or local and any governmental agency, governmental authority, governmental body, governmental bureau, governmental department, governmental tribunal or governmental commission of any kind whatsoever; (c) any subdivision or authority of any of the foregoing; (d) any quasi-governmental or private body or public body exercising any regulatory, administrative, expropriation or taxing authority under or for the account of the foregoing; (e) any stock or securities exchange; and (f) any public utility authority.

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board that are applicable to public issuers in Canada.

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

“Indemnified Party” has the meaning set forth in Section 9.4.

“Indemnifying Party” has the meaning set forth in Section 9.4.

“Law” means the common law of any state, or any provision of any foreign, federal, state, provincial or local law, statute, rule, regulation, order, permit, judgment, injunction, decree or other decision of any court or other tribunal or governmental entity or agency legally binding on the relevant party or its properties.

“Liabilities” means any indebtedness, liabilities, commitments or obligations of any nature whatsoever (whether accrued, absolute, contingent, direct, indirect, perfected, inchoate, unliquidated or otherwise, whether due or to become due and whether asserted or unasserted, known or unknown).

“Losses” means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including legal fees, disbursements and charges on a substantial indemnity basis and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; provided that "Losses" shall not include punitive or exemplary damages, except in the case of fraud or to the extent actually awarded to a Governmental Authority or other third party.

“Non-Fundamental/Non-Tax Breaches” means breach of representation and warrant excluding breach of the representations and warranties in Section 3.1 and Section 4.1 (Authorization), Section 3.2 (Incorporation) and Section 4.2 (Organization), Section 3.3 (No Violation), Section 3.4 (Capitalization), Section 4.3 (The Company Shares), and Section 3.10 (Taxes).

“Organizational Documents” means, with respect to any Person (other than an individual), (a) the certificate or articles of incorporation or organization and any joint venture, limited liability company, operating or partnership agreement and other similar documents adopted or filed in connection with the creation, formation or organization of such Person and (b) all by-laws, voting agreements and similar documents, instruments or agreements relating to the organization or governance of such Person, in each case, as amended or supplemented.

“Person” means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated association, corporation, entity or government (whether federal, state, county, city or otherwise, including, without limitation, any instrumentality, division, agency or department thereof).

“Pre-Closing Reorganization” means the following: (1) the establishment of a new limited partnership (the “Partnership”) by the Shareholders in the same membership proportion as their relative ownership of shares of the Company; (2) the transfer by certain Shareholders of receivables owed by the Company to such Shareholders (the “Shareholder Loans”) to the Partnership in consideration of

corresponding receivables from the Partnership; and (3) the capitalization of such Shareholder Loans by the Company through the issuance of shares by the Company to the Partnership in satisfaction of such Shareholder Loans (with such shares to comprise part of the Company Shares).

“Purchase Price” has the meaning set forth in Section 2.1.

“Securities Act” means the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Shareholder Indemnified Parties” has the meaning set forth in Section 9.3.

“Tax” means any federal, state, provincial, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll, license, employee or other withholding, or other tax, of any kind whatsoever, including any interest, penalties or additions to tax or additional amounts in respect of the foregoing; the foregoing shall include any transferee or secondary liability for a Tax and any liability assumed by agreement or arising as a result of being (or ceasing to be) a member of any affiliated group (or being included or required to be included) in any Tax Return relating thereto; provided, however, that the foregoing shall not include any Transfer Taxes.

“Tax Returns” means returns, declarations, reports, claims for refund, information returns or other documents (including any related or supporting schedules, statements or information) filed or required to be filed in connection with the determination, assessment or collection of any Taxes of any party or the administration of any Laws relating to any Taxes.

“Third Party Claim” has the meaning set forth in Section 9.4.

“Transaction Documents” means this Agreement and any other agreement, document, certificate and instrument being delivered pursuant to this Agreement.

## **ARTICLE 2** **TRANSACTION**

2.1 Purchase and Sale of Shares. Subject to, and on the terms and conditions of, this Agreement, effective at the Closing, the Buyer will purchase from each of the Shareholders, and each of the Shareholders will sell, transfer, convey, assign and deliver to the Buyer, all of the Company Shares owned by each of the Shareholders, free and clear of all Encumbrances.

(a) Purchase Price. Subject to Section 2.2 below, the purchase price for the Shares (the “Purchase Price”) shall be C\$491.24335 per Company Share (assuming 60,500 Company Shares outstanding) or an aggregate of C\$29,720,222.60. The Purchase Price

shall be paid in an aggregate amount of 27,018,384 common shares of the Buyer (the “Buyer Shares”) at a deemed price per Buyer Share of C\$1.10.

(b) Allocation of the Purchase Price. The Buyer Shares shall be allocated amongst the Shareholders on a pro rata basis based on the number of Company Shares sold by each Shareholder pursuant to this Agreement.

2.2 Adjustment. Notwithstanding Section 2.1(a), in the event the Buyer advances to Captor Retail, for and on behalf of the Company, any funds by way of loan, credit, allowance, or similar transaction (each an “**Advance**”) subsequent to the date hereof and prior to the Closing Date, the Buyer shall have the right to reduce, at its sole discretion, the Purchase Price by an amount equal to the Advance outstanding (including interest, if any) as at the Closing Date in full and final settlement of same amount.

2.3 Expenses. Each party hereto shall bear its own costs and expenses incurred in connection with the negotiation, preparation, and performance under this Agreement, and all matters incident thereto, excepting as specifically set forth herein.

### **ARTICLE 3** **REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company represents and warrants to Buyer that the statements contained in this **Article 3** are true, correct and complete as of the date of this Agreement (unless otherwise specified below and except as contemplated by the Pre-Closing Reorganization), and will be true, correct and complete on the Closing Date, as if made on that date.

3.1 Authorization. The Company has full power, right and authority to enter into and perform its obligations under this Agreement and each of the Transaction Documents to which it is a party. This Agreement and each of the Transaction Documents to which the Company is a party have been or, upon the Closing, will be duly executed and delivered by the Company and constitute or will constitute upon execution the valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as the enforceability thereof may be limited by Laws of general application relating to bankruptcy, insolvency and debtors’ relief, and by general principles of equity.

3.2 Incorporation. The Company is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware. The Company has full power and authority to carry on the business conducted by it and to own or hold under lease the properties and assets it now owns. The Company is duly qualified to do business and is in good standing as a foreign corporation in all jurisdictions in which its conduct of its business requires such qualification under applicable Law. The Company has delivered to Buyer true, complete and correct copies of the Organizational Documents of the Company.

3.3 No Violation. The execution and delivery of this Agreement and the Transaction Documents by the Company, and the performance by the Company of the transactions contemplated hereby or thereby will not:

- (a) constitute a default under any of the Organizational Documents of the Company;
- (b) violate or conflict with or result in a breach of any Law;
- (c) constitute a default under any Contract, agreement, lease, mortgage, note, bond, license or other instrument to which the Company is a party or by which the properties of the Company are bound, or otherwise constitute an event which would permit any party to terminate, or accelerate the maturity of any indebtedness or other obligation under, any Contract, agreement, lease, mortgage, note, bond, license or other instrument to which the Company is a party or by which the properties of the Company are bound;
- (d) result in the creation or imposition of any Encumbrance upon any of the Company's assets or any of the Company Shares;
- (e) require any authorization, consent, approval or other action by or notice to any court or administrative or governmental body pursuant to any Laws; or
- (f) require any approvals, consents or notifications to any other Persons;

3.4 Capitalization. The Company Shares are validly issued and outstanding, fully paid and nonassessable, and are subject to no, and have not been issued in violation of any, preemptive or similar rights and have not been issued in violation of the Securities Act. The Company Shares represent all of the Company's issued and outstanding equity securities and there are no other outstanding equity or economic interests in the Company or rights, options, warrants or agreements granted or issued by or binding upon the Company for the purchase or acquisition of any equity or economic interests in the Company. There are no existing Contracts, options, commitments or rights to acquire any equity interest from the Company.

3.5 Captor Retail Shares. The Company is the legal and beneficial owner of 490,000 shares (the "Captor Retail Shares") of the common stock of Captor Retail Group Inc., a California corporation ("Captor Retail"). The Captor Retail Shares constitute the sole asset of the Company and the Company has no other assets of any kind or nature other than the Captor Retail Shares. There are no existing Contracts, options, commitments or rights to acquire any equity interest in the Captor Retail Shares from the Company. The Company has sole voting power and sole power of disposition with respect to the Captor Retail Shares.

3.6 Absence of Liabilities; No Contracts. Pursuant to the Contribution Agreement, the Company agreed to indemnify the Buyer for any and all Liabilities arising from any act, omission, fact, circumstance or event with respect to the Plant Entities, as defined in the Contribution Agreement (the "Plant Entity Liabilities"). Other than the Plant Entity Liabilities assumed by the Company, the Company does not have any Liabilities of any kind or nature. Other than the Contribution Agreement and this Agreement, the Company is not a party to any Contract. The Company does not carry on any business other than owning the Captor Retail Shares.



3.7 Litigation. There is no suit, action, proceeding, investigation, claim or order pending or, to the knowledge of the Company, threatened against the Company or Captor Retail before any court, or before any governmental department, commission, board, agency, or instrumentality; nor, to the knowledge of the Company, is there any reasonable basis for any such action, proceeding or investigation. To the knowledge of the Company, neither the Company nor Captor Retail: (i) is subject to any judgment, order or decree of any court or governmental agency; or (ii) is engaged in any legal action to recover monies due it or for damages sustained by it.

3.8 Compliance with Applicable Laws. The Company is not, and has not during the past three years, been in violation, in any material respect, of any Law in connection with the conduct, ownership or operation of its business.

3.9 Employees. The Company does not have, and since its inception has not had, any employees. The Company does not have, and since its inception has not had, any independent contractors or consultants. The Company does not have, and since its inception has not had, any Benefit Plans.

3.10 Taxes. All Taxes, other than income taxes which may have been required to be included in the personal income tax returns of the Shareholders, due and payable by the Company have been paid in full. All Tax Returns that are required to have been filed by the Company have been filed in a timely manner and such returns are complete and correct in all material respects. No Governmental Authority of a jurisdiction in which the Company has not filed a Tax Return has made any claim that the Company is or may be subject to Tax or required to file Tax Returns by that Governmental Authority in such jurisdiction. There are no matters under audit or appeal with any Governmental Authority relating to Taxes of the Company. True copies of all Tax Returns prepared and filed by the Company during the past four years, together with any notices of assessment of the Company during the past four years, have been made available to Buyer on or before the date of this Agreement. Adequate provision has been made in accordance with GAAP in each of the Financial Statements for all Taxes payable in respect of each period covered by such Financial Statements and all prior periods to the extent those Taxes have not been paid, whether or not assessed and whether or not shown to be due on any Tax Returns. Since the Balance Sheet Date, the Company has not incurred liabilities for Taxes. The Company is not a party to, or bound by, any Tax indemnity, Tax sharing or Tax allocation agreement. No Tax rulings have been requested or issued by any Tax authority with respect to the Company. There are no Encumbrances for Taxes on any of the assets of the Company.

### 3.11 Financial Statements

(a) The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved, subject to normal and recurring year-end adjustments (the effect of which will not be materially adverse) and the absence of notes (that, if presented, would not differ materially from those presented in the Financial Statements).

(b) The Financial Statements do not include amounts attributable to the operations of Captor Retail, other than with respect to dividend revenue received from Captor Retail, if any.

(c) The Financial Statements: (i) are based on the books and records of the Company; and (ii) fairly, completely and accurately present in all material respects the assets, liabilities and financial position of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods covered thereby.

(d) The Company maintains a standard system of accounting established and administered in accordance with GAAP.

3.12 Absence of Certain Changes, Events and Conditions. Since the Balance Sheet Date, there has not been, with respect to the Company, any:

(a) amendment of any of the Organizational Documents of the Company;

(b) split, consolidation or reclassification of any shares in the Company;

(c) issuance, sale or other disposition of any shares in the Company, or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any shares in the Company;

(d) declaration or payment of any dividends or distributions on or in respect of any shares in the Company or redemption, retraction, purchase or acquisition of its shares;

(e) change in any method of accounting or accounting practice of the Company, except as required by GAAP or as disclosed in the notes to the Financial Statements;

(f) entry into of any material Contract;

(g) incurrence, assumption or guarantee of any indebtedness for borrowed money;

(h) transfer, assignment, sale or other disposition of any of the assets shown or reflected in the Balance Sheet or cancellation of any debts or entitlements;

(i) any capital investment in, or any loan to, any other Person;

(j) any capital expenditures;

(k) imposition of any Encumbrance upon any of the Company Shares or the Captor Retail Shares;

(l) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any Person;

(m) adoption of any amalgamation, arrangement, reorganization, liquidation or dissolution or the commencement of any proceedings by the Company or its creditors seeking to adjudicate the Company as bankrupt or insolvent, making a proposal with respect to the Company under any Law relating to bankruptcy, insolvency, reorganization, arrangement or compromise of debts or similar Laws, appointment of a trustee, receiver, receiver-manager, agent, custodian or similar official for the Company or for any substantial part of its assets;

(n) purchase, lease or other acquisition of the right to own, use or lease any assets;

(o) acquisition by amalgamation or arrangement with, or by purchase of a substantial portion of the assets or shares of, or by any other manner, any business or any Person or any division thereof;

(p) action by the Company to make, change or rescind any Tax election, or amend any Tax Return; or

(q) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

3.13 Disclosure. None of the representations and warranties of the Company set forth in this Agreement or in any of the Transaction Documents delivered to Buyer by the Company pursuant to any provision hereof contains any untrue statement of a material fact.

3.14 Securities Laws Representations.

(a) No Registration. Each Shareholder understands that the Buyer Shares have not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Shareholder's representations as expressed herein or otherwise made pursuant hereto.

(b) Accredited Investor. Each Shareholder that is a U.S. person within the meaning of applicable U.S. securities Laws (each, a "U.S. Person") is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(c) Investment Intent. Each Shareholder is acquiring the Buyer Shares for investment for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof, and the Shareholder has no present intention of selling, granting any participation in, or otherwise distributing the same. Each Shareholder further represents that it does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participation to such person or entity or to any third person or entity with respect to any of the Buyer Shares

(d) Legends. Each U.S. Shareholder understands and agrees that the certificates evidencing the Buyer Shares issued to U.S. Shareholders only, or any other securities issued to U.S. Shareholders in respect of the Buyer Shares upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall bear the following legend (in addition to any legend required under applicable state securities Laws):

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACT AND/OR APPLICABLE STATE SECURITIES LAWS, OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED."

3.15 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company.

#### **ARTICLE 4**

#### **REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS**

Each Shareholder represents and warrants (on a several and not joint and several basis) to Buyer that, in respect of each such Shareholder, the statements contained in this **Article 4** are true, correct and complete as of the date of this Agreement (unless otherwise specified below and except as contemplated by the Pre-Closing Reorganization), and will be true, correct and complete on the Closing Date, as if made on that date.

4.1 Authorization. Such Shareholder has the full power, right and authority to enter into and perform its obligations under this Agreement and each of the Transaction Documents to which it is a party. The execution, delivery and performance by such Shareholder of this Agreement and each of the Transaction Documents to which it/he is a party has been duly and properly authorized by all requisite action in accordance with applicable Law and, if the Shareholders is not an individual, with the Organizational Documents of such Shareholder. This Agreement and each of the Transaction Documents to which it/he is a party has been duly executed and delivered by such Shareholder and are the valid and binding obligation of such Shareholder and are enforceable against such Shareholder in accordance with their respective terms, except as the enforceability thereof may be limited by Laws of general application relating to bankruptcy, insolvency and debtors' relief, and by general principles of equity.

4.2 Organization. Such Shareholder, if not an individual, is a corporation duly incorporated, validly existing and in good standing under the Laws its jurisdiction of its incorporation.

4.3 The Company Shares. Such Shareholder is the record owner of the Company Shares, free and clear of all Encumbrances. Such Shareholder has sole voting power and sole power of disposition with respect to the Company Shares held by him/it. Such Shareholder will, upon delivery to the Buyer on the Closing Date pursuant to the terms hereof, transfer to the Buyer good and valid title to his/its Company Shares free and clear of all Encumbrances. Upon the consummation of the transactions contemplated by this Agreement, such Shareholder will not be entitled to any payment from the Company or any Affiliate as a result of the transactions contemplated by this Agreement, other than the consideration payable to such Shareholder for his/its Shares pursuant to this Agreement, rights to indemnification under this Agreement or by Law.

4.4 Securities Laws Representations.

(a) No Registration. Such Shareholder understands that the Buyer Shares have not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Shareholder's representations as expressed herein or otherwise made pursuant hereto.

(b) Accredited Investor. If such Shareholder is a U.S. person within the meaning of applicable U.S. securities Laws (each, a "U.S. Person"), such Shareholder is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(c) Legends. If such Shareholder is a U.S. Person, such Shareholder understands and agrees that the certificates evidencing the Buyer Shares issued to U.S. Shareholders only, or any other securities issued to U.S. Shareholders in respect of the Buyer Shares upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall bear the following legend (in addition to any legend required under applicable state securities Laws):

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACT AND/OR APPLICABLE STATE SECURITIES LAWS, OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE

COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED."

**ARTICLE 5**  
**REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer hereby represents and warrants to the Shareholders that the statements contained in this **Article 5** are true, correct and complete as of the date of this Agreement, and will be true, correct and complete through the Closing Date, as if made on that date.

5.1 Authorization. Buyer has the full power, right and authority to enter into and perform its obligations under this Agreement and each of the Transaction Documents. The execution, delivery and performance by Buyer of this Agreement and each of the Transaction Documents has been duly and properly authorized by all requisite action in accordance with applicable Law and with the organization documents of Buyer. This Agreement and each of the Transaction Documents has been duly executed and delivered by Buyer and are the valid and binding obligation of Buyer and are enforceable against Buyer in accordance with their respective terms. No permits, approvals or consents or notifications to (i) any governmental entities or (ii) any other Persons are necessary in connection with the execution, delivery and performance by Buyer of this Agreement and the Transaction Documents and the consummation by Buyer of the transactions contemplated hereby or thereby.

5.2 Organization. Buyer is a corporation duly incorporated, validly existing and in good standing under the Laws of Ontario. Buyer is a "taxable Canadian corporation" within the meaning of the ITA.

5.3 Transaction Not a Breach. Neither the execution and delivery of this Agreement and the Transaction Documents nor the performance by Buyer of its obligations hereunder or thereunder will:

(a) violate or conflict with or result in a breach of any provision of any Laws of any court or other tribunal or any governmental entity or agency binding on Buyer or conflict with or result in the breach of any of the terms, conditions or provisions thereof;

(b) constitute a default under the Organizational Documents of Buyer or any Contract, agreement, lease, mortgage, note, bond, license or other instrument to which Buyer is a party or by which Buyer or its assets or properties are bound;

(c) constitute an event which would permit any party to terminate, or accelerate the maturity of any indebtedness or other obligation under, any Contract, agreement, lease, mortgage, note, bond, license or other instrument to which Buyer is a party or by which Buyer or its properties are bound or subject; or

(d) other than the CSE Filing & Confirmation, require any authorization, consent, approval, exemption or other action by or notice to any court or administrative or governmental body.

#### 5.4 Capitalization.

(a) The authorized share capital of Buyer includes an unlimited number of common shares. All outstanding Buyer shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights. Except as disclosed in the Continuous Disclosure Documents, there are no options, warrants or other rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Buyer of any shares of Buyer or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Buyer.

(b) Except as disclosed in the Continuous Disclosure Documents, there are no outstanding contractual obligations of the Buyer to repurchase, redeem or otherwise acquire any Buyer shares.

5.5 Subsidiaries. Other than as disclosed in the Continuous Disclosure Documents or any subsidiary created in connection with completion of the transactions contemplated by this Agreement, Buyer does not have any Subsidiaries.

5.6 Shareholder and Similar Agreements. Buyer is not a party to any shareholder, pooling, voting trust or other similar agreement relating to the issued and outstanding shares in the capital of Buyer.

5.7 Reports. Buyer has filed with all applicable Governmental Authorities true and complete copies of all Continuous Disclosure Documents that Buyer is required to file therewith. The Buyer Continuous Disclosure Documents at the time filed: (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (b) complied in all material respects with the requirements of applicable securities Laws. Buyer has not filed any confidential material change report with any Governmental Authority which at the date hereof remains confidential

5.8 Valid Issuance of Shares. The Buyer Shares, when issued and delivered to the Shareholders in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than, in the case of U.S. Shareholders only, restrictions on transfer under applicable U.S. securities Laws.

#### 5.9 Securities Law Matters

(a) No order ceasing or suspending trading in securities of Buyer or prohibiting the sale of such securities has been issued and is outstanding against Buyer or its directors, officers or promoters and, to the knowledge of Buyer, no proceedings for that purpose have been instituted or are pending, contemplated or threatened under any applicable securities Laws or by any Governmental Authority.

(b) On the Closing Date, the Buyer Shares will be conditionally approved by the CSE for listing and Buyer will be in compliance with the rules of the CSE.

(c) On the Closing Date, Buyer will not be subject to any delisting, suspension of trading in or cease trading or other order that may operate to prevent or restrict trading in the Buyer shares, and no proceedings will have been initiated or be pending or threatened by any Governmental Authority in relation thereto.

(d) On the Closing Date, Buyer will have filed in a timely manner all documents and information required to be filed by it under applicable securities Laws with all applicable Governmental Authorities and the CSE, including the CSE Filing & Confirmation, and all such documents and information will have been, as of their respective dates of such filings, in compliance in all material respects with all applicable securities Laws and at the time filed did not contain any misrepresentations. Buyer will not have filed any confidential material change report with any Governmental Authority or the CSE which remains confidential as of the Closing Date.

5.10 Material Contracts. Except as disclosed in the Continuous Disclosure Documents, Buyer has no material Contract, agreement, license, franchise, lease, arrangement, commitment, understanding, joint venture, partnership or other right or obligation (written or oral), other than this Agreement.

5.11 Litigation. There is no suit, action, proceeding, investigation, claim or order pending or, to the knowledge of Buyer, threatened against the Buyer or its subsidiaries before any court, or before any governmental department, commission, board, agency, or instrumentality; nor, to the knowledge of Buyer, is there any reasonable basis for any such action, proceeding or investigation. To the knowledge of Buyer neither the Buyer nor any of its subsidiaries (i) is subject to any judgment, order or decree of any court or governmental agency; and (ii), is engaged in any legal action to recover monies due it or for damages sustained by it.

5.12 Compliance with Applicable Laws. The Company is not, and has not during the past three years, been in violation, in any material respect, of any Law in connection with the conduct, ownership or operation of its business.

5.13 Taxes. All material Taxes due and payable by the Buyer have been paid in full. All Tax Returns that are required to have been filed by the Buyer have been filed in a timely manner with the appropriate Governmental Authority and such returns are complete and correct in all material respects. No Governmental Authority of a jurisdiction in which the Company has not filed a Tax Return has made any claim that the Company is or may be subject to Tax or required to file Tax Returns by that Governmental Authority in such jurisdiction. There are no material matters under audit or appeal with any Governmental Authority relating to Taxes of the Buyer. Adequate provision has been made in accordance with IFRS in the Buyer Financial Statements for all Taxes payable in respect of each period covered by such Buyer Financial Statements and all prior periods to the extent those Taxes have not been paid, whether or not assessed and whether or not shown to be due on any Tax Returns. Since the Buyer Balance Sheet Date, the Buyer has not



incurred material liabilities for Taxes outside the ordinary course of business. There are no Encumbrances for Taxes on any of the assets of the Buyer.

5.14 Non-Arm's Length Transactions. Except as disclosed in the Continuous Disclosure Documents, there are no current material Contracts, commitments, agreements, arrangements or other transactions (including relating to indebtedness by Buyer) between Buyer, on the one hand, and any (a) officer, director, employee (or former officer, director or employee) or any other person not dealing at arm's length with Buyer, (b) any holder of record or Person who, to the knowledge of Buyer, is the beneficial owner of ten percent or more of the voting securities of Buyer or (c) any affiliate or associate of any officer, employee, director or beneficial owner, on the other hand.

5.15 Financial Statements.

(a) The audited financial statements for Buyer as at and for the financial year ended on March 31, 2021, including the notes thereto and the report by Buyer's auditors thereon and the condensed interim financial statements for Buyer as at and for the three months ended June 30, 2021, including the notes thereto, have been prepared in accordance with IFRS applied on a basis consistent with prior periods and all applicable Laws and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), financial position and results of operations of Buyer as of the respective dates thereof and its results of operations and cash flows for the respective periods covered thereby. There are no outstanding loans made by Buyer or Buyer's subsidiaries to any officer or director of Buyer or its subsidiaries. There has been no material change in Buyer's accounting policies.

(b) Since the Buyer Balance Sheet Date, neither Buyer or Buyer's subsidiaries, nor, to Buyer's knowledge, any director, officer, employee, consultant, auditor, accountant or representative of Buyer or Buyer's subsidiaries has received or otherwise had or obtained knowledge of any complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of Buyer or Buyer's subsidiaries or their respective internal accounting controls, including any complaint allegation, assertion or claims that Buyer or Buyer's subsidiaries has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the audit committee of the board of directors of Buyer.

5.16 Absence of Certain Changes, Events and Conditions. Since the Buyer Balance Sheet Date, there has not been, with respect to Buyer or Buyer's subsidiaries, any:

- (a) amendment of any of the Organizational Documents;
- (b) split, consolidation or reclassification of any shares;
- (c) issuance, sale or other disposition of any shares, or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any shares;

(d) declaration or payment of any dividends or distributions or redemption, retraction, purchase or acquisition of its or their shares;

(e) change in any method of accounting or accounting practice, except as required by IFRS or as disclosed in the notes to the audited financial statements of Buyer;

(f) entry into of any material Contract;

(g) incurrence, assumption or guarantee of any indebtedness for borrowed money other than in the ordinary course of business;

(h) transfer, assignment, sale or other disposition of any of the assets shown or reflected in most recent balance sheet or cancellation of any debts or entitlements other than in the ordinary course of business;

(i) any capital investment in, or any loan to, any other Person;

(j) any capital expenditures other than in the ordinary course of business;

(k) imposition of any Encumbrance upon any of the Buyer's shares;

(l) any payment to, or grant of any bonuses, whether monetary or otherwise, or any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, contractors or consultants other than in the ordinary course of business;

(m) adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, contractor or consultant; or (ii) Benefit Plan;

(n) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any Person;

(o) adoption of any amalgamation, arrangement, reorganization, liquidation or dissolution or the commencement of any proceedings by Buyer or Buyer's subsidiaries or its or their creditors seeking to adjudicate Buyer or its subsidiaries as bankrupt or insolvent, making a proposal with respect to Buyer or Buyer's subsidiaries under any Law relating to bankruptcy, insolvency, reorganization, arrangement or compromise of debts or similar Laws, appointment of a trustee, receiver, receiver-manager, agent, custodian or similar official for Buyer or Buyer's subsidiaries or for any substantial part of its or their assets;

(p) purchase, lease or other acquisition of the right to own, use or lease any assets other than in the ordinary course of business;

(q) acquisition by amalgamation or arrangement with, or by purchase of a substantial portion of the assets or shares of, or by any other manner, any business or any Person or any division thereof;

(r) action to make, change or rescind any Tax election, or amend any Tax Return; or

(s) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

5.17 Disclosure. None of the representations and warranties of Buyer set forth in this Agreement or in any of the Transaction Documents delivered to the Sellers by Buyer or its agents pursuant to any provision hereof contains any untrue statement of a material fact.

## **ARTICLE 6** **TAX MATTERS**

6.1 Tax Election. The Purchaser hereby agrees to elect jointly under subsection 85(1) of the ITA (and the analogous provisions of any applicable provincial or territorial law), in the prescribed form and within the prescribed time for purposes of the Tax Act (and any such applicable provincial or territorial law) with any Shareholder, at such Shareholder's request, with respect to the transfer of the Shareholder's Company Shares with an "elected amount" (for purposes of subsection 85(1) of the ITA (and the analogous provisions of any applicable provincial or territorial law) determined by such Shareholder. The Shareholder shall be responsible for preparing such election on the prescribed form, and providing it to the Buyer on a timely basis for the Buyer's execution, and filing such election when and as required by the ITA and the regulations thereunder (and the analogous provisions of any applicable provincial or territorial law) so that the election will have full force and effect for the purposes of the ITA (and any applicable provincial or territorial law). The Buyer hereby agrees to provide to the Shareholder any information about the Buyer reasonably requested by the Shareholder to complete the election. The Shareholder shall provide a copy of the filed election to the Buyer within thirty days of filing the election with the relevant tax authorities.

6.2 Tax Returns. Buyer shall prepare or cause to be prepared all Tax Returns required by Law in respect of the Company for all taxable periods ending on or before the Closing Date and not filed prior to the Closing Date in a manner consistent with past practice. Buyer shall provide a draft of any such Tax Return to the Shareholders at least 15 days prior to the date on which such Tax Return is required to be filed. Buyer agrees to reflect in such Tax Return any commercially reasonable comments provided by the Shareholders prior to the filing due date of such Tax Return. The Shareholders and the Buyer shall cooperate in the preparation for any audit, claim, suit or proceeding related to such Tax Returns.

## **ARTICLE 7**

### **CLOSING**

7.1 Closing. Subject to fulfillment or waiver of the conditions to closing contained in **Article 8**, the closing of the transactions contemplated hereby (the “Closing”) shall be effected on or before March 31, 2022, or (ii) such other date, time and location as the Shareholders and Buyer shall mutually agree (the “Closing Date”). On the Closing Date, the Buyer shall deliver to the Shareholders the Buyer Shares and the Shareholders shall deliver the Company Shares and accompanying stock assignments to Buyer.

7.2 Closing Deliveries by the Shareholders. At the Closing, the Shareholders will deliver the following:

(a) Assignments. The Shareholders shall have executed and delivered to Buyer instruments of assignment in form and substance reasonably satisfactory to Buyer and its counsel, effectively transferring title to the Company Shares to Buyer as provided herein.

(b) Resignations. The Shareholders shall have delivered resignations from all officers and directors of the Company.

(c) Certificate of Status. The Shareholders shall have delivered to the Buyer a certificate of status (or its equivalent) for the Company from the applicable Governmental Authority of the jurisdiction under the Laws in which the Company is incorporated.

7.3 Closing Deliveries by Buyer. At the Closing, Buyer will deliver the following:

(a) CSE. Buyer shall have filed a Form 9 with respect to the issuance of the Buyer Shares under this Agreement and shall have confirmed with the CSE that the purchase of the Company Shares does not require the approval of the shareholders of the Buyer (the “CSE Filing & Confirmation”).

(b) Certificate of Status. Buyer shall have delivered to the Shareholders a certificate of status (or its equivalent) for Buyer from the applicable Governmental Authority of the jurisdiction under the Laws in which Buyer is incorporated.

7.4 Efforts and Actions to Cause the Closing to Occur. Buyer, on the one hand, and the Company and the Shareholders, on the other hand, shall use their respective reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and cooperate with each other in order to do, all things necessary, proper or advisable (subject to applicable Law) to consummate the transactions contemplated herein as promptly as practicable and in any event on or before the Closing Date, including the preparation and filing of all forms, registrations and notices required to be filed to consummate the transactions contemplated herein and the taking of such actions as are necessary to obtain those authorizations and consents required to be obtained before the Closing. In addition, no party (nor any of its respective Affiliates) shall take any action

that could be reasonably expected to delay the obtaining of, or result in not obtaining, any authorization or consent required to be obtained prior to Closing.

## **ARTICLE 8**

### **CONDITIONS TO CLOSING**

8.1 Conditions to Obligations of the Shareholders. The obligations of the Shareholders to consummate the Closing are subject, in the discretion of the Shareholders, to the satisfaction or written waiver, on or prior to the Closing Date, of each of the following conditions:

(a) Representations, Warranties, and Covenants. All representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date, except as and to the extent that the facts and conditions upon which such representations and warranties are based are expressly required or permitted to be changed by the terms hereof, and Buyer shall have performed all agreements and covenants required hereby to be performed by it prior to or at the Closing Date.

(b) No Governmental Proceedings or Litigation. No actions by any governmental authority shall have been instituted or threatened which questions the validity or legality of the transactions contemplated hereby and which could reasonably be expected materially and adversely to damage the Shareholders if the transactions contemplated hereunder are consummated.

8.2 Conditions to the Obligations of Buyer. The obligations of Buyer to consummate the Closing are subject, in the discretion of Buyer, to the satisfaction, on or prior to the Closing Date, of each of the following conditions:

(a) Representations, Warranties, and Covenants. All representations and warranties of the Company and the Shareholders contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date, except as and to the extent that the facts and conditions upon which such representations and warranties are based are expressly required or permitted to be changed by the terms hereof, and the Company and the Shareholders shall have performed in all material respects all agreements and covenants required hereby to be performed by it prior to or at the Closing Date.

(b) No Governmental Proceedings or Litigation. No action by any Governmental Authority shall have been instituted or threatened which questions the validity or legality of the transaction contemplated hereby and which could reasonably be expected materially and adversely to damage Buyer if the transactions contemplated hereunder are consummated.

(c) CSE. The Buyer shall have filed a Form 9 with respect to the issuance of the Buyer Shares under this Agreement and shall have confirmed with the CSE that the purchase of the Company Shares does not require the approval of the shareholders of the Buyer (the "CSE Filing & Confirmation").

(d) Financial Statements. The Buyer shall have received audited annual financial statements of the Company for the financial year ended June 30, 2021 prepared in accordance with IFRS, acceptable to the Buyer acting in its sole discretion.

## **ARTICLE 9**

### **INDEMNIFICATION**

9.1 Indemnification by the Shareholders. Each Shareholder, on behalf of itself and its successors and assigns, hereby agrees to, severally, and not jointly and severally, on a pro-rata basis of any Loss based on each such Shareholder's ownership of Company Shares relative to the other Shareholders (the "Pro-Rata Basis"), indemnify the Buyer, its Affiliates, equityholders, managers, partners, officers, employees, agents, representatives, successors and permitted assigns (the "Buyer Indemnified Parties") and save and hold each of them harmless from and against and pay on behalf of or reimburse the Buyer Indemnified Parties as and when incurred for any and all Losses which any Buyer Indemnified Party may suffer, sustain or become subject to, to the extent resulting from or to the extent arising out of or in any way relating to or by virtue of:

(a) Any inaccuracy in or breach of any of the representations or warranties of the Company under **Article 3** of this Agreement;

(b) Any Plant Entity Liabilities;

(c) Any nonfulfillment or breach of any covenant or agreement on the part of the Company under this Agreement; or

(d) All Liabilities or obligations of the Company for any and all Taxes due from the Company, or with respect to the assets thereof, applicable to or arising from any taxable period prior to the Closing Date.

9.2 Individual Indemnification by the Shareholders. Each Shareholder, on behalf of itself and its successors and assigns, hereby agrees to, severally, and not jointly and severally, indemnify the Buyer Indemnified Parties and save and hold each of them harmless from and against and pay on behalf of or reimburse the Buyer Indemnified Parties as and when incurred for any and all Losses which any Buyer Indemnified Party may suffer, sustain or become subject to, to the extent resulting from or to the extent arising out of or in any way relating to or by virtue of:

(a) Any inaccuracy in or breach of any of the representations or warranties of such Shareholder under **Article 4** of this Agreement; or

(b) Any nonfulfillment or breach of any covenant or agreement on the part of such Shareholders under this Agreement.

9.3 Indemnification by Buyer. Buyer, on behalf of itself and its successors and assigns, hereby agrees to indemnify the Shareholders and their respective Affiliates, equityholders, directors, partners, officers, employees, agents, representatives, successors and permitted assigns thereof (the "Shareholder Indemnified Parties") and save and hold

each of them harmless from and against and pay on behalf of or reimburse the Shareholder Indemnified Parties as and when incurred for any and all Losses which any the Shareholder Indemnified Party may suffer, sustain or become subject to, in connection with, incident to, resulting from or arising out of or in any way relating to or by virtue of:

(a) Any inaccuracy in or breach of any of the representations or warranties of the Buyer under **Article 5** of this Agreement; or

(b) Any nonfulfillment or breach of any covenant or agreement on the part of Buyer under this Agreement.

9.4 Indemnification Procedure for Third Party Claims. In the event that subsequent to the Closing any person or entity entitled to indemnification under this Agreement (an “Indemnified Party”) asserts a claim for indemnification or receives notice of the assertion of any claim or of the commencement of any action or proceeding by any entity who is not a party to this Agreement or an Affiliate of a party to this Agreement (including, but not limited to any Governmental Authority) (a “Third Party Claim”) against such Indemnified Party, against which a party to this Agreement is required to provide indemnification under this Agreement (an “Indemnifying Party”), the Indemnified Party shall give written notice together with a statement of any available information (other than privileged information) regarding such claim to the Indemnifying Party within twenty (20) Business Days after learning of such claim. The Indemnifying Party shall have the right, upon written notice to the Indemnified Party (the “Defense Notice”) within fifteen days (15) after receipt from the Indemnified Party of notice of such claim, which notice by the Indemnifying Party shall specify the counsel it will appoint to defend such claim, which counsel shall be reputable and of good standing (“Defense Counsel”), to conduct at its expense the defense against such claim in its own name, or if necessary in the name of the Indemnified Party; provided, however, that the Indemnified Party shall have the right to approve the Defense Counsel, which approval shall not be unreasonably withheld, and in the event the Indemnifying Party and the Indemnified Party cannot agree upon such counsel within ten (10) days after the Defense Notice is provided, then the Indemnifying Party shall propose an alternate Defense Counsel, which shall be subject again to the Indemnified Party’s approval which approval shall not be unreasonably withheld. If the parties still fail to agree on the Defense Counsel, then, at such time, they shall mutually agree in good faith on a procedure to determine the Defense Counsel.

(a) In the event that the Indemnifying Party shall fail to give the Defense Notice within said 15 day period, it shall be deemed to have elected not to conduct the defense of the subject claim, and in such event the Indemnified Party shall have the right to conduct the defense in good faith and to compromise and settle the claim in good faith without prior consent of the Indemnifying Party and the Indemnifying Party will be liable for all reasonable costs, expenses, settlement amounts or other Losses paid or incurred in connection therewith.

(b) In the event that the Indemnifying Party does deliver a Defense Notice and thereby elects to conduct the defense of the subject claim, the Indemnifying Party shall be entitled to have the exclusive control over said defense and/or settlement of

the subject claim and the Indemnified Party will cooperate with and make available to the Indemnifying Party such assistance and materials as it may reasonably request, all at the expense of the Indemnifying Party, and the Indemnified Party shall have the right at its expense to participate in the defense assisted by counsel of its own choosing. In such an event, the Indemnifying Party will not admit liability with respect to, settle, compromise or discharge the subject claim without the prior written consent of the Indemnified Party, which consent will not be unreasonably withheld.

(c) Without the prior written consent of the Indemnified Party which may be withheld for any reason or no reason, the Indemnifying Party will not enter into any settlement of any Third Party Claim or cease to defend against such claim, if pursuant to or as a result of such settlement or cessation, (i) injunctive relief or specific performance would be imposed against the Indemnified Party, or (ii) such settlement or cessation would create any financial or other obligation on the part of the Indemnified Party for which the Indemnified Party is not entitled to indemnification hereunder.

(d) The Indemnifying Party shall not be entitled to control, but may participate in, and the Indemnified Party shall be entitled to have sole control over, the defense or settlement of any claim to the extent that such claim (i) seeks a temporary restraining order, a preliminary or permanent injunction or specific performance against the Indemnified Party, (ii) involves criminal allegations against the Indemnified Party, (iii) were unsuccessful, would operate as res judicata or collateral estoppel for other non-indemnifiable claims which would have a material adverse effect on the business or financial condition of the Indemnified Party or (iv) imposes liability on the part of the Indemnified Party for which the Indemnified Party is not entitled to indemnification hereunder. In such an event, the Indemnifying Party will still have all of its obligations hereunder provided that the Indemnified Party will not settle the subject claim without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld.

(e) Any final judgment entered or settlement agreed upon in the manner provided herein shall be binding upon the Indemnifying Party, and shall conclusively be deemed to be an obligation with respect to which the Indemnified Party is entitled to prompt indemnification hereunder, so long as the Indemnified Party would otherwise be entitled to indemnification in accordance with the terms of this **Article 9**.

(f) A failure by an Indemnified Party to give timely, complete or accurate notice as provided in this Section 9.4 will not affect the rights or obligations of any party hereunder except and only to the extent that, as a result of such failure, any party entitled to receive such notice was deprived of its right to recover any payment under its applicable insurance coverage or was otherwise directly and materially damaged as a result of such failure to give timely notice.

9.5 Indemnification Procedure for Third Party Claims. Any Action by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (each, a "Direct Claim") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 days after



the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim, and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Corporation's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be to the Indemnified Party on the terms and subject to the provisions of this Agreement.

9.6 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties set out herein shall survive the Closing and shall remain in full force and effect until the date that is 12 months from the Closing Date; provided that the representations and warranties in: (a) Section 3.1 (Authorization), Section 3.2 (Incorporation), Section 3.3 (No Violation), Section 3.4 (Capitalization), Section 3.5 (Captor Retail Shares), Section 4.1 (Authorization), Section 4.3 (The Company Shares), Section 5.1 (Authorization), Section 5.2 (Organization), Section 5.3 (Transaction Not a Breach), Section 5.4 (Capitalization) and Section 5.8 (Valid Issuance of Shares) shall survive indefinitely; and Section 3.10 (Taxes) shall survive for the full period of the applicable limitation period (giving effect to any waiver or extension thereof) plus 60 days. All covenants and agreements of the parties set out herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party before the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved or the expiry of the limitation period under applicable law, whichever is sooner.

9.7 Monetary Limitations for Non-Fundamental and Non-Tax Breaches of Representation and Warranty.

(a) The Shareholders shall not be liable for any amounts for which the Buyer Indemnified Parties are entitled to indemnification under Sections 9.1(a) and 9.2(a) with respect to Non-Fundamental/Non-Tax Breaches unless the aggregate amount of all Losses for which the Buyer Indemnified Parties are entitled to indemnification exceeds

C\$280,000, after which the Shareholders shall only be liable for any Losses in excess of C\$280,000.

(b) The aggregate amount of all Losses for which the Shareholders shall be liable pursuant to this Agreement under Sections 9.1(a) and 9.2(a) with respect to Non-Fundamental/Non-Tax Breaches shall not exceed C\$2,800,000.

9.8 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

9.9 Exclusivity. No party may make any claim for damages in respect of this Agreement or any agreement, certificate or other document delivered pursuant hereto, or in respect of any breach or termination thereof, against any other party except by making a claim pursuant to and in accordance with this **Article 9**. The provisions of this Section 9.9 shall survive any termination of this Agreement.

## **ARTICLE 10** **MISCELLANEOUS**

10.1 Conduct of Business Before the Closing. From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Buyer (which consent may be unreasonably conditioned, withheld or delayed), and except as contemplated by the Pre-Closing Reorganization, the Shareholders shall, and shall cause the Company to:

- (a) promptly notify Buyer in writing of any:
  - (i) fact, circumstance, event or action the existence, occurrence or taking of which (A) has resulted in, or could reasonably be expected to result in, any representation or warranty made by the Company or the Shareholders hereunder not being true and correct, or (B) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 8.2 to be satisfied;
  - (ii) notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;
  - (iii) notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and
  - (iv) Actions commenced or, to the Shareholders' knowledge, threatened against, relating to or involving or otherwise affecting the Shareholders or the Company that relates to the consummation of the transactions contemplated by this Agreement.

- (b) pay its debts, Taxes and other obligations when due;
- (c) maintain the assets owned, operated or used by the Company, including the Captor Retail Shares;
- (d) not enter into any Contracts;
- (e) maintain the books and records in accordance with past practice;
- (f) not make any payment, loans, advances or capital contributions to any Person;
- (g) not (A) make, change or revoke, or permit the Company to make, change or revoke, any Tax election, or file or cause to be filed an amended Tax Return unless required by Law or (B) make, or permit the Company to make, any change in any Tax or accounting methods or policies or systems of internal accounting controls, except as required by Laws related to Taxes or accounting requirements;
- (h) not retain any employee, contractor or consultants;
- (i) not appoint or elect any officer or director;
- (j) not grant any bonus, severance or termination pay or any other compensation to any director, officer or manager or any other employee; and
- (k) comply in all material respects with all applicable Laws.

Notwithstanding the foregoing, Buyer acknowledges and agrees none of the foregoing interim period covenants shall restrict the operation of the operating subsidiaries of the Company in the ordinary course.

10.2 Access to Information. From the date hereof until the Closing, the Shareholders and the Company shall: (a) afford Buyer and its representatives reasonable access to and the reasonable right to inspect all of the assets, premises books and records, and other documents and data related to the Company; (b) furnish Buyer and its representatives with such financial, operating and other data and information related to the Company as Buyer or its representatives may reasonably request; and (c) instruct the representatives of the Shareholders and the Company to reasonably cooperate with Buyer in its investigation of the Company. No investigation by Purchaser or other information received by Purchaser shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Shareholders or the Company in this Agreement.

10.3 No Shop. From the date of this Agreement until terminated in accordance with Section 10.4, below, the Shareholders and the Company shall not solicit, respond to inquiries, provide any documentation to third parties, or otherwise engage in any discussion regarding the proposed sale of the Company Shares or the Captor Retail Shares to any person other than the Buyer, without the prior written consent of Buyer.

#### 10.4 Termination.

(a) Termination by Buyer. This Agreement may be terminated:

(i) By Buyer in Buyer's sole discretion if all conditions precedent to Buyer's performance of the Agreement as set forth in Section 8.2 of this Agreement have not been satisfied or, if permitted, waived prior to March 31, 2022; provided, however, that Buyer shall not be entitled to terminate the Agreement under this Section 10.4(a)(i) if Buyer is at that time in material breach of the Agreement.

(ii) By Buyer in Buyer's sole discretion if the Company or the Shareholders prior to the Closing or the Closing materially breaches any material representation, warranty, covenant or agreement of the Company or the Shareholders in this Agreement and such breach is not cured by the Company or the Shareholders within 30 days of receipt by the Company and the Shareholders of notice from Buyer specifying the breach.

(b) Termination by the Shareholders. This Agreement may be terminated:

(i) By the Shareholders in the Shareholders' sole discretion if all conditions precedent to the Shareholders' performance of the Agreement as set forth in Section 8.1 of this Agreement have not been satisfied or, if permitted, waived prior to March 31, 2022; provided, however, that the Shareholders shall not be entitled to terminate the Agreement under this Section 10.4(b)(i) if the Shareholders are at that time in material breach of the Agreement.

(ii) By the Shareholders in the Shareholders' sole discretion if Buyer makes any material misrepresentation, or materially breaches any warranty, covenant or obligation of the Shareholders in this Agreement and such breach is not cured by Buyer within thirty (30) days of receipt by Buyer of notice from the Company and the Shareholders specifying the misrepresentation or breach.

10.5 Remedies Upon Termination. Following termination of this Agreement pursuant to Section 8.4, neither the Company, the Shareholders nor Buyer shall have any further liability to each other provided that nothing herein shall relieve any party hereto from liability for any willful breach of any provision hereof

10.6 Notices. Notice to be given under this Agreement shall be sufficient and deemed delivered if in writing, as follows: (a) by personally delivering the notice to the party entitled to receive the notice; (b) by depositing the notice in the United States mail in a sealed envelope addressed to the party with postage prepaid, in which case notice shall be deemed given on the date of the mailing of the notice; (c) by Federal Express or any other overnight carrier, in which case the notice shall be deemed to be given as of the date the notice is sent; or (d) by electronic mail (provided that receipt is confirmed promptly thereafter) in which case the notice shall be deemed to be given as of the date the notice was sent by electronic mail. All notices to the Company shall be addressed to the Company

at the Company's registered office. All notices to the parties shall be sent to their last addresses and/or email addresses on file with the Company. Any party may specify a different address, by written notice to the other parties. The change of address shall be effective upon the Company's receipt of the notice of the change of address.

10.7 Severability. The unenforceability or invalidity of any provision of this Agreement shall not affect the enforceability or validity of any other provision.

10.8 Amendment and Waiver. This Agreement may be amended, or any provision of this Agreement may be waived, provided that any such amendment or waiver will be binding on Buyer only if such amendment or waiver is set forth in a writing executed by Buyer, and provided that any such amendment or waiver will be binding upon the Shareholders only if such amendment or waiver is set forth in a writing executed by the Shareholders. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a continuing waiver or as a waiver of any other breach.

10.9 Documents; Tax Free Reorganization. Each party will execute all documents and take such other actions as any other party may reasonably request in order to consummate the transactions provided for herein and to accomplish the purposes of this Agreement. In addition, each party shall take such actions and execute such documents as may be reasonably necessary to ensure that the transactions contemplated by this Agreement are treated as a tax free reorganization under Section 368 (or similar sections) of the Code, including, without limitation, restructuring the transactions contemplated by this Agreement as a merger or other transaction that qualifies for tax-free treatment under the Code.

10.10 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other. Delivery of executed counterparts to this Agreement by facsimile or other electronic means shall have the same force and effect as delivery of original signatures hereto.

10.11 Expenses. Each of the parties to this Agreement shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and the Transaction Documents and in the closing and carrying out of the transactions contemplated hereunder and thereunder, including, but not limited to, legal and accounting fees and expenses.

10.12 Construction. This Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Agreement shall be governed by, the Laws of the State of Delaware, without giving effect to provisions thereof regarding conflict of laws.

10.13 Headings. The subject headings of Articles and Sections of this Agreement are included for purposes of convenience only and shall not affect the construction or

interpretation of any of its provisions.

10.14 Assignment. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but will not be assignable or delegable by any party without the prior written consent of the other parties; provided, however, that nothing in this Agreement is intended to limit Buyer's ability to assign its rights or delegate its responsibilities, liabilities and obligations under this Agreement without the consent of the Company or the Shareholders (a) to a Person who does all of the following: (i) acquires or otherwise succeeds to all or substantially all of such party's business and assets; (ii) assumes all of such party's obligations hereunder or such party's obligations hereunder that arise after such assignment or delegation; and (iii) agrees to perform or cause performance of all such obligations when due; or (b) to any of its Affiliate; provided that no such assignment, delegation or transfer pursuant to clause (a) or (b) above will relieve the assigning, delegating or transferring party of any obligation hereunder. This Agreement will be binding on and inure to the benefit of the respective permitted successors and assigns of the parties. Any purported assignment, delegation or transfer not permitted by this Section is void.

10.15 Entire Agreement. This Agreement, and all the schedules and exhibits attached to this Agreement (all of which shall be deemed incorporated in the Agreement and made a part hereof), set forth the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, written or oral, of the parties hereto and shall not be modified or affected by any offer, proposal, statement or representation, oral or written, made by or for any party in connection with the negotiation of the terms hereof, and may be modified only by instruments signed by all of the parties hereto.

10.16 Publicity. The parties agree that they shall not issue any announcement or press release relating, directly or indirectly, to the transactions contemplated hereby unless such announcement or release is mutually agreed to by each of the parties hereto. Notwithstanding the foregoing, each party may release such information that is required of them pursuant to any Law; provided that such releasing party (prior to such release) immediately inform the other parties hereto regarding the requirement and content of such release

10.17 Mandatory Arbitration. Except with respect to injunctive and other equitable relief contemplated, any dispute, claim or controversy arising from or related in any way to this Agreement, or the interpretation, application, breach, termination or validity hereof, shall be settled exclusively by arbitration before three arbitrators in accordance with the Comprehensive Rules of Judicial Arbitration & Mediation Services ("JAMS"), except where those rules conflict with this Section 8.17, in which case this Section 8.17 shall control. The arbitration shall be held in Los Angeles, California. Each arbitrator shall be an attorney who has at least fifteen (15) years of experience corporate and intellectual property law or who was a judge of a court of general jurisdiction, shall be selected from JAMS's national roster of arbitrators, and a disclosure by such arbitrator shall reveal no conflicts of interest with respect to the dispute or the parties thereto (and any refusal to provide such disclosure or disclosure of any other conflict of interest shall

be grounds for removal of such arbitrator upon the request of any party to the dispute). Within ten (10) business days after service of an arbitration demand, the disputing parties shall each select one arbitrator. The two arbitrators selected shall, in turn, select the third arbitrator within ten (10) business days thereafter. If the arbitrators selected by the parties cannot agree on a third arbitrator, JAMS shall appoint such third arbitrator. All documents and information relevant to the claim or dispute in the possession of any party to the dispute shall be made available to any other party to the dispute not later than sixty (60) days after the demand for arbitration is served, and the arbitrators may permit such depositions or other discovery deemed necessary for a fair hearing. Subject to the indemnification rights set forth herein, the parties shall initially equally split the fees and costs of the arbitrators and JAMS related to such dispute. The existence and nature of the arbitration hearings and the size and nature of the arbitration award shall constitute confidential information of each party that is party to the arbitration. Notwithstanding the foregoing sentence, judgment on the decision of the arbitrators may be entered in any court having jurisdiction, and disclosure to such court of the terms of the dispute and arbitration award shall be permitted hereunder.

*[Signatures on following page]*

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

**CAPTOR CAPITAL CORP.**

By Signed "John Zorbas"  
Name John Zorbas  
Title CEO

**THREE HABITAT CONSULTING HOLDCO INC.**

By Signed "Aaron Serruya"  
Name Aaron Serruya  
Title ASO

"Shareholders"

Signed "Sydney Dunmore"  
Name: Sydney Dunmore

Signed "Julia Marguerite Hester"  
Name: Julia Marguerite Hester

Signed "Adam Wilks"  
Name: Adam Wilks

**FRUZER INC.**

By Signed "Aaron Serruya"  
Name Aaron Serruya  
Title ASO



**INDULGE INC.**

By Signed "Simon Serruya"  
Name Simon Serruya  
Title ASO

**2559923 ONTARIO INC.**

By Signed "Aaron Serruya"  
Name Aaron Serruya  
Title ASO

**JACKPOT INC.**

By Signed "Simon Serruya"  
Name Simon Serruya  
Title ASO