

CONVERTIBLE SECURITIES PURCHASE AGREEMENT

between

Global Care Capital Inc.

and

Mirabel Capital, Ltd

February 25, 2022

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THIS CONVERTIBLE SECURITIES PURCHASE AGREEMENT is dated February 25, 2022, and made **BETWEEN**:

- (1) **GLOBAL CARE CAPITAL INC.**, (the “**Company**”), a company existing under the laws of the Province of British Columbia and having its registered office at 789 West Pender Street, Suite 810, Vancouver, British Columbia, V6C 1H2 Canada; and
- (2) **MIRABEL CAPITAL, LTD.**, (the “**Investor**”), an exempted company with limited liability existing under the laws of the Cayman Islands.

RECITALS:

The Investor has agreed to invest an aggregate amount of up to US\$2,000,000 in the Company, and, in relation thereto, the Company has agreed to issue to the Investor convertible securities, in accordance with this Agreement.

NOW THEREFORE, the Parties agree as follows:

1. **Definitions and Interpretation**

1.1 **Definitions**

The following definitions apply in addition to the definitions set out elsewhere in this Agreement.

“**Actual Trading Day**” means a Trading Day on which trading actually takes place in the Shares on the CSE.

“**Added Tax**” means any sales tax, purchase tax, value added tax and legislation supplemental thereto or any other system of value added tax and any other similar turnover, sales or purchase, tax or duty levied by any other jurisdiction whether central, regional or local, any other goods or services tax and other similar tax in any jurisdiction.

“**Added Tax Liability**” has the meaning given to such term in Section 11.2.

“**Affiliate**” means, with respect to any person, any other person who, directly or indirectly, Controls, is (at any time) under common Control with, or is (at any time) Controlled by, the person.

“**Aggregate Convertible Security Amount Outstanding**” means, at any time, the aggregate of the Convertible Security Amount Outstanding at that time in relation to all of the Convertible Securities outstanding at that time.

“**Amount Outstanding**” means, at any time, the aggregate of:

- (A) the Aggregate Convertible Security Amount Outstanding at that time; and
- (B) all other amounts that are owed by the Company to the Investor in accordance with this Agreement.

“**Applicable Canadian Dollar Equivalent**” has the meaning given to that term in Section 4.5(A).

“**Applicable Conversion Price**” has the meaning given to that term in Section 4.5(A).

“Bid Exchange Rate” means the single daily (New York Time) U.S. Dollar – Canadian Dollar spot bid exchange rate as reported by, in the Investor’s discretion, Bloomberg L.P. or another internationally recognised reporting service (and which, by way of example, was expressed in the following format as of 10:05 am on December 28, 2021: “1.2794”).

“Block Trade” means a sale of Shares that has been negotiated with a third party buyer.

“C\$” or **“Canadian Dollars”** means the lawful currency for the time being of Canada.

“Canadian Dollar Equivalent” means the amount determined by multiplying the relevant Conversion Amount (for purposes of Sections 4.1(B), 4.1(D) and 10.8(B)), by the highest Bid Exchange Rate quoted in the period of five Vancouver Business Days ending on the relevant Conversion Notice Date (for purposes of Sections 4.1(B), 4.1(D) and 10.8(B)).

“Canadian Securities Commissions” means the securities commissions or other similar regulatory bodies of any applicable province or territory of Canada.

“Canadian Securities Laws” means all applicable securities laws in each of the provinces and territories of Canada and the respective regulations, rules and forms thereunder together with applicable orders, rulings and published policy statements of the Canadian Securities Administrators and the Canadian Securities Commissions in each of the provinces and territories of Canada.

“Canadian Securities Laws Legend” has the meaning given to that term in Section 5.4(A).

“CDS” means CDS Clearing & Depository Services Inc.

“CFPOA” has the meaning given to that term in Section 8.3(K).

“Closing” means each of the First Closing, the Second Closing and any Subsequent Closing.

“Closing Date” means each of the First Closing Date, the Second Closing Date and any Subsequent Closing Date.

“Contemplated Transactions” means the transactions contemplated in this Agreement, including each Closing, each Conversion and each issuance of Securities.

“Control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether (A) through ownership of voting securities, (B) through the power to appoint or remove a director, a manager or an executive officer, (C) by contract or (D) otherwise.

“Conversion” has the meaning given to that term in Section 4.1.

“Conversion Amount” has the meaning given to that term in Section 4.1(A).

“Conversion Date” has the meaning given to that term in Section 4.1(D).

“Conversion Notice” has the meaning given to that term in Section 4.1, and **“Conversion Notices”** has a corresponding meaning.

“Conversion Notice Date” has the meaning given to that term in Section 4.1.

“Conversion Shares” has the meaning given to that term in Section 4.1(E).

“Convertible Securities” means the First Convertible Security, the Second Convertible Security and any Subsequent Convertible Security, and **“Convertible Security”** means any one of them.

“Convertible Security Amount Outstanding” means, in relation to a Convertible Security, at any time, that part of the Principal Amount of such Convertible Security in respect of which Investor’s Shares have not yet been duly issued in accordance with this Agreement (including Sections 4 and 5) or which has not been duly repaid by the Company.

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

“CSE” means the Canadian Securities Exchange.

“Current Market Price” means, in respect of a Share at a particular date, the arithmetic average of the daily VWAPs per Share for the five consecutive Actual Trading Days ending on the Actual Trading Day immediately preceding such date.

“Deficiency” has the meaning given to that term in Section 16.11(A); and **“Deficient”** shall be construed accordingly.

“Direct Registration System” or **“DRS”** means the direct registration system of the Transfer Agent through which Shares may be held in electronic book-entry form.

“DRS Statement” means, as to any Shares held by a person, a statement produced by the Direct Registration System evidencing such Shares held by such person in the Direct Registration System.

“Disclosure Letter” means a letter of even date with this Agreement from the Company to the Investor that is described as the ‘Disclosure Letter’.

“E-mail Time” has the meaning given to that term in Section 16.7(D)(1).

“Event of Default” has the meaning given to that term in Section 12.1.

“Excluded Tax” means a Tax imposed by any jurisdiction on the Investor, or assessed against the Investor, as a consequence of the Investor being a resident of or organised or doing business in that jurisdiction, but not any Tax:

- (A) calculated on or by reference to the gross amount of a payment provided for under this Agreement or made pursuant to a Contemplated Transaction (without the allowance of a deduction); or
- (B) imposed as a result of the Investor being considered a resident of or organised or doing business in any country other than the United States of America as a result of the Investor being a party to this Agreement or entering into a Contemplated Transaction.

“Execution Date” means the date of mutual execution of this Agreement.

“FCPA” has the meaning given to that term in Section 8.3(K).

“Fee Shares” has the meaning given to that term in Section 3.1.

“Final Date” means the date as of which both:

- (A) this Agreement has been terminated in accordance with its terms; and
- (B) there is no Amount Outstanding.

“First Closing” has the meaning given to that term in Section 2.1.

“First Closing Conditions” means the conditions set out in Sections 6.1 and 6.4.

“First Closing Date” has the meaning given to that term in Section 2.1; and following the occurrence of the First Closing, the First Closing Date shall mean the date on which the First Closing actually occurred.

“First Convertible Security” has the meaning given to that term in Section 2.1.

“First Convertible Security Certificate” has the meaning given to that term in Section 2.1.

“Governmental Authorisation” means any authorisation, consent, license, permit or registration issued or granted by any Governmental Authority.

“Governmental Authority” means any Canadian, United States or other national, federal, provincial, state, territorial, municipal or local governmental, legislative, regulatory or administrative authority, agency or commission, any court, tribunal or judicial or arbitral body, including the CSE and the Canadian Securities Commissions.

“Group Company” means each of the Company and its Subsidiaries and **“Group”** means all of them.

“IFRS” means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

“Investor’s Brokerage Account” means the account of the Investor or the Sponsor, or the account the Investor’s or the Sponsor’s nominee or designee, at a broker-dealer that is a participant in CDS Clearing & Depository Services Inc. (whose nominee holding company is CDS & Co.), the details of which may from time to time be notified by the Investor to the Company.

“Investor’s Shares” means the Fee Shares, the Conversion Shares and the Reference Shares.

“Laws” means all laws (statutory and common law), regulations, judicial, governmental and administrative orders or determinations in any jurisdiction, and any Governmental Authority regulation, order, interpretation, guideline, policy, directive or ruling, including the Canadian Securities Laws and the U.S. Securities Laws, and **“Law”** has a correlative meaning.

“Listing Agreement” means the listing agreement between the CSE and the Company, in effect on the Execution Date.

“Listing Rules” means the policies of the CSE, and includes the provisions of the Listing Agreement, and **“Listing Rule”** has a corresponding meaning.

“Losses” means all losses, claims, damages, liabilities, awards, fines, penalties, demands and expenses, whether actual or contingent and whether existing or threatened (including all judgments, amounts paid in settlements, legal fees, costs and disbursements and other expenses incurred in connection with investigating, preparing or defending any action, claim, proceeding, suit or investigation, existing or threatened, and the costs of enforcement).

“Material Adverse Effect” means any change, effect, event, occurrence or state of facts that is, or would reasonably be expected to be, material and adverse on:

- (A) the assets, liabilities, results of operations, condition (financial or otherwise), business, or prospects of the Company or the Group taken as a whole;
- (B) the ability of the Company to perform its obligations under this Agreement;
- (C) the validity or enforceability against the Company of any material provision of any Transaction Document; or
- (D) the likely price or value of any of the Investor’s Shares.

“Materials” means any materials delivered or statements made by the Company or on behalf of the Company by any of its agents, officers, directors, employees or representatives in connection with, in, or pursuant to, any Transaction Document at any time (including, for the avoidance of doubt, the representations and warranties set out in Schedule 1), and the Public Record and any other continuous disclosure made by the Company in accordance with Canadian Securities Laws and the Listing Rules at any time.

“Maturity Date” means, in relation to any Convertible Securities issued pursuant to this Agreement, the date that is 24 months after the Closing Date on which the relevant Convertible Security was issued.

“Misrepresentation” has the meaning given in the *Securities Act* (Ontario).

“Money Laundering Laws” has the meaning given to that term in Section 8.3(L).

“New York Business Day” means a day, other than a Saturday or Sunday, on which banks in New York, New York, USA, are open for the general transaction of business.

“NI 45-102” means National Instrument 45-102 – Resale of Securities, as amended from time to time, and any successor instrument.

“NI 45-106” means National Instrument 45-106 – Prospectus Exemptions, as amended from time to time, and any successor instrument.

“NI 55-104” means National Instrument 55-104 – Insider Reporting Requirements and Exemptions, as amended from time to time, and any successor instrument.

“NI 62-104” means National Instrument 62-104 – Take-Over Bids and Issuer Bids, as amended from time to time, and any successor instrument.

“Non-Public Information” means any non-public fact or circumstance that, if made public, could be expected to have an effect upon the market price of the Shares, including any fact or circumstance that is a “material fact” or “material change” (as such terms are defined under Canadian Securities Laws) that has not been generally disclosed to the public.

“OFAC” has the meaning given to that term in Section 8.3(J).

“Party” means a party to this Agreement, and **“Parties”** means the parties to this Agreement, collectively.

“Potential Event of Default” means an event or circumstance which, with notice or passage or lapse of time or both, would constitute an Event of Default.

“Principal Amount” means, in relation to a Convertible Security, the principal amount of such Convertible Security being:

- (A) in relation to the First Convertible Security, US\$744,000;
- (B) in relation to the Second Convertible Security, US\$744,000; and
- (C) in relation to a Subsequent Convertible Security, an amount (in US\$) equal to 124% of the Purchase Price of such Subsequent Convertible Security,

in each case, as may be adjusted pursuant to this Agreement.

“Public Record” means the documents filed by the Company with the Canadian securities regulatory authorities under the Company’s profile on the SEDAR website (www.sedar.com).

“Purchase Price” means:

- (A) in relation to the First Convertible Security, US\$600,000;
- (B) in relation to the Second Convertible Security, US\$600,000; and
- (C) in relation to a Subsequent Convertible Security (if any), an amount designated by the Investor (in its sole discretion) and notified to the Company by the Investor, and set out in the relevant Convertible Security Certificate as the purchase price thereof, but not exceeding US\$800,000 in the aggregate together with the Purchase Prices of all other Subsequent Convertible Securities,

or such other amount as may be determined pursuant to this Agreement.

“Registered Holder” means, as to any Investor’s Shares at any time, the Investor or the Sponsor or the nominee of the Investor or the Sponsor in whose name such Investor’s Shares are registered as the holder thereof at such time in the Direct Registration System or otherwise.

“Regulation S” means Regulation S promulgated under the U.S. Securities Act.

“Relevant Person” means each of the Investor, the Sponsor, the Sponsor Affiliates, and Affiliates of any of those persons, and the respective directors, officers, members, shareholders, partners, employees, attorneys, agents and permitted successors and assigns of each of the foregoing and Affiliates of any of those persons.

“Second Closing” has the meaning given to that term in Section 2.2.

“Second Closing Conditions” means the conditions set out in Sections 6.2 and 6.4.

“Second Closing Date” means the date determined by the Investor and notified to the Company by the Investor during the period commencing on the Execution Date and ending on the date that is two Vancouver Business Days prior to the Second Closing Outside Date, such Second Closing Date in any event to be (A) no earlier than the First Closing Date, and (B) no later than the Second Closing Outside Date, subject to, and as may be postponed, deferred or otherwise modified under, the provisions of this Agreement; and following the occurrence of the Second Closing, the Second Closing Date shall mean the date on which the Second Closing actually occurred.

“Second Closing Outside Date” means the date falling 240 calendar days following the First Closing Date.

“Second Convertible Security” has the meaning given to that term in Section 2.2.

“Second Convertible Security Certificate” has the meaning given to that term in Section 2.2.

“Securities” means each of the Convertible Securities and the Investor’s Shares, and all of the foregoing collectively, and **“Security”** means any of the foregoing.

“Security Interest” means a charge, mortgage, lien, security interest, encumbrance, pledge, right of first refusal, pre-emptive right, title retention, trust arrangement, contractual right, right of call or set off or any other security arrangement.

“Security Structure Event” means any consolidation, sub-division, re-classification, re-designation or pro-rata cancellation of the Shares or any payment of an *in specie* dividend on the Shares by the Company or any distribution of Shares to holders of Shares other than by means of a rights issue or open offer.

“Share” means a common share in the capital of the Company, and **“Shares”** has a correlative meaning.

“Structured Financing Transaction” has the meaning given to that term in Section 8.2.

“Subsequent Convertible Security” has the meaning given to that term in Section 2.3.

“Subsequent Closing” has the meaning given to that term in Section 2.3.

“Subsequent Closing Conditions” means the conditions set out in Sections 6.3 and 6.4.

“Subsequent Closing Date” means each date designated by Investor (in its sole discretion) and notified to the Company by the Investor, which date (if any) may not be after the date falling 365 calendar days after the First Closing Date; and following the occurrence of a Subsequent Closing, the Subsequent Closing Date of such Subsequent Closing shall be the date on which such Subsequent Closing actually occurred. Notwithstanding anything in this Agreement to the contrary, the Investor shall have no obligation to (A) designate the date of a Subsequent Closing Date for any Subsequent Closing pursuant to this definition or (B) complete a Subsequent Closing (or any Subsequent Closing) unless and until the Investor notifies the Company of the Investor’s determination of the date of the Subsequent Closing Date for such Subsequent Closing (and, for clarity, in the event the Investor does so notify the Company in relation to a Subsequent Closing, the occurrence of such Subsequent Closing shall be on the terms and subject to the conditions of this Agreement). One or more Subsequent Closing Dates may be specified by the Investor (in which event one or more Subsequent Closings will occur in accordance with this Agreement).

“Subsidiary” has the meaning given to that term in the Corporations Act.

“Tax” means any tax, including any Added Tax, levy, charge, impost, duty, fee, deduction, excise, assessment, impost, compulsory loan or withholding, and any income, stamp or transaction duty, tax or charge, which is assessed, levied, imposed or collected by any Governmental Authority and includes any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of such items.

“Trading Day” means any day on which the Shares or other securities (as the case may be) may be traded on the CSE.

“Transaction Documents” means this Agreement, all amendments thereto, the Convertible Security Certificates, and any other documents that the Parties agree are Transaction Documents for the purposes of this Agreement.

“Transfer Agent” means the registrar and transfer agent of the Company, being National Securities Administrators Ltd, a corporation existing under the Laws of Province of British Columbia, as at the Execution Date.

“United States” or **“U.S.”** means, as the context requires, the United States of America, its territories and possessions, any state of the United States, and/or the District of Columbia.

“US\$” or **“US Dollars”** means the lawful currency for the time being of the United States of America.

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, together with the rules and regulations of the U.S. Securities and Exchange Commission thereunder, all as the same shall be in effect at the time, and any successor statute, rules and regulations.

“U.S. Person” has the meaning set forth in Rule 902 of Regulation S.

“U.S. Securities Act” means the United States Securities Act of 1933, together with the rules and regulations of the US Securities and Exchange Commission thereunder, all as the same shall be in effect at the time, and any successor statute, rules and regulations.

“U.S. Securities Laws” means the U.S. Securities Act, the U.S. Exchange Act and all other U.S. federal and state securities Laws, including the respective rules and regulations made thereunder together with applicable rules, policies, notices, discretionary rulings and orders issued by applicable securities regulatory authorities having application.

“Vancouver Business Day” means a day, other than a Saturday or Sunday, on which banks in Vancouver, British Columbia, Canada, are open for the general transaction of business.

“VWAP” means, in relation to a Trading Day, the volume weighted average price (in Canadian Dollars) of the Shares on the CSE on that Trading Day, as reported by Bloomberg, LP or, at the Investor’s election, another internationally recognised market data provider selected by the Investor, and rounded down to three decimal places.

1.2 **Additional Definitions**

The definitions set forth in Schedule 4 shall apply to the certain capitalized terms used in this Agreement, in addition to the definitions set out elsewhere in this Agreement.

1.3 **Interpretation**

The following rules of interpretation apply unless the context requires otherwise.

- (A) Headings are for convenience only and do not affect interpretation.
- (B) The singular includes the plural and vice versa.
- (C) A gender includes all genders.
- (D) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

- (E) Mentioning anything after “includes”, “including”, “for example”, or similar expressions, does not limit what else might be included.
- (F) References in this Agreement to “**this Agreement**” or any other documents are to this Agreement or those documents as amended, supplemented or replaced from time to time and include any document which amends, supplements or replaces them.
- (G) Any reference in this Agreement to a “**Party**” shall include a reference to that Party’s assigns expressly permitted under this Agreement, successors, and if applicable, and to the fullest extent permitted by applicable Law, to any administrator, administrative receiver, liquidator, manager or receiver or other similar officer appointed from time to time in respect of that Party.
- (H) A reference to a “**person**” includes an individual, corporation, partnership, limited liability partnership, trust, incorporated or unincorporated association or body, joint venture, limited liability company, joint stock company, Governmental Authority and other entity of any kind.
- (I) References to “**Sections**”, “**Schedules**” and “**Annexes**” are to clauses of, schedules to, and annexes to, this Agreement.
- (J) The Schedules and the Annexes are incorporated in and form an integral part of this Agreement.
- (K) References to “**issue**” (where such reference relates to a Share or Shares) and derivations thereof shall be construed as references to the words “issue and allot, credited as fully paid and non-assessable” and derivations thereof.
- (L) This Agreement must be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.
- (M) Any choice, permission, election, discretion or consent of the Investor may be exercised or given by the Investor in the Investor’s absolute discretion.
- (N) Except as otherwise expressly provided, references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other provision from time to time and shall include references to any provisions of which they are re-enactments (whether with or without modification).
- (O) A Closing shall be deemed to have occurred upon the payment by the Investor to the Company of the Principal Amount in respect of the Convertible Security to which such Closing relates.

1.4 **Payments**

Any payments required under this Agreement to be made by a Party to any other person must be made in immediately available funds to the account specified to the Party by that other person from time to time. The Investor may specify the account of, among other things, the Sponsor for payments required under this Agreement to be made to the Investor.

1.5 **Investor nomination**

If any payment is to be made or any Security issued by the Company to the Investor, the Investor may by notice to the Company specify a nominee or designee to receive the payment or the Security, and the obligation of the Company to make the payment or issue the Security is satisfied if it is made or issued to the specified nominee or designee. Without limiting the generality of the foregoing, the Investor may specify a nominee or designee who is a U.S. Person or a person within the United States to receive any such Security provided that the Investor at all times retains beneficial ownership of such Security while it is held by such nominee or designee, as the case may be, or the receipt of such Securities otherwise complies with the U.S. Securities Laws.

1.6 **Time for compliance**

- (A) Where, but for this Section 1.6(A), this Agreement requires the Company to perform an obligation on a day that is not a Vancouver Business Day, the Company must perform that obligation on the preceding Vancouver Business Day.
- (B) Where, but for this Section 1.6(B), this Agreement requires the Investor to perform an obligation on a day that is not a New York Business Day, the Investor must perform that obligation on the next New York Business Day or, in its discretion, the next New York Business Day that is also a Vancouver Business Day.

1.7 **Investor's Rights and Obligations**

Any obligation of the Investor, including a payment obligation, under this Agreement may, at the Investor's election, be performed, fulfilled or otherwise satisfied by the Sponsor, and the Company shall accept the performance, fulfillment or satisfaction of such obligation by the Sponsor in all respects.

2. **Payment for Convertible Securities**

2.1 **First Closing**

Subject to the provisions of this Agreement, including the satisfaction or waiver of the First Closing Conditions, on or prior to the tenth (10th) Vancouver Business Day following the Execution Date (the "**First Closing Date**"), the Company shall issue to the Investor an unsecured zero coupon convertible security (the "**First Convertible Security**") (which shall be represented by a certificate (a "**First Convertible Security Certificate**") substantially in the form of Annex A) with a principal amount equal to the Principal Amount and a maturity date of 24 months after the date of its issuance. In consideration of the issuance of the First Convertible Security, the Investor shall pay or cause to be paid to the Company, and the Company shall be deemed to have accepted payment of, an amount equal to the Purchase Price on the First Closing Date (the occurrence of such payment, the "**First Closing**").

2.2 **Second Closing**

Subject to the provisions of this Agreement, including the satisfaction or waiver of the Second Closing Conditions, on the Second Closing Date, the Company shall issue to the Investor an unsecured zero coupon convertible security (the "**Second Convertible Security**") (which shall be represented by a certificate (a "**Second Convertible Security Certificate**") substantially in the form of Annex A) with a principal amount equal to the Principal Amount and a maturity date of 24 months after the date of its issuance. In consideration of the issuance of the Second Convertible Security, the Investor shall pay or cause to be paid to the Company, and the Company shall be deemed to have accepted

payment of, an amount equal to the Purchase Price on the Second Closing Date (the occurrence of such payment, the “**Second Closing**”).

2.3 **Subsequent Closings**

Subject to the provisions of this Agreement, including the satisfaction or waiver of the Subsequent Closing Conditions, on each Subsequent Closing Date (if any), the Investor shall pay or cause to be paid to the Company, and the Company shall be deemed to have accepted payment of, the Purchase Price (the occurrence of such payment, the “**Subsequent Closing**”), and in consideration thereof, the Company on such date shall issue (and shall be deemed to have issued on the Subsequent Closing Date) to the Investor an unsecured zero interest convertible security (as to each Subsequent Closing, a “**Subsequent Convertible Security**”) (which shall be represented by a Convertible Security Certificate substantially in the form of Annex A) with a principal amount equal to the Principal Amount and a maturity date of 24 months after the date of its issuance.

2.4 **Aggregate Purchase Price**

The Investor shall not be required to pay an aggregate amount exceeding US\$2,000,000 for the purchase of Convertible Securities under this Agreement.

2.5 **Interest**

No interest is payable by the Company to the Investor in connection with the Convertible Securities except as provided in Section 12.6.

2.6 **Adjustments to payments**

All amounts payable by the Investor pursuant to this Agreement are subject to all set-offs and adjustments set out in this Agreement.

2.7 **Canadian Securities Laws**

The Company and the Investor agree that each Convertible Security issued under this Agreement shall constitute a “convertible security” within the meaning of the Listing Rules for purposes of the Listing Rules and a “convertible security” within the meaning of NI 45-102 for purposes of NI 45-102.

3. **Fee**

3.1 **Fee**

In consideration of the Investor’s agreement to undertake the First Closing, no later than immediately before the First Closing, the Company shall pay the Investor a non-refundable fee of US\$248,000, to be satisfied by way of issuance to the Investor of 6,339,872 Shares (the “**Fee Shares**”).

4. **Conversions and Repayment**

4.1 **Conversions of the Convertible Security**

Subject to the provisions of this Agreement, while there is an Aggregate Convertible Security Amount Outstanding, the Investor may, in its discretion, elect to convert the Aggregate Convertible Security Amount Outstanding or any part thereof into Shares by providing the Company with notice (each, a “**Conversion Notice**”; the date of each such notice, a

“Conversion Notice Date”; and each issuance of Conversion Shares, a **“Conversion”**) specifying:

- (A) such part of the Aggregate Convertible Security Amount Outstanding (or, as the case may be, the entire Aggregate Convertible Security Amount Outstanding as at such time) in relation to which the Investor requires the Conversion to occur (the **“Conversion Amount”**);
- (B) the Canadian Dollar Equivalent of the relevant Conversion Amount and the manner in which such amount was calculated by the Investor;
- (C) the Reference Date and the Conversion Price applicable to the Conversion;
- (D) the number of Shares (the **“Conversion Shares”**) that the Company must issue to the Investor in respect of the Conversion Amount. That number must be determined by dividing the Canadian Dollar Equivalent of the Conversion Amount (before giving effect to any set-offs under this Agreement) by the Conversion Price notified by the Investor pursuant to Section 4.1(C). If the resultant number contains a fraction, the number must be rounded down to the next lower whole number;
- (E) the date, determined by the Investor in its discretion, on which the Company must issue the Conversion Shares to the Investor (the **“Conversion Date”**) in respect of that Conversion, provided that the Conversion Date is any date that is subsequent to the Conversion Notice Date; and
- (F) the details of the Investor or its or the Sponsor’s designee or nominee to whom the Conversion Shares are to be delivered through the Direct Registration System in accordance with this Agreement (or, in the event that the Investor elects to receive the Conversion Shares into the Investor’s Brokerage Account, the details of the Investor’s Brokerage Account into which the Conversion Shares are to be delivered in accordance with this Agreement),

and, following the delivery of the Conversion Notice, the Company must effect the Conversion of the Conversion Amount specified in that Conversion Notice by issuing in accordance with this Agreement (including Sections 4 and 5 hereof), the number of Conversion Shares specified in that Conversion Notice on the Conversion Date specified in that Conversion Notice, in the manner specified in that Conversion Notice. Such Conversion Shares shall be issued by the Company at such time. For clarity, more than one Conversion may occur under this Agreement.

4.2 **Miscellaneous Conversion Notice Provisions**

- (A) In relation to any Conversion, the Investor may, in its sole discretion, by notice to the Company, amend the Conversion Notice in relation to that Conversion at any time prior to the Conversion Date specified in that Conversion Notice, to accelerate or postpone the Conversion Date (and the date specified in such notice as the accelerated or postponed Conversion Date shall thereafter be the Conversion Date applicable to that Conversion for purposes of this Agreement). The amendment of a Conversion Notice in accordance with this Section 4.2(A) shall not affect the Company’s obligation to effect the relevant Conversion or any of the Company’s obligations under this Agreement, including Sections 4.1, 10.8(B) and 10.8(C), except to the extent to which that Conversion Notice is so amended. For clarity, the Investor may amend a Conversion Notice or Conversion Notices on multiple occasions.
- (B) In relation to any Conversion, the Investor may, in its sole discretion, by notice to the

Company, revoke the Conversion Notice in relation to that Conversion at any time prior to the Conversion Date specified in that Conversion Notice, and in the event such Conversion Notice is revoked, the Company shall not effect that Conversion (and the Company shall not perform its obligations under Sections 10.8(B) and 10.8(C) in relation to that Conversion). For clarity, the revocation of a Conversion Notice shall not impair or otherwise limit the ability of the Investor to convert on a different occasion the Conversion Amount specified in the Conversion Notice so revoked (or any other part of the Aggregate Convertible Security Amount Outstanding or the entire Aggregate Convertible Security Amount Outstanding), the Investor's right to give a Conversion Notice or Conversion Notices on any later date or dates, or any of the Investor's other rights under this Agreement. For clarity, the Investor may revoke Conversion Notices on multiple occasions.

4.3 **Conversion at Maturity**

To the extent that as at a relevant Maturity Date there is a Convertible Security Amount Outstanding in relation to a Convertible Security, then, on the first Vancouver Business Day following such Maturity Date, the Company shall pay to the Investor an amount (in US\$) equal to such Convertible Security Amount Outstanding as at such Maturity Date.

4.4 **No Other Repayment**

Except as otherwise expressly stated in this Agreement, the Company may not repay all or any portion of any Convertible Security (in whole or in part) prior to the Maturity Date, without the consent of the Investor.

4.5 **Preservation of Conversion Price**

If at any time (1) the Company is unable to issue Conversion Shares on a Conversion Date (or any other date on which the Company may be required to issue Conversion Shares), in compliance with this Agreement, or is unable perform any of its obligations under Sections 10.8(B) and 10.10(C), for any reason, and/or (2) the issue of Conversion Shares on the Conversion Date in compliance with this Agreement, or the performance of any of its obligations under Sections 10.8(B) and 10.8(C), would impose a Regulatory Burden on the Investor, then, in each case, without limiting any other rights of the Investor under this Agreement, the Investor may (but is not required to), at any time, by written notice to the Company:

- (A) hold over the Conversion Price and as the case may be the Canadian Dollar Equivalent that would have applied to the Conversion (the "**Applicable Conversion Price**" and the "**Applicable Canadian Dollar Equivalent**", respectively); and
- (B) once the Company's inability to issue Conversion Shares in compliance with this Agreement, or to perform its obligations under Sections 10.8(B) and 10.8(C), as applicable, has been overcome, or the issue of Conversion Shares in compliance with this Agreement, or the performance of its obligations under Sections 10.8(B) and 10.8(C), as applicable, would not impose a Regulatory Burden on the Investor, as applicable, apply the Applicable Conversion Price and/or the Applicable Canadian Dollar Equivalent to determine the number of Conversion Shares that are then issuable and to the operation of Sections 10.8(B) and 10.8(C) (and, if the Applicable Conversion Price and/or the Applicable Canadian Dollar Equivalent is so applied by the Investor, the Company shall then issue such number of Conversion Shares in accordance with this Agreement and perform its obligations under Sections 10.8(B) and 10.8(C)).

4.6 **Ranking of Amount Outstanding**

The Amount Outstanding constitutes a direct and unsecured obligation of the Company ranking *pari passu* with other unsecured and unsubordinated obligations of the Company other than obligations preferred by Law.

4.7 **Sole Consideration**

The sole consideration that the Company is entitled to receive for the issuance of Conversion Shares (and, if applicable, Reference Shares) in relation to the Conversion of a Convertible Security shall be payment of the Purchase Price in respect of such Convertible Security at the applicable Closing, and the Investor shall have no obligation to make any other payments to the Company in relation to such Conversion Shares and Reference Shares.

4.8 **Listing Rules requirements**

Notwithstanding anything in this Agreement to the contrary, without limiting the Investor's other rights under this Agreement, if the CSE, any Canadian Securities Commission or any other Governmental Authority takes any action, whether formal or informal, that directly or indirectly challenges or impairs the rights of the Investor under this Agreement (but for the application of Section 16.11), then, insofar as this Agreement could in the reasonable opinion of the Investor be amended so as to avoid or remedy the relevant challenge or impairment, as the case may be, at the election of the Investor by notice to the Company, this Agreement will be deemed to be so amended so as to preserve the rights of the Investor under this Agreement (but for the application of Section 16.11). Upon the request of the Investor, to the extent permitted by Law, the Company will use its best efforts to contest any such action taken by the CSE, any Canadian Securities Commission or any other Governmental Authority.

5. **Requirements for the issue of Securities**

5.1 **News Releases and Regulatory Filings**

- (A) Without limiting the other obligations of the Company under this Agreement, the Company shall make all necessary news releases and regulatory filings in connection with this Agreement and the Contemplated Transactions in accordance with Canadian Securities Laws and the Listing Rules.
- (B) On the Execution Date, the Company shall issue a news release, through a customary distribution channel in Canada, in respect of the execution of this Agreement (including a description of the Contemplated Transactions), which news release shall be in a form reasonably acceptable to the Investor.
- (C) On the Execution Date, the Company shall duly complete, execute and post in electronic format to the website maintained by the CSE:
 - (1) a duly completed and executed Form 9 – Notice of Proposed Issuance of Listed Securities, in a form reasonably acceptable to the Investor; and
 - (2) a duly completed and executed Form 6 – Certificate of Compliance, in a form reasonably acceptable to the Investor.
- (D) On each Closing Date, the Company shall issue a news release, through a customary distribution channel in Canada, in respect of the related Closing, which news release shall be in a form reasonably acceptable to the Investor.

- (E) On each Closing Date, the Company shall provide the CSE with:
- (1) a letter from the Company confirming receipt of the proceeds from the sale of the Convertible Security arising at the relevant Closing;
 - (2) an opinion of counsel that the Securities issued or to be issued by the Company have been (or will be) duly issued and, in respect of the Securities that are Investor's Shares, are (or will be) outstanding as fully paid and non-assessable; and
 - (3) a copy of the Form 9, as posted to the website maintained by the CSE, with an appendix containing the information set out in Table 1B of the Form 9,

in each case, in a form reasonably acceptable to the Investor.

- (F) Within 10 calendar days of each Closing Date, the Company will duly complete, execute and file with the British Columbia Securities Commission in accordance with NI 45-106 and all other applicable Law and the Listing Rules, a Form 45-106F1 – Report of Exempt Distribution, provided that such form must be in a form acceptable to the Investor prior to filing.
- (G) Within 10 calendar days of the Execution Date, the Company will duly complete and file with the Canadian Securities Commissions in the provinces in which the Company is a “reporting issuer”, a “material change report” in the form of Form 51-102F3 - Material Change Report, provided that such form must be in a form acceptable to the Investor prior to filing.
- (H) Without prejudicing any provision of this Agreement, if the Company determines that a news release, regulatory filing or other disclosure of the Company is required under applicable Law to be disseminated in connection with this Agreement, including in respect of any Closing or issuance of Investor's Shares, the Company shall promptly inform the Investor of such determination and ensure that any such news release or other disclosure is reasonably acceptable to the Investor prior its dissemination thereof.

5.2 Settlement and Delivery

- (A) Except where otherwise directed in writing by the Investor, the Company shall ensure that all Investor's Shares, when issued, are received by the Investor (or a designee or nominee of the Investor or the Sponsor) in electronic form in the Direct Registration System by electronic registration of a book-entry position representing such Investor's Shares, registered in the name of the Investor (or a designee or nominee of the Investor or the Sponsor), in the accordance with the Investor's instructions. In addition, in relation to any issue of Investor's Shares being delivered in accordance with this Section 5.2(A), the Company shall (or shall cause the Transfer Agent to) deliver to the Investor (and, if the Investor is not the Registered Holder of such Investor's Shares, to such Registered Holder) a DRS Statement evidencing such Investor's Shares. The Company shall not issue Investor's Shares in certificated form without the prior consent of the Investor.
- (B) Notwithstanding anything in Section 5.2(A), in relation to any issuance of Investor's Shares at any time after the last date of the Statutory Hold Period applicable to such Investor's Shares, the Investor may, by notice to the Company (which notice for clarity may be given in the Conversion Notice relating to such issuance or otherwise), elect that such Investor's Shares be delivered into the Investor's Brokerage Account, in which event the Company shall ensure that such Investor's Shares, when issued,

are received by the Investor (or a designee or nominee of the Investor or the Sponsor) by electronic deposit into the Investor's Brokerage Account through the facilities of the CDSX system.

- (C) In relation to any issuance of Investor's Shares, the Company shall deliver to the Transfer Agent a duly prepared and executed treasury direction (in accordance with the Transfer Agent's requirements) directing the Transfer Agent to issue such Investor's Shares in accordance with this Agreement (I) on the Execution Date or, if the Execution Date is not a Vancouver Business Day, by no later than the first Vancouver Business Day following the Execution Date (in the case of the Fee Shares), and (II) on the Vancouver Business Day immediately prior to the Conversion Date (in the case of Conversion Shares and Reference Shares).
- (D) Notwithstanding anything in Section 5.2(A) or 5.2(B), the Investor may, by notice to the Company, elect in relation to any issuance of Investor's Shares to receive such Investor's Shares by any other format permitted under applicable Law, by way of electronic or physical settlement or otherwise (including electronic deposit into the Investor's Brokerage Account through the facilities of the CDSX system). Without limiting any of the Company's other obligations under this Agreement, if the Investor provides any such notice in relation to an issuance of Investor's Shares, the Company shall issue a treasury direction to the Transfer Agent directing the Transfer Agent to issue Investor's Shares in accordance with the settlement instructions set forth in such notice. If the Investor requests that any Investor's Shares be issued to the Investor's Brokerage Account or that any Shares held (including by the Investor, the Sponsor or any designee or nominee of the Investor or the Sponsor) outside the Investor's Brokerage Account be transferred into the Investor's Brokerage Account, and such Investor's Shares are not freely tradeable on the CSE, the Company shall, at the Investor's request, procure a "restricted" CUSIP/ISIN number for deposit of the Investor's Shares into the Investor's Brokerage Account and the Company shall duly prepare and execute a treasury direction directing the Transfer Agent to deposit the Investor's Shares through the facilities of the CDSX system into the Investor's Brokerage Account and/or provide such other assistance to the Investor as may be required. Unless the Investor provides such a request, none of the Investor's Shares shall have or be associated with a "restricted" CUSIP/ISIN number.
- (E) The Company shall be responsible for, and promptly pay, any Transfer Agent fees, CDS fees and other fees and costs with respect to any issuance of Investor's Shares.

5.3 U.S. Securities Law Matters

- (A) In relation to any Securities issued by the Company to the Investor or a nominee or designee of the Investor, none of the certificates evidencing such Securities issued shall, when issued or any time thereafter, bear (or, in the case of Securities held through DRS, none of the DRS Statements evidencing such Securities shall bear) a restrictive legend prescribed by, or otherwise be subject to stop transfer instructions or other transfer restrictions in relation to, the U.S. Securities Act or "blue sky" laws of the states of the U.S. In addition, in no event will Investor's Shares issued to or held in the Investor's Brokerage Account be subject to the U.S. Securities Law Legend or, except as expressly provided by Section 5.2(D), have or be associated with a "restricted" CUSIP/ISIN number.
- (B) The Investor acknowledges and agrees that the Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person except pursuant to an effective registration statement under the

U.S. Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

5.4 Canadian Securities Law Matters

- (A) Subject to Section 5.4(B), in relation to any Investor's Shares issued by the Company during the Statutory Hold Period applicable to such Investor's Shares, the Company and the Investor agree that the DRS Statement evidencing such Investor's Shares may bear a legend (the "**Canadian Securities Laws Legend**") when issued in the following form:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE ISSUE DATE OF THE SECURITY].

- (B) In relation to Investor's Shares issued by the Company after the end of the Statutory Hold Period applicable to such Investor's Shares, the DRS Statement evidencing such Investor's Shares shall not bear (and such Investor's Shares shall not otherwise be subject to) a Canadian Securities Laws Legend.
- (C) In relation to any Investor's Shares held by the Investor or any other Registered Holder at any time following the first Vancouver Business Day after the end of the Statutory Hold Period applicable to such Investor's Shares, upon request of the Investor or such other Registered Holder, the Company shall (or shall cause the Transfer Agent to) promptly (but in any event no later than two (2) Trading Days from the Company's receipt of notice of such request) remove the Canadian Securities Laws Legend from the DRS Statement evidencing such Investor's Shares, and deliver to the Investor or such other Registered Holder, as applicable, a DRS Statement evidencing such Investor's Shares that does not bear the Canadian Securities Laws Legend.
- (D) The Company and the Investor agree that each Convertible Security Certificate issued by the Company may, when issued, bear the Canadian Securities Laws Legend. In relation to each of the Convertible Security Certificates, upon request of the Investor at any time following the date that is four months and one calendar day after the relevant issue date of such certificate, the Company shall promptly (but in any event no later than two (2) Trading Days from the Company's receipt of notice of such request) remove the Canadian Securities Laws Legend from such certificate, and deliver to the Investor a replacement Convertible Security Certificate, as applicable, that does not bear the Canadian Securities Laws Legend.
- (E) The Company and Investor agree that, solely for purposes of NI 45-102 (and, for clarity, without modifying any provision of this Agreement by implication or otherwise), in respect of each Convertible Security, the Investor shall be deemed to be entitled to acquire all of the Conversion Shares and Reference Shares that are issued or could be issued in relation to such Convertible Security, on the applicable Closing Date in relation to such Convertible Security.
- (F) For the avoidance of doubt, nothing in this Section 5.4 or the defined terms used herein shall by implication or otherwise be limited, impaired or otherwise affected by the assignment of this Agreement and/or any of the Investor's rights and obligations under this Agreement, or the sale, assignment or transfer of the Securities, to any Affiliate of the Investor.

- (G) The Company shall be responsible for, and promptly pay, any Transfer Agent fees, CDS fees and other fees and costs with respect to the removal of the Canadian Securities Laws Legend in relation to any Securities in accordance with this Agreement.

5.5 Listing

In relation to each issuance of Investor's Shares, the Company shall promptly take all actions required under Canadian Securities Laws and the Listing Rules in respect of such issuance of Investor's Shares. Without prejudice to the rights and remedies under Section 12, the Company shall use its best efforts to ensure that, at all times, the Shares and all Investor's Shares are listed and posted for trading on the CSE (and constitute listed securities within the meaning of the Listing Rules) and are freely tradeable on the CSE (disregarding, solely for purposes of this Section 5.5, the Canadian Securities Laws Legend at any time prior to the expiration of the Statutory Hold Period applicable to any such Investor's Shares), including taking all steps necessary to ensure the Investor's Shares are listed on CSE in accordance with the Listing Rules, including filing all documents required in compliance with the Listing Rules and promptly providing copies of such documents to the Investor if required by the Investor. If the Shares are suspended from trading or delisted for trading on the CSE, the Company is designated by the CSE as an "inactive issuer" (as such term is defined in the Listing Rules), or if the Company is required to take any action by any Law to ensure that the Shares or any Investor's Shares are freely tradeable on the CSE, the Company shall use its best endeavours to lift such suspension, remove such inactive status, or re-obtain the listing of such Shares on the CSE, or (if the Company has complied with the foregoing obligations but such suspension, inactive status or delisting has not been rectified) such other stock exchange as may be acceptable to the Investor.

5.6 Ownership Limit

- (A) In relation to any Conversion, in no event shall the relevant Conversion Notice specify an aggregate number of Conversion Shares (and, if applicable, Reference Shares) therein, that in each case would result in the Investor, at the time immediately after the issuance of the Conversion Shares (and, if applicable, Reference Shares) set forth in that Conversion Notice having beneficial ownership of, or control or direction over, whether direct or indirect, Shares in excess of 9.9999% of the number of Shares outstanding immediately after giving effect to such issuance.
- (B) For purposes of this Section 5.6, the determination of the aggregate number of Shares beneficially owned by the Investor, or over which the Investor controls or directs, as applicable, and the number of Shares outstanding immediately after giving effect to the relevant issuance, shall include the number of Conversion Shares (and, if applicable, Reference Shares) specified in the relevant Conversion Notice (having regard to Section 5.6(A)), and shall exclude the number of Conversion Shares (and, if applicable, Reference Shares) issuable in relation to the Aggregate Convertible Security Amount Outstanding at the time of the determination. For purposes of this Section 5.6, beneficial ownership, or control or direction over, shall be determined in accordance with NI 55-104, NI 62-104, and the Listing Rules, subject to the immediately preceding sentence and the application of the limitation set forth in this Section 5.6.
- (C) The Investor shall have the sole authority and responsibility to determine whether the limitation set forth in this Section 5.6 applies to any Conversion Notice and the related Conversion, and in the event the Investor determines that the limitation set forth in this Section 5.6 applies to a Conversion Notice and the related Conversion, the determination of the aggregate number of Conversion Shares (and, if applicable,

Reference Shares) that may be specified in such Conversion Notice shall be made solely by the Investor. For any reason at any time, from time to time, upon written or oral request of the Investor, the Company shall, within one Vancouver Business Day of such request, confirm orally and in writing to the Investor the number of Shares then outstanding. Nothing contained herein shall restrict any of the rights of the Investor under this Agreement, including the right of the Investor to deliver Conversion Notices to the Company, or the validity of any issuance of Shares. The limitation set forth in this Section 5.6 may be waived by the Investor, at its election, upon not less than sixty-one (61) calendar days' prior notice to the Company.

5.7 Requirements for all issues

If any of the requirements of this Section 5 or Section 10.9 are not satisfied in any respect in connection with any issuance of any Securities, then those Securities are deemed not to have been issued by the Company in accordance with or for the purposes of this Agreement, and the Company's obligation to issue the Securities is deemed to not have been discharged, and any amount paid or prepaid by the Investor in respect of such Securities (and/or, as the case may be, the relevant Conversion Amount in respect of which such Securities were purported to have been issued) remains part of an Amount Outstanding; unless any of the foregoing is waived by the Investor in writing at any time.

6. Conditions Precedent to Contemplated Transactions

6.1 Specific conditions precedent to the First Closing – Investor

The Investor has no obligation to effect the First Closing under Section 2.1 unless and until the following conditions are satisfied in the Investor's sole discretion, or waived in writing by the Investor, by no later than immediately before the First Closing:

- (A) the Company has delivered to the Investor:
 - (1) a copy of resolutions substantially in the form of Annex B duly passed by the board of directors of the Company authorising the entry into and performance of this Agreement and the Contemplated Transactions;
 - (2) a certificate dated the First Closing Date substantially in the form of Annex C executed by its Chief Executive Officer;
 - (3) the flow of funds request, substantially in the form of Annex D, in respect of the First Closing; and
 - (4) a duly executed Convertible Security Certificate dated the First Closing Date, in respect of the First Convertible Security;
- (B) the Company has appointed an auditor that meets the professional standards of auditors in Canada and is a "participating audit firm" as defined in National Instrument 52-108 – Auditor Oversight, and the Company has provided the Investor with evidence satisfactory to the Investor of such appointment;
- (C) the Company has duly issued the Fee Shares in accordance with this Agreement; and
- (D) the Fee Shares have been listed and posted for trading on the CSE.

6.2 **Specific conditions precedent to the Second Closing – Investor**

The Investor has no obligation to effect the Second Closing under Section 2.2 unless and until the following conditions are satisfied in the Investor's sole discretion, or waived in writing by the Investor, by no later than one New York Business Day before the Second Closing:

- (A) the Company has delivered to the Investor:
 - (1) a certificate dated the Second Closing Date substantially in the form of Annex C executed by its Chief Executive Officer;
 - (2) the flow of funds request, substantially in the form of Annex D, in respect of the Second Closing; and
 - (3) a duly executed Convertible Security Certificate dated the Second Closing Date, in respect of the Second Convertible Security;
- (B) the Company has duly issued all Securities which are required by this Agreement to be issued before the Second Closing, in accordance with this Agreement;
- (C) all of the Investor's Shares issued before the Second Closing have been listed and posted for trading on the CSE; and
- (D) the First Closing has occurred.

6.3 **Specific conditions precedent to each Subsequent Closing – Investor**

The Investor has no obligation to effect a Subsequent Closing under Section 2.3 unless and until the following conditions are satisfied in the Investor's sole discretion, or waived in writing by the Investor, by no later than one New York Business Day before the relevant Subsequent Closing:

- (A) the Investor has delivered notice to the Company designating each of the date of the Subsequent Closing Date and the amount of the Purchase Price in respect of the relevant Subsequent Closing;
- (B) if requested by the Investor, the Company has delivered to the Investor:
 - (1) a certificate dated the relevant Subsequent Closing Date substantially in the form of Annex C executed by its Chief Executive Officer; and
 - (2) the flow of funds request, substantially in the form of Annex D, in respect of the relevant Subsequent Closing;
 - (3) a duly executed Convertible Security Certificate dated the relevant Subsequent Closing Date, in respect of the relevant Subsequent Convertible Security;
- (C) the Company has duly issued all Securities which are required by this Agreement to be issued before the relevant Subsequent Closing, in accordance with this Agreement; and
- (D) all of the Investor's Shares issued before the relevant Subsequent Closing have been listed and posted for trading on the CSE.

6.4 **General conditions precedent to each Contemplated Transaction – Investor**

The Investor has no obligation to effect any Closing, except any issue of Securities or consummate any other Contemplated Transaction unless and until the following conditions are satisfied in the Investor's sole discretion, or waived in writing by the Investor, by no later than immediately before the time the Contemplated Transaction is due to be consummated.

- (A) The Company has performed, or complied in all respects with, all obligations required by this Agreement to be performed or complied with by the Company as at, or prior to, the Contemplated Transaction (including the obligations under Sections 5.1 to 5.5 and 10.9 in relation to all prior issuances of Securities to the Investor).
- (B) Where the Contemplated Transaction is a Closing, a Conversion or an issue of Securities, the Company is ready, willing and able to perform (in accordance with all applicable Laws) and comply in all respects with, those requirements of Sections 5.1 to 5.5 and 10.9 which apply in respect of such Closing, such Conversion or such issue of Securities.
- (C) The board of directors of the Company has passed resolutions approving the Transaction Documents and the Contemplated Transactions, to the extent to which such approvals are, in the reasonable opinion of the Investor, or pursuant to any Law, required for the consummation of the Contemplated Transaction.
- (D) All consents, permits, approvals, registrations, waivers and documents, in the reasonable opinion of the Investor, necessary or appropriate for the consummation of the Contemplated Transaction have been issued and received by the Investor, and remain in full force and effect.
- (E) No Event of Default or Potential Event of Default would occur as a consequence of the Contemplated Transaction or has occurred (irrespective of whether it has been remedied or any grace period has expired).
- (F) The consummation of the Contemplated Transaction would not result in the Company or the Investor being in breach of any Law.
- (G) The Investor has received copies of such additional documents as the Investor may reasonably request or as are customary in Canada to effect the Contemplated Transaction.
- (H) Where the Contemplated Transaction is a Closing, the Investor (in its absolute discretion) is satisfied that the Company has sufficient authority to issue Shares to enable Conversion in full (including the issuance of Reference Shares that could be issued in connection therewith) of each Convertible Security issued prior to such Closing, as well as the Convertible Security to be issued at such Closing if such Closing were to occur.
- (I) Where a Contemplated Transaction may not be effected under Canadian Securities Laws or the Corporations Act in the absence of obtaining approval of such Contemplated Transaction from the Company's shareholders, the Company has obtained such shareholder approval in accordance with applicable Laws and the Listing Rules.
- (J) Where a Contemplated Transaction is a Closing, the Closing Price on the second Trading Day immediately prior to such Closing is greater than C\$0.055.

- (K) The Investor has received such documents and evidence as the Investor may reasonably require to satisfy itself that the conditions in this Section 6.4 and (as the case may be) Sections 6.1, 6.2 and 6.3, have been satisfied.

6.5 Failure to meet conditions – issue of Securities

The Company shall not issue any Securities to the Investor without the prior consent of the Investor if on the issue of the Securities any of the conditions in the foregoing provisions of this Section 6 have not been fulfilled, or waived by the Investor. Any such issuance is deemed not to have been undertaken in accordance with or for the purposes of this Agreement, the Company's obligation to issue the Securities is deemed to not have been discharged, and any amount paid or prepaid by the Investor in respect of such Securities (and/or, as the case may be, the relevant Conversion Amount in respect of which such Securities were purported to have been issued) constitutes part of an Amount Outstanding; unless any of the foregoing is expressly waived by the Investor at any time.

6.6 Requirement to fulfil conditions

- (A) The Company shall cause the conditions set out in Sections 6.1, 6.2, 6.3 and 6.4 to be fulfilled by the times required by those Sections.
- (B) Without prejudice to Section 6.6(A), in the event that a Closing is unable to occur on the Closing Date of such Closing as a result of failure of any of the conditions set out in Sections 6.1, 6.2, 6.3 and 6.4, as applicable, to be fulfilled by the times required by those sections, then the Investor may, by notice to the Company, postpone the Closing Date of such Closing until such date as all such applicable conditions are fulfilled (in the opinion of the Investor acting reasonably) or waived in writing by the Investor.

6.7 Conditions precedent to each Closing – Company

The Company has no obligation to consummate a Closing unless the representations and warranties of the Investor contained in this Agreement are true and correct in all material respects as of the date or dates as of which they are made or deemed to be made or repeated under this Agreement other than where the requirement to give such representations and warranties or a breach of those representations and warranties has been waived in writing by the Company.

7. Representations and Warranties

7.1 Representations and warranties by the Company

The Company represents and warrants to the Investor each of the statements set out in Schedule 1, and acknowledges that the Investor is relying on such representations and warranties in connection with the Contemplated Transactions.

7.2 Representations and warranties by the Investor

The Investor represents and warrants to the Company each of the statements set out in Schedule 2, and acknowledges that the Company is relying on such representations and warranties in connection with the Contemplated Transactions.

7.3 Deemed repetition

Each of the representations and warranties made pursuant to this Section 7 is deemed to be made on the Execution Date and (except where it is expressly qualified as having been

made only as of a particular date) repeated at each Closing and on each Conversion Date, by reference to the facts and circumstances subsisting at each such time.

7.4 **Party's reliance**

Each Party (first Party) acknowledges that the other Party has entered into this Agreement in reliance on the representations and warranties of the first Party in this Agreement.

7.5 **Construction of representation and warranties**

Each representation and warranty of a Party is to be construed independently of the others and is not limited by reference to any other representation or warranty.

7.6 **Disclosures and limitations**

The representations and warranties of the Company under Section 7.1 set out in Schedule 1:

- (A) are not limited in any way by any knowledge of, or information obtained by, the Investor or its advisers or representatives; and
- (B) are qualified only to the extent expressly set out in Schedule 3.

7.7 **Notice**

A Party (first Party) must immediately notify the other Party upon becoming aware of any breach of any representation or warranty given by the first Party under this Agreement.

7.8 **Breach of representation or warranty**

A Party is in breach of this Agreement if any of the statements it represents and warrants pursuant to this Section 7 is untrue, incorrect or misleading, including by omission.

8. **Conduct of affairs**

8.1 **Conduct of business**

The Company must, and must cause each of the Group Companies to, conduct its business in a proper and efficient manner in accordance with good commercial practice, and ensure that for so long as there is any Amount Outstanding, the voting and other rights attached to the Shares (or any other securities of a Group Company) are not altered in a manner which, in the opinion of the Investor, is materially prejudicial to the Investor.

8.2 **Structured Financing Transactions**

From the Execution Date until the date that is 90 calendar days after the Final Date, the Company shall not effect, or enter into any agreement to effect any "**Structured Financing Transaction**", that is a transaction generally referred to as an equity line of credit, a controlled placement agreement, a stand-by equity distribution agreement, an equity swap, an equity sharing agreement, a subscription agreement for prepaid equity, or a convertible security, note or loan or any other transaction with a third party, in which the Company issues or sells:

- (A) any debt, equity or equity-linked securities that are convertible into, exchangeable or exercisable for, or include the right to receive Shares:

- (1) at a conversion, exercise or exchange rate, or other price that is based on, and/or varies with, the trading prices of, or quotations for, the Shares; or
 - (2) at a conversion, exercise or exchange rate, or other price, that is subject to being reset at some future date after the initial issuance of such debt, equity or equity-linked security or upon the occurrence of specified or contingent events; or
- (B) any securities in a capital or debt raising transaction or series of related transactions which grant to an investor the right to receive additional securities based upon future transactions of the Company on terms more favourable than those granted to such investor in such first transaction or series of related transactions.

For the avoidance of doubt, none of rights issuances, share buy-backs, convertible securities, or equity issuances or offers, each at a fixed price per Share, is a Structured Financing Transaction.

8.3 Other negative covenants

For so long as the Investor holds any Securities or there is any Amount Outstanding, other than as disclosed in the Disclosure Letter, the Company shall not, and shall ensure that each Group Company does not (and, in relation to sub-Sections (J), (K) and (L) below, the officers, directors, employees, and agents acting on behalf of the Company or any Group Company do not), directly or indirectly, without the Investor's written approval:

- (A) dispose, in a single transaction or in a series of transactions, of all or any part of its assets unless such disposal (1) is in the ordinary course of business, on arm's length terms and for fair market value, or (1) is outside the ordinary course of business and is solely in respect of non-core assets to the business of the Group at the time of such disposal;
- (B) reduce its paid-up or stated capital, issued share capital or any uncalled liability in respect of its issued capital, except by means of a purchase or redemption of the share capital that is permitted under the Corporations Act;
- (C) undertake any consolidation, pro rata cancellation, re-classification, re-designation or sub-division of its share capital, other than as contemplated by this Agreement or, in the case of a consolidation, as required by the CSE;
- (D) change the nature of its business;
- (E) change its transfer agent, or allow its transfer agent to not be a CDS participant;
- (F) incur indebtedness that ranks, or is expressed to rank, senior to, or *pari passu* with, the Company's payment obligations under this Agreement, other than the incurrence of senior or *pari passu* indebtedness in an amount that does not exceed C\$2,000,000 in the aggregate at any one time;
- (G) grant or suffer to exist any Security Interest over assets of a Group Company in relation to the indebtedness described in sub-Section (F) above;
- (H) propose or enter into any plan or scheme of arrangement with its creditors;
- (I) transfer the jurisdiction of its incorporation;

- (J) conduct any dealings, directly or indirectly, with any person subject to Canadian, U.S., U.K., EU or Australian economic sanctions, including any person listed on the List of Specially Designated Nationals and Blocked Persons administered by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), or any person owned or controlled by, or acting on behalf of, any person subject to such sanctions, and any person, country or regime the subject of sanctions under applicable Law;
- (K) offer or make any bribe, kickback, or any other type of payment or confer any benefit that would be unlawful under any Law applicable to either Party or its agent, including the Canadian Corruption of Foreign Public Officials Act (the "**CFPOA**"), the Criminal Code (Canada), the U.S. Foreign Corrupt Practices Act of 1977 (the "**FCPA**"), the U.K. Bribery Act 2010 and the Criminal Code Act 1995 (Commonwealth of Australia);
- (L) act in contravention of any applicable financial record-keeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Government Authority ("**Money Laundering Laws**"), including the Canadian Proceeds of Crime (Money Laundering) and Terrorist Financing Act, the Anti-Money Laundering and Counter-Terrorism Financing Regulations 2008 (Commonwealth of Australia) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (United Kingdom); or
- (M) enter into any agreement with respect to any of the matters referred to in sub-Sections (A) – (L) above.

For the avoidance of doubt, the Investor shall not approve any activity described in sub-Section (K) above. For the further avoidance of doubt, the Investor shall not approve any activity described in sub-Sections (J) and (L) above unless the Company or the Group Company has received prior written authorisation to engage in such activity by the relevant Governmental Authority.

8.4 Use of proceeds

- (A) The Company must use the funds received from the Investor under this Agreement for general corporate and working capital purposes that are reasonable in light of the nature of the Company's business as at the Execution Date, and not, among other things, for dividend payments, or the repayment or redemption of any indebtedness or obligations or interests held by any security holders.
- (B) The Company will not use the funds received from the Investor under this Agreement in any manner that would cause the Company, the Investor, or any Affiliate of the Company or the Investor, to violate any applicable Laws, including any Money Laundering Laws, the foreign asset control regulations administered by OFAC or the U.S. Department of State, the CFPOA, the Criminal Code (Canada) or the FCPA.

8.5 Integration

The Company must not, and must ensure that its Affiliates do not, and all persons acting on its or their behalf do not, directly or indirectly, sell, offer for sale or solicit offers to buy, or otherwise negotiate in respect of, any security, in a manner, or under circumstances, that:

- (A) will adversely affect reliance by the Company on the provisions of Rule 903 of Regulation S for the exemption from registration for the Contemplated Transactions including, without limitation, the offer and sale of the Securities to the Investor;

- (B) will require registration of the sale of the Securities under the U.S. Securities Act; or
- (C) will cause such offer or solicitation to be deemed integrated with the offering of the Securities to the Investor, whether under the U.S. Securities Act or otherwise.

8.6 **Miscellaneous**

- (A) The Company must not undertake any action to permit the Company or any of its securities to be listed or quoted on any financial market, quotation system, or stock exchange, other than the CSE, and the Frankfurt Stock Exchange, without the Investor's prior written consent.
- (B) The Company must not voluntarily register a class of equity securities under the U.S. Exchange Act, and shall not, by the taking of any action or by omission to take action, be required to file reports pursuant to Section 13 or Section 15 of the U.S. Exchange Act.
- (C) In addition to any other obligations of the Company under this Agreement, the Company must (to the extent permitted by Law):
 - (1) promptly notify the Investor of the Company's or any of its attorney's' or adviser's receipt of any written or oral correspondence from any Canadian Securities Commission, the CSE or any other Governmental Authority (or any of their respective attorneys or advisers) relating to this Agreement or the Contemplated Transactions;
 - (2) promptly provide the Investor with copies of any correspondence to or from any Canadian Securities Commission, the CSE or any other Governmental Authority (or any of their respective advisers), and, in the case of oral correspondence, written summaries thereof, relating to this Agreement or the Contemplated Transactions; and
 - (3) consult with the Investor prior to corresponding, in writing or orally, with the any Canadian Securities Commission, the CSE or any other Governmental Authority (or any of their respective attorneys or advisers) regarding this Agreement or the Contemplated Transactions, to the extent not prohibited by Law, and give reasonable and good faith consideration to any comments or other input provided by the Investor.
- (D) The Company agrees that any event, circumstance or occurrence that is beyond its control, including acts of God, flood, drought, earthquake or other natural disasters, or epidemics or pandemics (including coronavirus COVID-19 or any evolution or variant thereof), and/or any action taken by any Governmental Authority in connection therewith and/or the consequences of any such action:
 - (1) shall not relieve the Company from any of its obligations or liabilities under any Transaction Document or in respect of any Contemplated Transactions; and/or
 - (2) shall not entitle the Company to terminate or rescind any Transaction Document in whole or in part or claim that any Transaction Document (or any part thereof) is void, invalid or frustrated under any Law or otherwise.

8.7 **Maintenance of Share registry**

Unless so required by applicable Law, the Company must not close its Share register or take any other action which prevents the transfer of its Shares or warrants generally.

8.8 **Publicity and confidentiality**

- (A) This Agreement, its subject matter and content, the Contemplated Transactions, and any non-public information provided by the Investor to the Company (including the terms of any Transaction Documents) are confidential information of the Investor. The Company must not, and must cause its Affiliates and all persons acting on behalf of the Company and any of its Affiliates not to, issue any news release or announcement concerning any such confidential information or otherwise disclose to any person such confidential information, in each case, without the prior written consent of the Investor, which consent must not be unreasonably withheld or delayed where the news release or announcement is proposed to be made pursuant to Canadian Securities Laws, the Listing Rules or is otherwise required by Law.
- (B) The Company must not refer to the Investor or any of its Affiliates in any news release or announcement without the Investor's prior written consent.
- (C) The Investor has the right to review, approve and amend all news releases, press releases and public disclosure documents concerning the Investor, or any Transaction Documents or Contemplated Transactions, which are required to be issued by the Company under applicable Laws and/or the Listing Rules.
- (D) The Investor and its Affiliates and/or advisers may describe the Investor's relationship with the Company under this Agreement and include the name and corporate logo of the Company in the Investor's and its Affiliates' and/or advisers' publicly available materials.
- (E) Notwithstanding anything herein to the contrary, to comply with United States Treasury Regulations Section 1.6011-4(b)(3)(i), each Party to this Agreement, and each employee, representative or other agent of such Party, may disclose to any and all persons, without limitation of any kind, the U.S. federal and state income tax treatment, and the U.S. federal and state income tax structure, of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to such Party relating to such tax treatment and tax structure insofar as such treatment and/or structure relates to a U.S. federal or state income tax strategy provided to such recipient.

8.9 **Non-Public Information**

- (A) The Company must not, directly or indirectly, and must ensure that its Affiliates and agents and representatives do not, at any time after the date of this Agreement, without the prior consent of the Investor, disclose any Non-Public Information or material non-public information to a Relevant Person.
- (B) Where the Investor has consented to such disclosure, the Company must identify all Non-Public Information and material non-public information as such, and provide the Investor with the opportunity to accept or refuse to accept such information.

8.10 **Listing Rules**

The Company shall not adopt an interpretation of the Listing Rules or take any position in relation thereto in connection with any regulatory filing or communication that is contrary to or inconsistent with the rights and obligations of the Parties under this Agreement.

9. **Investor's activities**

9.1 **Investor's dealings in Securities**

- (A) The Investor may purchase and/or sell or otherwise dispose of any Securities, at any time (in compliance with applicable Laws, including Canadian Securities Laws and United States federal and state securities Laws) and hold or not hold any Securities for any term.
- (B) Nothing in this Agreement is or may be deemed to be a representation or warranty by the Investor which has the effect that:
 - (1) the Investor's right to sell or otherwise dispose of any of the Securities at any time (in compliance with applicable Laws, including Canadian Securities Laws and United States federal and state securities Laws) is limited; or
 - (2) the Investor is required to hold any Securities for any period of time, except as required by any applicable Laws.

9.2 **Acknowledgment**

The Company acknowledges and agrees that transactions in its securities by the Investor may impact the market prices of the Company's publicly-traded securities, including during periods when the prices at which the Company may be required to issue Investor's Shares are determined.

9.3 **Convertible Securities Register**

For so long as the Investor holds any Convertible Securities, the Investor must, on behalf of the Company, as the Company's attorney, maintain a register of the Convertible Securities showing the dates of issue, the Principal Amount and Convertible Security Amount Outstanding of each of the Convertible Securities, details of all Conversions and redemptions of the Convertible Securities, and (without limiting Section 16.5) all transfers and changes of ownership thereof and the names and addresses of the holder of the Convertible Security and any person deriving title under the Investor.

9.4 **No Shorting**

The Investor undertakes that it will not, and that it will cause its Affiliates not to, engage in short selling of the Shares.

10. **Additional obligations and agreements**

10.1 **No conflicting actions**

Subject to Section 10.2, no Party may take or omit to take any action, enter into any agreement, or make any commitment that would conflict or interfere in any material respect with its obligations to the other Party under this Agreement.

10.2 **Compliance with Laws**

The Company and the Investor must each comply with all applicable Laws.

10.3 **Further assurances**

The Company must:

- (A) take, or cause to be taken, all such further actions;
- (B) execute and deliver all such other agreements, certificates, instruments and documents; and
- (C) use its best endeavours to obtain (and refrain from taking any wilful action that would impede or delay obtaining) all third party consents, waivers, approvals (including all shareholder approvals referred to in this Agreement), authorisations and orders needed,

in each case, as may reasonably be required in order to consummate the Contemplated Transactions and to preserve and protect the rights of the Investor against impairment.

10.4 **Set-off**

- (A) The Investor may set off any of its obligations to the Company (whether or not due for payment), against any of the Company's obligations to the Investor (whether or not due for payment) under this Agreement and/or any Transaction Document.
- (B) The Investor may do anything necessary to effect any set-off undertaken in accordance with this Section 10.4 (including varying the date for payment of any amount payable by the Investor to the Company).

10.5 **Set-off exclusion**

All payments which are required to be made by the Company to the Investor must be made without, all Securities which are required to be issued by the Company to the Investor must be issued without, and the Aggregate Convertible Security Amount Outstanding must not be the subject of:

- (A) any set-off, counterclaim or condition; or
- (B) any deduction or withholding for Tax or any other reason, unless a deduction or withholding is required by Law (in which case Section 11.4 applies),

except as may otherwise be consented to by the Investor in writing.

10.6 **Transfer to the Investor's Brokerage Account**

In relation to any Investor's Shares held by the Investor or any other Registered Holder through DRS, the Company shall, upon the Investor's request, cooperate with the Investor or such other Registered Holder and provide any assistance to the Investor or such other Registered Holder as may be requested by the Investor or such other Registered Holder, to electronically deposit such Investor's Shares into the Investor's Brokerage Account through the facilities of the CDSX system, by way of physical or electronic settlement or otherwise.

10.7 **Rescission and withdrawal right**

Whenever the Investor provides a notice, or exercises a right, election or demand under this Agreement, and the Company does not perform its related obligations within the time periods provided in this Agreement, then the Investor may by notice to the Company rescind or withdraw the relevant notice, right, election or demand in whole or in part, without prejudice to its future actions and rights.

10.8 Adjustments

(A) For so long as there is any Amount Outstanding, if, during any five consecutive Trading Day period after the Execution Date, the Conversion Price that would have applied on each of those Trading Days (such Conversion Price determined, solely for purposes of this Section 10.8(A), as though each applicable Trading Day were a Reference Date in relation to which a Conversion Notice is issued) is equal to or less than C\$0.05, the Company shall, upon the request of the Investor, as soon as reasonably practicable (but in any event within 10 Vancouver Business Days of the Company's receipt of notice of such request) use its best efforts to effect a consolidation of the share capital of the Company, at a ratio whereby on the date such request was received by the Company, the Closing Price of the Shares would have been no less than C\$0.10, or such greater price as is reasonably determined by the Investor in consultation with the Company (provided that such greater price shall not, without the consent of the Company, exceed C\$0.20), had the consolidation been effective on such date. The Company shall not effect the consolidation contemplated by this Section 10.8(A) unless the Investor requests such consolidation. The Company shall take all actions necessary or advisable to ensure that its legal name and ticker symbol are not required to be changed under the Listing Rules, and do not change, in connection with any consolidation required by this Section 10.8(A).

(B) Notwithstanding any other provision in this Agreement, in the event (and on each occasion) that, upon exercise of any conversion rights, the Conversion Price would have been less than C\$0.05 at the time of such exercise but for the application of the Proviso, and without limiting the Company's obligation to issue Conversion Shares under this Agreement, the Company shall on the applicable Conversion Date, pay to the Investor a fee by way of an issuance of Shares (the "**Reference Shares**"), the number of such Shares to be determined in accordance with the following formula:

$$A = B - C$$

where:

"A" is the number of such Reference Shares to be issued;

"B" is the Canadian Dollar Equivalent of the Conversion Amount, divided by the Conversion Price that would have applied but for the application of the Proviso in accordance with the definition of Conversion Price (such Conversion Price to be notified by the Investor to the Company); and

"C" is the Canadian Dollar Equivalent of the Conversion Amount divided by C\$0.05,

provided that if the resultant number contains a fraction, such number shall be rounded down to the next whole number.

(C) Notwithstanding any other provision in this Agreement, the fee referred to in Section 10.8(B) may (at the Company's option) or shall (if the Company is unable to issue the Reference Shares for any reason) be satisfied by a payment in cash (in lieu of the issuance of Reference Shares) on the Conversion Date. Such amount of cash to be paid to the Investor shall be determined in accordance with the following formula:

A x B

where:

“A” is the number of Reference Shares determined pursuant to the formula in Section 10.8(B); and

“B” is the Current Market Price as at the Conversion Notice Date in relation to the relevant Conversion.

10.9 Shares

The Company undertakes that it will, for so long as there is an Aggregate Convertible Security Amount Outstanding or there are one or more Closings that could occur under the terms of this Agreement:

- (A) not modify the rights attaching to the Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Shares;
- (B) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, on any Closing Date or Conversion, Shares could not, under any applicable Law then in effect, be legally issued as fully paid and non-assessable;
- (C) subject to Section 8.3, not reduce its issued share capital, share premium account, or any uncalled liability in respect thereof, or any non-distributable reserves, except:
 - (1) pursuant to the terms of issue of the relevant share capital; or
 - (2) by way of transfer to reserves as permitted under applicable Law;
- (D) ensure that all of the Investor’s Shares will be fully paid and non-assessable;
- (E) ensure that all of the Investor’s Shares to be issued in connection with the Contemplated Transactions will rank *pari passu* with the then outstanding Shares;
- (F) ensure that all of the Investor’s Shares held in the Investor’s Brokerage Account are fungible with Shares held through participants at CDS;
- (G) ensure that all of the Investor’s Shares issued in connection with the Contemplated Transactions will be listed and posted for trading on the CSE as soon as practicable and (in any event) by no later than the Trading Day after the date of their issuance;
- (H) at all times ensure that there are sufficient authorised but unissued Shares available for issue to enable Conversion of the relevant Convertible Security in part or in full (including the issuance of Reference Shares that could be issued in connection therewith) in accordance with this Agreement (and without having to offer the same to any existing shareholders of the Company or anyone else), free from pre-emptive or other preferential rights or other rights or restrictions (whether by constating document, contract, statute or otherwise); and
- (I) continue to comply with all applicable Laws and Listing Rules relating to the Shares, and continue to make all applicable regulatory filings in respect of the listing of the Shares on the CSE and in accordance with Canadian Securities Laws and the Listing Rules.

11. **Taxes, stamp duty and withholdings**

11.1 **Taxes generally**

- (A) Without limiting anything else in this Agreement, if the Investor is required to pay any Tax to any Governmental Authority of Canada or any province of Canada (other than Excluded Tax) in respect of any payment it receives from the Company, the Company must pay to the Investor the additional amount which the Investor reasonably determines to be necessary to ensure that the Investor receives, when due, a net amount (after payment of any Tax in respect of each additional amount) that is equal to the full amount it would have received if that Tax had not been imposed on the Investor.
- (B) The Company must:
- (1) pay any Tax (other than Excluded Tax) required to be paid to any Governmental Authority of Canada or any province of Canada which is payable in respect of any Transaction Document or any Contemplated Transaction, including in respect of:
 - (a) the execution, delivery, performance, release, discharge, amendment or enforcement of any Transaction Document or any Contemplated Transaction; and
 - (b) any payment received by the Investor from the Company (including pursuant to any indemnity by the Company).

11.2 **Added Tax**

If the Investor is or becomes liable to pay any Added Tax in respect of any supply it makes under, in accordance with, or pursuant to an enforcement of, this Agreement or any Contemplated Transaction, whether or not that supply is made to or for the benefit of the Company ("**Added Tax Liability**") then:

- (A) to the extent that an amount is payable by the Company to the Investor under this Agreement or in any Contemplated Transaction for that supply, that amount will be increased by the full amount of the Added Tax Liability; and
- (B) otherwise, the Company must indemnify the Investor for the full amount of the Added Tax Liability and any interest or penalties in relation to that Added Tax Liability.

11.3 **Tax compliance by Company**

The Company must comply in all material respects with all applicable Laws relating to Tax and promptly file, or cause to be filed, all Tax returns, business activity statements, and other Tax filings, required under all applicable Laws, and the Company must, within five days after those amounts are required to have been paid, provide to the Investor written evidence of the payment of all Taxes, Added Tax Liability and stamp and other taxes which the Company is required to pay under this Agreement or under any other document to which the Company and the Investor are both parties.

11.4 **General withholding gross-up**

If the Company is required by Law to withhold or deduct Tax or any other amount from any amount payable to the Investor:

- (A) the Company must pay the amount required to be withheld or deducted to the relevant Governmental Authority within the time allowed for such payment and shall furnish to the Investor an official receipt of the relevant Governmental Authority for the amount withheld or deducted or if such receipts are not issued by the authority concerned, a certificate of deduction or equivalent evidence relating to such amount;
- (B) the Company must pay such additional amounts as are necessary to ensure that after making the deduction or withholding, the Investor receives the full amount which it would have received if such withholding or deduction was not required; and
- (C) the Company must (or, as the case may be, must procure that the relevant Group Company must), within five days after those amounts are required by Law to have been paid, provide to the Investor written evidence of the payment of those amounts.

12. **Default**

12.1 **Events of Default**

Each of the following constitutes an “**Event of Default**”:

- (A) The Company breaches or otherwise fails to comply in full with any of its obligations under any Transaction Document.
- (B) Any of the Materials is inaccurate, false or misleading in any material respect (including by omission), as at the date on which it is made, repeated or delivered, or deemed to be made, repeated or delivered, or any Materials or the Public Record contains a Misrepresentation.
- (C) The Company or any Subsidiary of the Company:
 - (1) is unable to pay its debts and satisfy its obligations when due, or stops, suspends or threatens to stop or suspend payment of all or a substantial part of its debts as they mature; or
 - (2) applies for or consents to the appointment of, or the taking of possession by, an administrator, liquidator, manager, receiver, custodian or other similar official in respect of the Company or any Subsidiary of the Company or over the whole or substantially all of the undertaking, property, assets or revenues of the Company or any Subsidiary of the Company; or
 - (3) commits an act of bankruptcy, or makes or proposes to make a general assignment for the benefit of creditors or a proposal under the Bankruptcy and Insolvency Act (Canada), the Companies’ Creditors Arrangement Act (Canada) or a similar Law of any applicable jurisdiction, or a moratorium is agreed or declared or comes into effect in respect of or affecting all or substantially all the debts of the Company or any Subsidiary of the Company; or
 - (4) commences or institutes any application, case, proceeding or other action under any statute, rule or regulation relating to bankruptcy, insolvency, winding-up, reorganization, administration, plans of arrangement, relief or protection of debtors under the Bankruptcy and Insolvency Act (Canada), the Companies’ Creditors Arrangement Act (Canada) or a similar Law of any applicable jurisdiction, seeking (w) to have an order for relief entered with respect to it, or (x) to adjudicate it as bankrupt or insolvent, or (y) reorganization, arrangement, adjustment, winding-up, liquidation, dissolution,

composition or other relief with respect to it or its debts, or (z) administrator, liquidator, manager, receiver, custodian or other similar official for it or for all or any substantial part of its assets; or

except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Investor or (ii) in the case of a Subsidiary of the Company, not arising out of the insolvency of such Subsidiary and under which all or substantially all of its assets are transferred to another member or members of the Group or to a transferee or transferees which immediately upon such transfer become(s) a Subsidiary of the Company.

(D)

(1) An administrator, liquidator, manager, receiver, custodian or other similar official is duly appointed, an order is made by a competent court or a resolution is proposed or passed or other proceeding is commenced for the winding-up or dissolution or judicial management or administration of the Company or any Subsidiary of the Company, or the Company or any Subsidiary of the Company suspends, ceases or threatens to suspend or cease to carry on all or substantially all of its business or operations, or

(2) the Company or any Subsidiary of the Company sells or disposes of all or a substantial part of its assets or business whether as a single transaction or a number of transactions, related or not, other than a disposal of assets or business on arm's length terms of the Company or such Subsidiary as the case may be,

except, in any such case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or other similar arrangement (i) on terms previously approved in writing by the Investor, or (ii) in the case of a Subsidiary of the Company, not arising out of the insolvency of such Subsidiary and under which all or substantially all of its assets are transferred to another member or members of the Group or to a transferee or transferees which immediately upon such transfer become(s) a Subsidiary of the Company.

(D) An application or order is made, a case, proceeding or other action is commenced, a resolution is passed or proposed in a notice of meeting, or an application to a court or other steps are taken, seeking (1) to adjudicate it as bankrupt or insolvent, (2) the reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (3) the appointment of an administrator, liquidator, manager, receiver, custodian or other similar official for it or for all or any substantial part of its assets

(E) A distress, attachment or execution is levied against, or an encumbrancer takes possession of all or a substantial part of the property or assets of the Company or all or a substantial part of the property or assets of any Subsidiary of the Company.

(E) A Group Company is served with a demand under applicable bankruptcy, insolvency or similar statutes.

(F) The Company or any of its Subsidiaries takes action to reduce its capital under the Corporations Act.

(G) Any Investor's Shares are not listed and posted for trading on the CSE by the second Trading Day immediately following the date of their issue.

- (H) A suspension of trading of the Shares on the CSE or a delisting of the Shares from the CSE is requested by the Company or requested or imposed by the CSE, any Canadian Securities Commission or another Governmental Authority or there exists any fact or circumstance which may have any such result, or trading in the Shares on the CSE is halted for more than seventy-two hours under the Listing Rules.
- (I) A temporary or permanent cease trade order is issued or threatened to be issued against the Company, a temporary or permanent management cease trade order is issued or threatened to be issued in relation to any director or officer of the Company.
- (J) The Company ceases to be, or the Company requests or applies to be cease to be, a “reporting issuer” under any Canadian Securities Laws, or becomes a “reporting issuer in default” or a “cease trading reporting issuer” under any Canadian Securities Laws.
- (K) Any Investor’s Shares are not, or would not be, freely tradeable on the CSE (disregarding, solely for purposes of this sub-clause (K), the Canadian Securities Laws Legend at any time prior to the expiration of the Statutory Hold Period applicable to such Investor’s Shares).
- (L) A Transaction Document or a Contemplated Transaction has become, or is claimed (other than in a vexatious or frivolous proceeding by a third party) by any person other than the Investor or any of its Affiliates to be, wholly void, voidable or unenforceable or partly void, voidable or unenforceable in any material respect.
- (M) Any person commences any action, investigation or proceeding against any person or otherwise asserts any claim which seeks to restrain, challenge, deny, enjoin, limit, modify, dispute or delay the right of the Investor or the Company to enter into any Transaction Documents or to undertake any of the Contemplated Transactions (other than in a vexatious or frivolous proceeding by a third party).
- (F) The Company challenges, disputes or denies the right of the Investor to receive any of the Securities under this Agreement in accordance with its terms, or otherwise dishonours or rejects any action taken, or document delivered, in furtherance of the Investor’s right to receive such Securities under this Agreement in accordance with its terms (provided that the Company is permitted to challenge the Investor’s actions which the Investor is in fact not entitled to take under this Agreement).
- (N) A Security Interest over an asset of a Group Company is enforced.
- (O) An order ceasing or suspending trading in the Shares or any other securities of the Company is issued, or a proceeding for such purposes is initiated or threatened.
- (P) The CSE objects to any of the Contemplated Transactions or any terms thereof, or takes any action that could, in the reasonable opinion of the Investor, result in the suspension from trading or delisting of the Shares on the CSE or the Company’s breach or violation of the Listing Rules.
- (Q) Any present or future liabilities, including contingent liabilities, of any Group Company for an amount or amounts totalling more than C\$50,000 (or its equivalent in any other currency) are not satisfied on time, or become prematurely payable.
- (R) A Group Company is in default under a document or agreement (including a Governmental Authorisation) binding on it or its assets which relates to financial indebtedness or is otherwise material.

- (S) A Material Adverse Effect occurs, or an event occurs or a circumstance comes to subsist which would in the reasonable opinion of the Investor be likely to have a Material Adverse Effect.
- (T) Any consolidation of the share capital of the Company that is required to occur pursuant to the provisions of Section 10.8(A) has not occurred within the applicable time-frame set out therein.

12.2 Investor's right to investigate

If in the Investor's reasonable opinion, an Event of Default or Potential Event of Default has occurred:

- (A) the Investor may investigate such purported Event of Default or Potential Event of Default;
- (B) the Company must co-operate with the Investor in such investigation;
- (C) the Company must comply with all reasonable requests made by the Investor of the Company in connection with any investigation by the Investor; and
- (D) the Company must pay all reasonable costs in connection with any investigation by the Investor.

12.3 Notification by Company

- (A) The Company must notify the Investor immediately, giving full details, upon the occurrence or likely occurrence of any Event of Default or Potential Event of Default.
- (B) The Company must, immediately following the Investor providing it with a request for such a certificate, provide the Investor with a certificate substantially in the form of Annex C executed on behalf of the Company by its Chief Executive Officer confirming the number of Shares available for issuance on the date specified by the Investor in such request free from pre-emptive or other preferential rights or restrictions (whether by constating document, contract, statute or otherwise) by the board of directors of the Company.

12.4 Certification by Company

At the Investor's request, the Company must provide the Investor with a certificate signed by two of any of the Company's directors or its Chief Executive Officer, stating whether:

- (A) any event or circumstance that has or is likely to have a Material Adverse Effect; or
- (B) any other Event of Default or Potential Event of Default,

has occurred and/or is continuing.

12.5 Rights of the Investor upon default

If any Event of Default occurs, the Investor may:

- (A) declare, by notice to the Company, the Amount Outstanding and all other amounts payable by the Company under any Transaction Document to be, whereupon they shall become, immediately due and payable by the Company to the Investor; and/or

- (B) terminate this Agreement, by notice to the Company, effective as of the date set out in the Investor's notice; and/or
- (C) exercise any other right, power or remedy granted to it by the Transaction Documents and/or otherwise permitted to it by Law, including by suit in equity and/or by action at Law (and such termination does not prejudice any accrued right, power or remedy of the Investor under this Agreement as at the date of termination, including its right for specific performance and/or to recover damages from the Company in relation to any breach of this Agreement).

12.6 Interest

If an Event of Default occurs, interest shall be payable on demand on the Amount Outstanding at a rate per annum of 18%, which interest shall accrue and shall be compounded daily, from the First Closing Date until the Company discharges such outstanding amount in full.

12.7 Postponement

Upon the occurrence of an Event of Default or Potential Event of Default, the Investor may, by notice to the Company, postpone any subsequent Closing, any Maturity Date and/or any Conversion, for such time as the Event of Default or Potential Event of Default continues or until the Investor otherwise notifies the Company (in each case, without limiting the application of any of the Investor's rights, including those under Section 12.5 at any time prior to or subsequently to such postponement).

12.8 Specific Performance

The Company hereby covenants with the Investor duly to perform and observe the obligations contained in this Agreement and imposed on the Company, and the Investor may sue for the performance or observance of such provisions.

13. Change of Law

13.1 Law and change in Law

If at any time during the term of this Agreement:

- (A) any applicable Law or Listing Rule, any proposed applicable Law or Listing Rule, the interpretation or administration of any applicable Law or Listing Rule by any Governmental Authority, or a change or proposed change in the interpretation or administration of any applicable Law or Listing Rule by any Governmental Authority, does or, if it comes into force, will:
 - (1) render (directly or indirectly) compliance by the Investor or the Company with the Transaction Documents or the undertaking of the Contemplated Transactions or transactions of similar kind (including any issuance, acquisition and/or disposition, at a time of the Investor's choosing, of any Securities) by either of them illegal, unlawful, void, voidable, contrary to or in breach of any Law, impossible or impracticable;
 - (2) materially vary the duties, obligations or liabilities of the Company or the Investor in connection with any Transaction Document or Contemplated Transaction so that the Investor's rights, powers, benefits, remedies or economic burden (including any tax treatment in the hands of the Investor but

disregarding any Excluded Tax) are materially adversely affected (including by way of material delay or postponement);

- (3) otherwise materially adversely affect the rights, powers, benefits, remedies or the economic burden of the Investor (including by way of material delay or postponement); or
- (4) otherwise make it materially impracticable for the Investor to undertake any of the Contemplated Transactions; or

(B) any of the following has occurred:

- (1) trading in securities generally in Canada or the United States has been suspended or limited for a period exceeding two consecutive Vancouver Business Days or New York Business Days (as the case may be);
- (2) a banking moratorium has been declared by a Canadian Governmental Authority or a United States Governmental Authority;
- (3) any Governmental Authority has declared that any day that would otherwise be a Trading Day, a Vancouver Business Day not to be such or to be a public holiday;
- (4) any state of emergency has been declared in Canada (for whatever reason) (other than, with respect to any state of emergency declared prior to the Execution Date and still in effect on the date immediately prior to the Execution Date, such state of emergency as in effect on the date immediately prior to the Execution Date, subject to any extension or replacement thereof) or any other event has occurred (including, without limitation, acts of God, flood, drought, earthquake or other natural disasters, or epidemics or pandemics (including coronavirus COVID-19 or any evolution thereof)), and/or any action has been taken by any Governmental Authority, in each case which makes it impracticable for the Investor to effect a Closing or a Conversion or accept Conversion Shares and Reference Shares, or for the Company to comply with its obligations under this Agreement; or
- (5) there is a material outbreak or escalation of hostilities or another national or international calamity of such magnitude in its effect on, or adverse change in, the United States or the Canadian financial market, which makes it impracticable for the Investor to effect a Closing or a Conversion or accept Conversion Shares and Reference Shares,

then, without limiting the Company's obligations under Section 12, the Investor may, by notice to the Company, postpone any Closing Date, postpone any Maturity Date, postpone any Conversion, suspend its unperformed obligations under this Agreement and/or terminate this Agreement and require the Company to repay to the Investor the Amount Outstanding (without any penalty) in full on the date specified by the Investor in its notice, which must not be earlier than five calendar days after the date on which the Investor gives the notice, or any earlier date required by the applicable Law.

13.2 Payment of Amount Outstanding

If the Investor gives a notice under Section 13.1, the Company must on the date determined under Section 13.1 pay to the Investor the Amount Outstanding in full (without penalty).

14. **Termination**

14.1 **Events of Termination**

This Agreement may be terminated by agreement of the Parties at any time and otherwise:

- (A) by either Party, by notice to the other, effective immediately, if the First Closing has not occurred within 15 Vancouver Business Days of the Execution Date or such later date as the Parties agree in writing, however this right is not available to any Party that is in material breach of or default under this Agreement;
- (B) by either Party, by notice to the other Party, effective immediately, at any time after the later of (1) the date as of which no further Conversions and no further Closings could occur under this Agreement, and (2) the date that is the second Trading Day after the date that falls fourteen months after the Execution Date;
- (C) by the Investor, by notice to the Company, effective as of the date stipulated by the Investor in such notice, if the Company has made, or has become required to make, a cash payment to the Investor for any reason (and, for the avoidance of doubt, such right of termination is not deemed to have been waived in connection with subsequent payments, if not exercised in connection with any earlier payment required); or
- (D) by the Investor under any of Sections 12.5 or 13.1.

14.2 **Effect of Termination**

- (A) The termination of this Agreement shall not affect any Closing that has occurred prior to the effectiveness of such termination, any Convertible Security arising at any such prior Closing, any issuance of Conversion Shares and Reference Shares and any payment made pursuant to Section 10.8(C) in connection with any Conversion of any Convertible Security, or any other Investor's rights under this Agreement under the provisions that survive the termination of this Agreement.
- (B) A Party's right of termination under Section 14.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination is not an election of remedies.
- (C) Nothing in this Agreement releases the Company from any liability for any breach by the Company of this Agreement or impairs the right of the Investor to compel specific performance by the Company of its obligations under this Agreement.

15. **Survival and Indemnification**

15.1 **Survival**

- (A) Each of (1) the Company's representations and warranties given pursuant to Section 7, and (2) the provisions of Sections 1, 2.6 and 2.7, and 3 to 16 of this Agreement, shall survive and continue in full force and effect, notwithstanding the execution of this Agreement, the consummation of any of the Contemplated Transactions, and the termination of this Agreement or another Transaction Document or any related provision. No term of this Agreement merges on completion of any Contemplated Transaction.
- (B) The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after any such

expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the provisions themselves do not expressly provide for this.

15.2 Revival

To the extent that any Conversion, any issuance of Securities or any payment by the Company is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to any person, then to such extent, any Amount Outstanding satisfied by such Conversion, issuance or payment is immediately revived and continues, and the Company must take such action as may be reasonably requested by the Investor to effect such reinstatement; unless such revival and continuation are waived by the Investor.

15.3 Exculpation and Indemnification

- (A) No Relevant Person is liable to the Company or any other person, and the Company must indemnify, defend and hold harmless each Relevant Person from and against any and all Losses, whether or not involving any action, investigation or proceeding by any third party, that arise out of, are based on, relate to, or are incurred in connection with, (1) any inaccuracy in or breach of any of the representations or warranties set forth in any of the Transaction Documents or any breach of any of the obligations or agreements of the Company set forth in any of the Transaction Documents (including, for clarity, a delay in the Investor's receipt of any parcel of Investor's Shares or a delay in the Investor's ability to, or the Investor's inability to, dispose of any of the Investor's Shares, in each case in connection with any such inaccuracy or breach (including as to the issuance, listing and posting to trading of any Investor's Shares) and/or (2) any action, claim, proceeding, suit or investigation brought, made, commenced or threatened at any time by or on behalf of any third party (including any Governmental Authority) against a Relevant Person, in connection with the entry by the Parties into this Agreement or the Contemplated Transactions; provided, however, that the Company is not liable to indemnify the Investor from, or hold the Investor harmless against, any Losses that result solely from:
- (i) the Investor's breach of any representation or warranty contained in this Agreement; or
 - (ii) the Investor's fraud, gross negligence or wilful default in performing its obligations under this Agreement.
- (B) To the extent that the Company's undertaking in this Section 15.3 may be unenforceable for any reason, the Company must make the maximum contribution to the payment and satisfaction of all Losses that is permissible under applicable Law.
- (C) The Investor or any other Relevant Person is not required to incur any expense or make any payment before enforcing any indemnity under this Agreement.
- (D) The Company acknowledges that the indemnity given under this Section 15.3 is directly enforceable against it by any Relevant Person.
- (E) The Company hereby constitutes the Investor as trustee for each of the other Relevant Parties of the Company's covenants under this indemnity with respect to such persons and the Investor agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

15.4 **Indemnities generally**

Each indemnity in this Agreement:

- (A) is a continuing obligation, independent of the Company's other obligations under this Agreement;
- (B) continues notwithstanding any termination of this Agreement;
- (C) constitutes a liability of the Company separate and independent from any other liability under this Agreement and under any other agreement; and
- (D) survives, and continues in full force and effect, in accordance with Section 15.1.

16. **Miscellaneous**

16.1 **Time of the essence**

With regard to all dates and time periods set out or referred to in any Transaction Document, time is of the essence.

16.2 **No partnership or advisory or fiduciary relationship**

Nothing in this Agreement creates a partnership or a fiduciary or an advisory relationship between the Parties, or the Investor or any of its Affiliates, on the one hand, and the Company or any Group Company on the other hand.

16.3 **Certificates**

Each certificate or notice given by the Investor to the Company, including each certificate as to the occurrence of a Closing or a Conversion, is sufficient evidence of an amount or matter in connection with any Transaction Document or Contemplated Transaction, unless the content of such certificate or notice is proven to be incorrect.

16.4 **Remedies and injunctive relief**

- (A) The rights and remedies of the Investor set out in this Agreement and the other Transaction Documents are in addition to all other rights and remedies given to the Investor by Law or otherwise.
- (B) The Company acknowledges that:
 - (1) monetary damages alone would not be adequate compensation to the Investor for a breach by the Company of a Transaction Document (including where the Company has not issued Securities in accordance with this Agreement);
 - (2) the Investor may seek an injunction or an order for specific performance from a court of competent jurisdiction if:
 - (a) the Company fails to comply or threatens not to comply with a Transaction Document; or
 - (b) the Investor has reason to believe that the Company will not comply with a Transaction Document; and

- (3) the Investor may suffer additional losses by reason of the Company's failure to issue Securities in accordance with this Agreement notwithstanding whether specific performance has been ordered by a court of competent jurisdiction.
- (C) If the Investor seeks an order for specific performance in connection with a failure by the Company to issue Securities in accordance with this Agreement, the Company:
- (1) agrees that it will not oppose the order on the basis that monetary damages are adequate compensation to the Investor;
 - (2) acknowledges that, even where specific performance is ordered in respect of the obligation on the Company to issue Securities in accordance with this Agreement, the Investor may suffer additional losses by reason of the Company's failure to issue Securities in accordance with this Agreement; and
 - (3) agrees that it will not oppose any additional order for monetary compensation in respect of the losses referred to in Section 16.4(C)(2) on the basis that the Investor has sought an order for specific performance of the Company's obligations to issue Securities in accordance with this Agreement.

16.5 Successors, assigns and third party beneficiaries

- (A) The rights and obligations of the Parties under this Agreement are personal and may not be assigned to any other person or assumed by any other person, except as expressly provided in this Section 16.5.
- (B) Neither this Agreement nor any of the Company's rights and obligations under this Agreement may be assigned by the Company without the prior written consent of the Investor.
- (C) The Investor may assign this Agreement and/or any of its rights and obligations under this Agreement to any of its Affiliates or any other third party, on two calendar days' prior notice to the Company.
- (D) Nothing in this Section 16.5 prevents the Investor from selling, assigning, transferring, encumbering or otherwise dealing with its rights under, or in connection with, the Securities without the consent of any person.
- (E) The provisions of this Agreement inure to the benefit of, and are binding upon, the respective permitted successors and assignees, of the Parties.
- (F) Except as set out in Section 15.3, this Agreement is intended for the benefit of the Parties and their respective successors and permitted assignees only, and does not benefit or create any right, obligation to, or cause of action in or on behalf of, any other person, and no other person may enforce any provision of this Agreement.

16.6 Counterparts and execution

- (A) This Agreement may be executed in any number of counterparts, each of which is deemed an original, and all of which together constitute one and the same instrument.
- (B) Such counterparts may be delivered by one party to the other by electronic means, and such counterparts are valid for all purposes.

16.7 Notices

- (A) Except as otherwise expressly agreed by the Parties or required under this Agreement, all communications in connection with any Transaction Document must be by notice in writing and must be delivered by a courier or hand, or sent by e-mail, to a Party at the address, or e-mail address of the Party specified in Section 16.7(F) (in the case of the Company), Section 16.7(G) (in the case of the Investor) or as otherwise specified by the Party by notice to the other Party.
- (B) When delivered by a courier or hand in Vancouver, British Columbia, a notice is deemed given:
- (1) when delivered, if received during business hours in the place of delivery; or
 - (2) otherwise, at 9.00 a.m. (Pacific time) on the Vancouver Business Day immediately following the date of such delivery.
- (C) When delivered by a courier or hand-delivery outside Vancouver, British Columbia, a notice is deemed given:
- (1) when delivered, if received during business hours in the place of delivery; or
 - (2) otherwise, at 9.00 a.m. (Eastern time) on the New York Business Day immediately following the date of such delivery.
- (D) When sent by e-mail transmission to the Company, a notice is deemed given:
- (1) one hour after the time at which such transmission was sent (the “**E-mail Time**”), if such time falls within business hours in Vancouver, British Columbia; or
 - (2) otherwise, at 9.00 a.m. (Pacific time) on the Vancouver Business Day immediately following the date of the E-mail Time,
- unless the sender receives an automated message that the email has not been delivered.
- (E) When sent by e-mail transmission to the Investor, a notice is deemed given:
- (1) one hour after E-mail Time, if such time falls within business hours in New York, New York; or
 - (2) otherwise, at 9.00 a.m. (Eastern time) on the New York Business Day immediately following the date of the E-mail Time,
- unless the sender receives an automated message that the email has not been delivered.
- (F) The Company’s address and e-mail address is as follows:

Attention: Hugh Maddin, Chief Executive Officer

Global Care Capital Inc.
789 West Pender Street, Suite 810
Vancouver, British Columbia

V6C 1H2, Canada
E-mail address: info@globalcarecapital.com;

- (G) The Investor's address and e-mail address is set forth in Schedule 5.
- (H) Any notice provided for in this Agreement may be waived in writing by the Party entitled to receive such notice, either before or after the event.

16.8 Amendments and waivers

- (A) Any term of this Agreement may be amended, supplemented, or modified, only by an instrument in writing signed by each Party.
- (B) Any obligation of a Party under this Agreement may be extended or waived only by an instrument in writing signed by the other Party.
- (C) No waiver of any default with respect to any provision of this Agreement is deemed to be a continuing waiver in the future or a waiver of any subsequent default, or a waiver of any other provision nor does any delay or omission of any Party to exercise any right under this Agreement in any manner impair the subsequent exercise of any such right.

16.9 Legal Costs

The Company shall reimburse the Investor upon demand for the Investor's actual legal costs in connection with this Agreement and the Contemplated Transactions, up to a maximum of C\$18,000.

16.10 Additional expenses

The Company must reimburse the Investor upon demand for all reasonable out-of-pocket expenses incurred by the Investor in connection with any amendment, modification or waiver of any Transaction Document (whether proposed or completed), and preparation of any other agreement to which the Investor and the Company, or the Investor and any Affiliates of the Company, are or would be parties, including, without limitation, reimbursement of legal fees and disbursements.

16.11 Severability and supervening legislation

- (A) Every provision of this Agreement is intended to be severable, and any provision of this Agreement that is or becomes illegal, invalid, prohibited or unenforceable in any relevant jurisdiction (each, a "**Deficiency**", and "**Deficient**" shall be construed accordingly) shall be, as to such jurisdiction, ineffective to the extent of such Deficiency, but the provision must be interpreted as if it were written so as to be enforceable to the maximum extent permitted by applicable Law, and any such Deficiency does not affect the legality, validity, permissibility or enforceability of the remainder of this Agreement in that jurisdiction, or render Deficient such or any other provision of this Agreement in any other jurisdiction.
- (B) To the extent not prohibited by applicable Law, the Parties waive and exclude any provision of Law, current or future, which renders any provision of this Agreement Deficient in any respect.
- (C) Sections 16.11(A) and 16.11(B) shall be of no force or effect to the extent that the consequence of enforcing the remainder of this Agreement without the Deficient

provision would be to cause either Party to lose a material benefit of its economic bargain.

- (D) To the extent not prohibited by applicable Law, the Parties waive and exclude any provision of Law, current or future, which operates to vary the duties, obligations or liabilities of the Company or the Investor in connection with any Transaction Document so that the Investor's rights, powers, benefits, economic benefit, economic burden or remedies are adversely affected (including by way of delay or postponement).

16.12 Entire Agreement

- (A) This Agreement supersedes all prior agreements, understandings, negotiations and discussions, both oral and written, between the Parties, their Affiliates and persons acting on their behalf with respect to the subject matter thereof and constitutes the entire agreement among the Parties with respect to the subject matter thereto.
- (B) Except as specifically set out in this Agreement, neither the Company nor the Investor makes any representation, warranty, covenant or undertaking with respect to the subject matter of this Agreement.

16.13 Governing Law and Jurisdiction

- (A) THIS AGREEMENT AND ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF BRITISH COLUMBIA AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREUNDER.
- (B) WITH RESPECT TO ANY LEGAL ACTION OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ITS SUBJECT MATTER, EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE PROVINCE OF BRITISH COLUMBIA IN THE CITY OF VANCOUVER, AND EACH PARTY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING HERETO BROUGHT IN ANY SUCH COURTS, IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN ANY INCONVENIENT FORUM AND FURTHER IRREVOCABLY WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH CLAIM, SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY, PROVIDED THAT SERVICE OF PROCESS HAS BEEN MADE BY ANY LAWFUL MEANS.
- (C) Other than in relation to Section 15.3, no third party shall have any right to enforce any term or condition of this Agreement.

[Remainder of this page left intentionally blank]

IN WITNESS WHEREOF this Agreement has been executed and delivered on the date stated at the beginning.

GLOBAL CARE CAPITAL, INC.

By: "Hugh Maddin"
Name: Hugh Maddin
Title: Chief Executive Officer

**MIRABEL CAPITAL, LTD. by BERGEN
GLOBAL OPPORTUNITY FUND, LP, its
power-of-attorney, by BERGEN ASSET
MANAGEMENT, LLC, its investment manager**

By: "Eugene Tablis"
Name: Eugene Tablis
Title: Managing Director

SCHEDULE 1 : COMPANY REPRESENTATIONS AND WARRANTIES

1. Organisation, good standing and qualification

- 1.1 Each Group Company is an entity duly organised and validly existing under the laws of the jurisdiction of its place of incorporation and has all requisite corporate power and authority to carry on its business as now conducted and to own its properties.
- 1.2 Each Group Company is duly qualified and authorised to do business and is in good standing in each jurisdiction in which the conduct of its business or its ownership of property makes such qualification necessary.
- 1.3 No Group Company is in breach of any of the provisions of its respective constituting documents, shareholders' agreement, certificate or articles of incorporation, by-laws or other organisational or charter documents.

2. Authorisation

The Company has all power and authority, has taken all action necessary, and has caused its officers, directors and security holders, to take all action necessary to:

- (A) enter into, authorise, execute and deliver the Transaction Documents, including obtaining any shareholder approval required for the issue (as and when required to be issued in accordance with the terms of the Transaction Documents) of the Securities; and
- (B) enter into, and authorise the performance of, all obligations of the Company as and when required under the Transaction Documents and the Contemplated Transactions,

and no further action is required by the Company, its officers, its board of directors, or its security holders, in connection with the Transaction Documents or the Contemplated Transactions.

3. Shares

In relation to the Shares:

- (A) the Company is authorized to issue an unlimited number of Shares, and 338,116,015 Shares are issued and outstanding as of the Execution Date;
- (B) none of the Investor's Shares are or will be issued in, and the issuance of the Investor's Shares will not constitute a, violation of pre-emptive or other preferential rights or restrictions (whether by constituting document, contract, statute or otherwise);
- (C) in relation to each Convertible Security, with effect from the date of issue, the Company has authority to issue and allot, free from pre-emptive or other preferential rights or restrictions (whether by constituting document, contract, statute or otherwise), sufficient Shares to enable the conversion rights attaching to such Convertible Security to be satisfied in full pursuant to the terms of this Agreement, and all other rights of subscription, exercise and conversion into Shares to be satisfied in full in accordance with their terms and will have sufficient authority to issue Shares in accordance with this Agreement;

- (D) the Investor's Shares will be fully paid and non-assessable common shares in the capital of the Company;
- (E) the Investor's Shares will rank *pari passu* with the then outstanding Shares;
- (F) there are no restrictions upon the voting of any of the Shares or transfer of any of the Securities (including, for the avoidance of doubt, the Investor's Shares) whether pursuant to any Law or any agreement or otherwise;
- (G) subject to general provisions of Law relating to the distribution of profits, there are no restrictions on the payment of dividends on the Shares; and
- (H) the articles of incorporation and by-laws of the Company authorize the board of directors of the Company to approve a consolidation of the Company's share capital without approval of the shareholders of the Company.

4. **Valid issuance**

- (A) All of the Investor's Shares issued or to be issued by the Company pursuant to this Agreement have been duly authorized for issuance and sale by all necessary corporate action on the part of the Company.
- (B) When issued pursuant to this Agreement, all of the Investor's Shares will be validly issued and fully paid and nonassessable, will be issued in compliance with the Corporations Act, will not have been issued in violation of or subject to any pre-emptive rights or other contractual rights to purchase securities issued by the Company or in violation of any Canadian Securities Laws, and will be free and clear of all Security Interests and restrictions on transfer, except for restrictions on transfer imposed by applicable Canadian Securities Laws and the U.S. Securities Laws.

5. **Binding obligations**

This Agreement has been duly executed and delivered by the Company, and each Transaction Document constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to the laws of bankruptcy, insolvency, fraudulent transfer, reorganisation, moratorium and similar laws of general applicability, relating to or affecting the rights of contractual parties and/or creditors generally.

6. **Security structure**

- 6.1 No person is entitled, or purports to be entitled, to any right of first refusal, pre-emptive right, right of participation, or any similar right, to participate in the Contemplated Transactions or otherwise with respect to any securities of a Group Company.
- 6.2 No Group Company has granted any Security Interest over any of its assets, other than Security Interests over assets that are immaterial to the Group Companies as a whole.
- 6.3 The issuance and sale of any of the Securities will not obligate any Group Company to issue Shares or other securities to any other person and will not result in the adjustment of the exercise, conversion, exchange, or reset price of any outstanding security.

6.4 Except as described in Part 4 of Schedule 3:

- (A) there is no indebtedness or other equity of the Company that would be senior to, or *pari passu* with, the Convertible Securities in right of payment, whether with respect to interest or upon liquidation or dissolution or otherwise, other than obligations mandatorily preferred by law; and
- (B) there is no financial indebtedness or other indebtedness for borrowed money of a Subsidiary of the Company.

6.5 Except as described in Part 1 of Schedule 3:

- (A) there are no outstanding warrants, options, convertible securities or other rights, agreements or arrangements of any character under which any Group Company is, or may be, obligated to issue any equity or equity-linked securities of any kind;
- (B) there are no voting, buy-sell, outstanding or authorised stock appreciation, right of first purchase, phantom stock, profit participation or equity-based compensation agreements, options or arrangements, or like rights relating to the securities of any Group Company or agreements of any such kind between any Group Company and any person; and
- (C) no Group Company has in effect or outstanding any shareholder purchase rights, “poison pills” or any similar arrangements giving any person the right to purchase any equity interest in a Group Company upon the occurrence of certain events.

7. **Consents**

The execution, delivery and performance by the Company of the Transaction Documents and the offer, issuance and sale of the Securities (except as expressly stipulated in this Agreement as required in the future under the circumstances under which they are expressly stipulated under this Agreement to be required), require no consent of, action by or in respect of, waiver by, or filing with, any Governmental Authority, or any other person other than:

- (A) disclosure of the entry into this Agreement;
- (B) disclosure of the occurrence of each Closing; and
- (C) the filings described in Sections 5.1(B) through 5.1(G) (inclusive) of this Agreement.

8. **Reporting Issuer and CSE Listed**

- (A) The issued and outstanding Shares are listed for trading on the CSE.
- (B) The Company is a reporting issuer not in default in the provinces of British Columbia, Alberta and Ontario. The Company is in compliance with, and is not in default of any, applicable Canadian Securities Laws and the Listing Rules. The Company has at all times complied with its obligations to file and deliver any documents required under the Listing Rules.
- (C) No order ceasing or suspending trading in any securities of the Company or prohibiting the sale or issuance of the Shares or the trading of any of the Company's issued securities has been issued and no (formal or informal) proceedings or investigations for such purpose have been threatened or, to the knowledge of the Company, are pending. There is no fact or circumstance that may cause the

Company to request or any Governmental Authority to impose any order ceasing or suspending trading in securities of the Company or prohibit the sale of such securities.

- (D) The issued and outstanding Shares are freely tradeable on the CSE in compliance with all applicable Laws and the Listing Rules.
- (E) The Shares are CDSX eligible.
- (F) The resignation of the Company's auditor described in the Company's news release dated February 15, 2022, did not occur as a result of, or in connection with, a "disagreement" or "unresolved issue" (as such terms are defined in National Instrument 51-102 – Continuous Disclosure Obligations) or any other facts or circumstances that have had, or may result in, a Material Adverse Effect.

9. **Suspension or delisting**

No suspension of trading on or delisting of the Company's Shares on the CSE has been requested by the Company or sought, requested or imposed by the CSE, any Canadian Securities Commission or any other Governmental Authority and there exists no fact or circumstance which may have any such result. The Company has not received notice from the CSE regarding (A) the Company's failure to meet the Continued Listing Requirements (as such term is defined in the Listing Rules) or otherwise remain listed in good standing, or (B) the designation of the Company as inactive under the Listing Rules.

10. **No Material Adverse Effect**

There has been no event or condition that has had or may have, a Material Adverse Effect since June 30, 2021; and, other than as reflected in the Public Record on the Execution Date, there has been no significant change in the financial position of the Company or the Group since June 30, 2021.

11. **No conflict, breach, violation or default**

The execution and delivery of, and the performance of the terms of, the Transaction Documents by the Company will not:

- (A) result in the creation of any Security Interest in respect of any property of any Group Company except as expressly provided by the Transaction Documents; or
- (B) violate, conflict with, result in a breach of any provision of, require any notice or consent under, constitute a default under, result in the termination of, or in a right of termination or cancellation of, accelerate the performance required by, or result in the triggering of any payment or other material obligations pursuant to, any of the terms, conditions or provisions of:
 - (1) any Group Company's articles of incorporation, by-laws or any other constating document;
 - (2) any Law; or
 - (3) any agreement or instrument to which any Group Company is a party or by which any Group Company is bound or to which any of their respective assets or properties is subject (or render any such agreement or instrument voidable or without further effect).

12. **Structured Financing Transactions**

The Company has not entered or agreed to enter into a Structured Financing Transaction.

13. **Litigation**

13.1 Except as set out in Part 2 of Schedule 3, there are no pending actions, suits or proceedings against or affecting any Group Company, and to the Company's knowledge, no such actions, suits or proceedings are pending, threatened or contemplated.

13.2 No Group Company, nor any of their respective directors or officers is or has been the subject of any action, suit, proceeding, or investigation involving a claim of violation of or liability under securities Laws or a claim of breach of fiduciary duty.

13.3 There has not been, and to the knowledge of the Company there is no, pending or contemplated investigation by any Governmental Authority involving any Group Company or any of their respective current or former directors or officers.

14. **Compliance**

14.1 Except as set out in Part 3 of Schedule 3, no Group Company:

(A) is in material default under, or in material violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by any Group Company under), nor has any Group Company received notice of a claim that it is in default under or that it is in violation of, any document, agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived);

(B) is in violation of any order of any court, arbitrator or Governmental Authority; or

(C) is or has been in violation of any Law.

14.2 Each Group Company has obtained all Governmental Permits required for it to carry on the business, is in compliance in all material respects with the terms of such Governmental Permits, and has not received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such Governmental Permits.

14.3 The Company has filed or delivered any documents required under Canadian Securities Laws or the Corporations Act to be filed and delivered, and in each case, within the time period required, and the Company is otherwise in compliance with Canadian Securities Laws and the Corporations Act and no fact exists which may result in the Company not being in such compliance with Canadian Securities Laws or the Corporations Act. Each document filed as part of the Public Record complied in all material respects with applicable Canadian Securities Laws at the time it was filed.

15. **Tax returns**

Without limiting anything else in this Agreement, each Group Company has filed, or caused to be filed, in a timely manner, all tax returns, business activity statements and other tax filings which are required to be filed under applicable Tax law, and has paid all Taxes that became due and payable by it when those Taxes became due and payable.

16. **Disclosures**

- 16.1 The Materials do not:
- (A) contain a Misrepresentation;
 - (B) contain any untrue statement of a material fact or misleading statement; or
 - (C) omit to state a material fact required to have been stated or necessary in order to make the statements contained in those Materials, in light of the circumstances under which they were made, not false or misleading.
- 16.2 The Company has disclosed to the Investor in writing all facts relating to the Group, its business, the Transaction Documents, the Contemplated Transactions, and all other matters which are material to the assessment of the nature and amount of the risk inherent in an investment in the Company.
- 16.3 No Group Company has incurred any actual or contingent indebtedness or other obligation for the payment or repayment of money (whether as principal, surety, guarantor or otherwise) that remains outstanding, except trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice or as disclosed in the Public Record prior to the Execution Date.
- 16.4 No Group Company has made any agreement, offer, tender or quotation which remains outstanding and currently capable of acceptance relating to the purchase or sale of any business or assets of the Group.

17. **Solvency**

Each Group Company is able to pay all its debts as and when they become due and payable.

18. **Winding up**

The Company has not taken any action, nor have any other steps been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for any similar or analogous proceeding in any jurisdiction or for it to enter into any scheme of arrangement or arrangement or composition for it to enter into any arrangement or composition for the benefit of creditors or for the appointment of a liquidator (provisional or otherwise), judicial manager (interim or otherwise), receiver, administrative receiver, manager, receiver and manager, examiner, trustee, custodian or similar officer.

19. **No Event of Default**

No Event of Default or Potential Event of Default has occurred.

20. **Financial statements**

The audited consolidated financial statements of the Company and its Subsidiaries as at and for the years ended December 31, 2020 and December 31, 2019 were prepared in accordance with IFRS consistently applied and present a true and fair view of the financial position of the Company and its Subsidiaries as at the dates, and the results of operations and changes in financial position of the Company and its Subsidiaries for the periods, in respect of which they have been prepared. The unaudited consolidated interim financial statements of the Company and its Subsidiaries as at and for the six months ended June 30, 2021 were prepared in accordance with IFRS, consistently applied.

21. **Intellectual property**

- 21.1 Each Group Company owns or possesses adequate rights or licenses to use all material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, Governmental Authorisations, trade secrets and rights necessary to conduct its respective businesses as now conducted.
- 21.2 The Company has no knowledge of any infringement by any Group Company of any trademarks, trade name rights, patents, patent rights, copyrights, inventions, licences, service names, service marks, service mark registrations, trade secrets or other similar rights of others.
- 21.3 To the knowledge of the Company, there is no claim, action or proceeding made, brought, or threatened, against any Group Company regarding any trademark, trade name, patents, patent rights, invention, copyright, license, service names, service marks, service mark registrations, trade secret or other infringement, and no Group Company is aware of any facts or circumstances which might give rise to such a claim, action or proceeding.

22. **Taxable Canadian property**

At no time has more than 50% of the fair market value of the Shares been derived directly or indirectly from, one or any combination of, real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Income Tax Act (Canada)), "timber resource properties" (as defined in the Income Tax Act (Canada)), or options in respect of, or interests in any of the foregoing, whether or not the property exists.

23. **Environmental Laws**

The Group Companies are in compliance with all applicable Laws relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants, have received all permits, licenses or other approvals currently required of any of them under such Laws to conduct their current business; and are in compliance with all terms and conditions of any such permit, licences or approval.

24. **Self-reliance**

The Company's decision to enter into this Agreement has been based solely on its own evaluation of the Contemplated Transactions. The Company has been represented and advised by advisers of its own choice, including financial advisers, tax advisers and legal counsel, who have assisted the Company in understanding and evaluating the risks and merits associated with the Contemplated Transactions.

25. **Non-public information**

Neither the Company nor any person acting on its behalf has provided the Investor or its agents, representatives or counsel with any Non-Public Information or any material non-public information, and to the Company's knowledge, the Investor does not possess any Non-Public Information or material non-public information (and, to the extent this warranty is breached, the Company agrees to immediately release the relevant information to the market).

26. **Brokers and finders**

No person will have, as a result of the Contemplated Transactions, any valid right, interest or claim against or upon any Group Company or the Investor for any commission, fee or

other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of any Group Company.

27. **U.S. compliance**

27.1 **Offshore transaction; no directed selling efforts; and no general solicitation**

- (A) The offer and sale of the Securities to the Investor, as contemplated by this Agreement, has been made in an “offshore transaction” as defined in Rule 902(h) of Regulation S that meets the requirements of Rule 903(a) of Regulation S.
- (B) None of the Company, any “distributor” as defined in Rule 902(d) of Regulation S, any of their respective affiliates, or to the Company’s knowledge, any person acting on behalf of any of the foregoing, has made any “directed selling efforts” as defined in Rule 902(c)(1) of Regulation S in connection with the offer or sale of the Securities.
- (C) Neither the Company nor any of its Affiliates, nor any person acting on its or their behalf has, directly or indirectly, sold, offered for sale or solicited offers to buy or otherwise negotiated in respect of any security, in a manner, or under circumstances, that:
 - (1) would adversely affect reliance by the Company on the provisions of Rule 903 of Regulation S for the exemption from registration for the Contemplated Transactions, including the offer and sale of the Securities to the Investor;
 - (2) would require registration of the offer or sale of the Securities under the U.S. Securities Act; or
 - (3) would cause such offer, sale or solicitation to be deemed integrated with the offering of the Securities, whether under the Listing Rules, the U.S. Securities Act, or otherwise.

27.2 **No registration required under U.S. Securities Act**

The offer and sale of the Securities to the Investor, as contemplated by this Agreement, is excluded from:

- (A) the registration requirements of the U.S. Securities Act by virtue of Rule 903 of Regulation S; and
- (B) the registration and/or qualification provisions of all applicable U.S. state securities laws.

27.3 **Foreign private issuer**

Less than fifty per cent. (50%) of the outstanding voting securities of the Company are directly or indirectly owned of record by residents of the United States. The Company is a “foreign private issuer” as that term is defined in Rule 405 under the U.S. Securities Act. There is no “substantial U.S. market interest” as defined in Rule 902(n) of Regulation S under the U.S. Securities Act in the Shares.

27.4 **Category 1 securities**

The Securities are eligible for Category 1 under Rule 903 of Regulation S under the U.S. Securities Act.

27.5 **No registration required under the U.S. Exchange Act**

The Company is not required to register a class of equity securities under the U.S. Exchange Act or the rules and regulations thereunder or to otherwise become a reporting issuer under the U.S. Exchange Act.

28. **Prospectus Exemption**

The Company has complied with, and will comply with, Canadian Securities Laws in connection with the offer, sale and issuance of the Securities to the Investor. The offer, sale and issuance of the Securities to the Investor are exempt from the prospectus requirements of Canadian Securities Laws.

29. **Internal Controls**

The Company and each Group Company maintain written internal controls, policies, and procedures reasonably designed to ensure their respective compliance with Laws applicable to the Company and each Group Company, and to the Investor, and any Affiliates of the Company or the Investor.

30. **Historical Compliance**

Within the previous five (5) years, neither the Company nor any Group Company nor any officer, director, employee or agent acting on behalf of the Company, has:

- (A) conducted any dealings, directly or indirectly, with any person subject to Canadian, U.S., U.K., EU or Australian economic sanctions, including any person listed on the List of Specially Designated Nationals and Blocked Persons administered by OFAC, or any person owned or controlled by, or acting on behalf of, any person subject to such sanctions; or
- (B) offered or made any bribe, kickback, or any other type of payment or conferred any benefit that would be unlawful under any Law applicable to any Party, including the CFPOA, the Criminal Code (Canada), the FCPA, the U.K. Bribery Act 2010 and the Criminal Code Act 1995 (Commonwealth of Australia), or the Canadian Proceeds of Crime (Money Laundering) and Terrorist Financing Act, the Anti-Money Laundering and Counter-Terrorism Financing Regulations 2008 (Commonwealth of Australia) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (United Kingdom).

SCHEDULE 2 : INVESTOR REPRESENTATIONS AND WARRANTIES

1. **Organisation, good standing and qualification**

- 1.1 The Investor is a validly existing company and has all requisite power and authority to enter into and consummate the Contemplated Transactions and otherwise to carry out its obligations under this Agreement.
- 1.2 The Investor is in good standing under the laws of the jurisdiction of its place of formation and has all requisite power and authority to carry on its business as now conducted and to own its properties.
- 1.3 The Investor is not in violation or default of any of the provisions of its limited liability company agreement, certificate of formation, or other organisational or charter documents.

2. **Authorisation**

The execution, delivery and performance by the Investor of this Agreement have been duly authorised and will each constitute a valid and legally binding obligation of the Investor, enforceable against the Investor in accordance with its terms, subject to the laws of bankruptcy, insolvency, fraudulent transfer, reorganisation, moratorium and similar laws of general applicability, relating to or affecting the rights of contractual parties and/or creditors generally.

3. **U.S. Compliance – investment intent**

The Investor understands that the Securities have not been registered under the U.S. Securities Act or any applicable U.S. state securities law, and, accordingly, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws.

4. **Investor status**

- 4.1 The Investor is not a U.S. Person, and is not purchasing the Securities for the account or benefit (within the meaning of Regulation S) of a U.S. Person.
- 4.2 The Investor is purchasing the Securities in an “offshore transaction” as defined under Regulation S.
- 4.3 The current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the U.S. Securities Act.
- 4.4 The Investor has no intention to distribute either directly or indirectly any of the Securities in the United States, except in compliance with the U.S. Securities Act and any applicable U.S. state securities laws.
- 4.5 The Investor is purchasing the Securities as principal, is entitled to purchase the Securities without the benefit of a prospectus qualified under Canadian Securities Laws, is, at the Execution Date and at each Closing, an “accredited investor” within the meaning of paragraphs (m) and (t) of the definition of “accredited investor” in NI 45-106 and was not created, and is not used, solely to purchase or hold securities as an accredited investor described in paragraphs (m) and (t) of the definition of “accredited investor” in NI 45-106.

5. **Experience of the Investor**

- 5.1 The Investor has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment.
- 5.2 The Investor has been represented and advised by advisers of its own choice, including financial advisers, tax advisers and legal counsel, who have assisted the Investor in understanding and evaluating the risks and merits associated with the Contemplated Transactions.
- 5.3 The Investor is able to bear the economic risk of an investment in the Securities and is able to afford a complete loss of such investment.

6. **Adequate information**

The Investor has had an opportunity to receive all information related to the Company requested by it and to ask questions of and receive answers from the Company regarding the Company, its business and the terms and conditions of the offering of the Securities, and has reviewed such information as the Investor considers necessary or appropriate to evaluate the risks and merits of an investment in, and make an informed investment decision with respect to, the Securities.

7. **General solicitation**

To the Investor's knowledge, the Investor is not purchasing the Securities as a result of any "general solicitation" or "general advertising" (as such terms are used in Regulation D under the U.S. Securities Act) including, without limitation, any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine, on the Internet or similar media or broadcast over television or radio or presented at any seminar or in any filing with the United States Securities and Exchange Commission or any other general solicitation or general advertisement or any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act with respect to the offer or sale of the Securities.

8. **No U.S. registration**

- 8.1 The Investor understands and acknowledges that the Company is not obligated to file and has no present intention of filing with the United States Securities and Exchange Commission or with any state securities administrator any registration statement in respect of re-sales of the Securities.
- 8.2 The Investor understands that (A) the Company has previously been an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents with the result that Rule 144 under the U.S. Securities Act may not be available for resales of the Securities, and (B) the Company is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Securities.

SCHEDULE 3 : DISCLOSURE SCHEDULE

PART 1

Number	Class of security
338,116,015	Common Shares
1,819,250	Finders Warrants
77,425,000	Warrants
13,756,023	Options

Reference is made to the Disclosure Letter.

PART 2

None.

PART 3

Reference is made to the Disclosure Letter.

PART 4

None.

SCHEDULE 4 : ADDITIONAL DEFINITIONS

The following definitions apply, in addition to terms defined elsewhere in this Agreement.

“Closing Price” means, on any date, the closing price (in Canadian Dollars) of the Shares on the CSE on that date (or if such date is not an Actual Trading Day, the Actual Trading Day immediately prior to such date), as reported by Bloomberg, LP or, at the Investor’s election, another internationally recognised market data provider selected by the Investor, and rounded down to three decimal places.

“Conversion Price” means, in relation to a Conversion, the Closing Price on the Reference Date specified in the Conversion Notice relating to such Conversion, rounded down to the next Rounding Number, and subject to the Proviso.

The **“Proviso”** is that the Conversion Price shall not be less than C\$0.05, unless otherwise permitted under the Listing Rules.

“Reference Date” means, in relation to a Conversion, the date specified as the Reference Date in the Conversion Notice relating to such Conversion, provided that the Investor shall not give the Conversion Notice on a date that is subsequent to the seventh Trading Day after the Reference Date specified in that Conversion Notice.

“Regulatory Burden” means, as to any person and as to an applicable event, such applicable event directly or indirectly resulting in a regulatory burden on, or adverse regulatory consequence to, such person, including the requirement to make any filing with a Governmental Authority that such person would not have to make but for the occurrence of such applicable event.

“Rounding Number” means 1/10th (one tenth) of a cent.

“Sponsor” means Bergen Global Opportunity Fund, LP, a Delaware limited partnership.

“Sponsor Affiliates” means Bergen Partners, LLC and Bergen Asset Management, LLC.

“Statutory Hold Period” means, in relation to any Investor’s Shares:

- (A) in respect of the Fee Shares, the period commencing on the date of the issuance thereof and ending on the date that is four (4) months and one (1) calendar day after the date of the issuance thereof;
- (B) in respect of any Conversion Shares and any Reference Shares issued in relation to the First Convertible Security, the period commencing from the First Closing Date and ending on the date that is four (4) months and one (1) calendar day after the First Closing Date;
- (C) in respect of any Conversion Shares and any Reference Shares issued in relation to the Second Convertible Security, the period commencing from the Second Closing Date and ending on the date that is four (4) months and one (1) calendar day after the Second Closing Date; or
- (D) in respect of any Conversion Shares and any Reference Shares issued in relation to a Subsequent Convertible Security, the period commencing from the applicable Subsequent Closing Date and ending on the date that is four (4) months and one (1) calendar day after the Subsequent Closing Date.

SCHEDULE 5 : INVESTOR'S NOTICE INFORMATION

The Investor's address and e-mail address is as follows:

Attention: Eugene Tablis, Chairman

Mirabel Capital, Ltd.
c/o Catalyst Fund Services
Flagship Building, 2nd Floor, 142 Seafarers Way
P.O. Box 1096, KY1-1102, George Town
Grand Cayman, The Cayman Islands

Email address: [Redacted – personal email address]

ANNEX A: FORM OF CONVERTIBLE SECURITY

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE ISSUE DATE OF THE SECURITY].

GLOBAL CARE CAPITAL INC. (the “Company”)

(incorporated in Province of British Columbia)

[First/Second/Subsequent] Convertible Security Certificate

This Convertible Security Certificate certifies that Mirabel Capital, Ltd. (c/o Catalyst Fund Services) of Flagship Building, 2nd Floor, 142 Seafarers Way, P.O. Box 1096, KY1-1102, George Town, Grand Cayman, The Cayman Islands (the “Investor”) or its permitted assigns or successors is the registered holder of this [First/Second/Subsequent] Convertible Security with the Principal Amount specified below issued by the Company pursuant to the convertible securities purchase agreement, dated [DATE] 2022, between the Company and the Investor (as may be modified, supplemented, amended and/or restated from time to time) (the “Agreement”).

The [First/Second/Subsequent] Convertible Security represented by this Convertible Security Certificate is subject to the terms and conditions set out in the Agreement, including the following:

Maturity Date	[DATE WHICH FALLS 24 MONTHS AFTER ISSUANCE]
Principal Amount	US\$[AMOUNT]
[First/Second/Subsequent] Security Purchase Price	Convertible US\$[AMOUNT]

Expressions defined in the Agreement have the same meanings in this Convertible Security Certificate.

The Company, for value received, promises to issue Shares on Conversion of the Convertible Security Amount Outstanding of the [First/Second/Subsequent] Convertible Security represented by this Convertible Security Certificate in accordance with the Agreement, and/or (as the case may be) to pay the Investor on the Maturity Date (or on such earlier date as the Convertible Security Amount Outstanding may become repayable pursuant to the Agreement) the Convertible Security Amount Outstanding in respect of the [First/Second/Subsequent] Convertible Security represented by this Convertible Security Certificate.

IN WITNESS WHEREOF the Company has caused this Convertible Security Certificate to be signed on its behalf:

GLOBAL CARE CAPITAL INC.

By: _____
Name: Hugh Maddin
Title: Chief Executive Officer

Receipt of this Convertible Security Certificate and acknowledgement and acceptance of its terms by:

MIRABEL CAPITAL, LTD. by
**BERGEN GLOBAL OPPORTUNITY
FUND, LP**, its power-of-attorney, by
**BERGEN ASSET MANAGEMENT,
LLC**, its investment manager

By: _____
Name: Eugene Tablis
Title: Chairman

ANNEX B: FORM OF BOARD RESOLUTION

GLOBAL CARE CAPITAL INC.

THE FOLLOWING ARE RESOLUTIONS OF THE DIRECTORS OF GLOBAL CARE CAPITAL INC. (THE “COMPANY”) CONSENTED TO IN WRITING BY ALL OF THE DIRECTORS OF THE COMPANY TO BE EFFECTIVE FEBRUARY 25, 2022.

WHEREAS:

(A) The Company proposes to enter into a convertible securities purchase agreement with Mirabel Capital, Ltd. dated February 25, 2022 (the “**Agreement**”).

(B) The directors of the Company acknowledge the accuracy of the Company's representations and warranties contained in the Agreement and note that:

- a. the entry into the transactions evidenced by the Agreement is:
 - i. in the best interests of the Company and for its commercial benefit; and
 - ii. in accordance with the articles and other constating documents of the Company;
- b. at the time of deciding to commit the Company to the Agreement, the Company is solvent and there are reasonable grounds to expect that if the Company executes the Agreement the Company would continue to be able to pay all its debts as they become due; and
- c. the Company's execution of the Agreement and the carrying out of the transactions contemplated in the Agreement would not cause the Company to contravene:
 - i. any provisions of the Business Corporations Act (British Columbia) or the regulations thereunder;
 - ii. any applicable securities laws in each of the provinces in which the Company is a “reporting issuer” or any policy, rule, by-law or regulation governing the Canadian Securities Exchange (the “**CSE**”);
 - iii. any other statute by which the Company is bound; or
 - iv. breach any agreement entered into by the Company or with a third party (and does not constitute an event of default under any such agreement).

(C) Having reviewed and considered the terms of the Agreement, the directors of the Company consider that it is in the best interests of the Company to enter into the Agreement.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Agreement, a copy of which has been presented to the board of directors of the Company, the transactions contemplated in the Agreement and the Transaction Documents (as defined in the Agreement) (the Agreement and the Transaction Documents together the “**Documents**”) are each hereby authorized, confirmed and approved.
2. Any one director or officer of the Company (an “**Authorized Officer**”) execute and deliver the Agreement in a form and with any changes (whether or not material and whether or not

involving changes to the parties) as any director or officer of the Company who executes the Agreement may, as conclusively evidenced by his or her execution, approve.

3. Each Authorized Officer be severally authorized to execute and deliver for and on behalf of the Company all documents, notices, instruments, certificates and communications necessary or desirable to be executed and delivered by and on behalf of the Company under and in accordance with the Documents, including without limitation all forms and filings as may be necessary to obtain CSE approval of the transactions contemplated by the Agreement.
4. Each Authorized Officer be severally authorised to do any act, matter or thing and to execute and deliver any other document as he or she may deem necessary, advisable or incidental in connection with the preceding resolutions or any Document and to perform the obligations of the Company under the Documents

Execution in Counterpart

RESOLVED that these resolutions may be signed by the directors in as many counterparts as may be necessary, each of which so signed will be deemed to be an original (and each signed copy sent by electronic transmission, including email, facsimile or otherwise, will be deemed to be an original), and such counterparts together will constitute one and the same instrument and notwithstanding the date of execution will be deemed to bear the date set forth above.

ALEXANDER SOMJEN

HUGH MADDIN

MACIEJ LIS

ANNEX C: FORM OF CEO CERTIFICATE

To: Mirabel Capital, Ltd.
c/o Catalyst Fund Services
Flagship Building, 2nd Floor, 142 Seafarers Way
P.O. Box 1096, KY1-1102, George Town
Grand Cayman, The Cayman Islands

Attention: Eugene Tablis

Date: *[insert date of [First/Second/Subsequent] Closing Date]*

I certify that, as at the date of this certificate:

- (a) Global Care Capital Inc. (the “**Company**”) has performed or complied in all material respects with all agreements and covenants required, prior to the [First/Second/Subsequent] Closing, to be performed or complied with by the convertible securities purchase agreement dated [DATE], 2022 between the Company and Mirabel Capital, Ltd. (the “**Agreement**”);
- (b) the representations, warranties and certifications of the Company in the Agreement, including in any other document delivered by the Company in connection with this Agreement, are accurate and remain true and correct as of the date of this certificate;
- (c) no Event of Default or Potential Event of Default would occur as a consequence of the [First/Second/Subsequent] Closing being effected or has occurred (irrespective of whether the same has been remedied or any relevant grace period has expired); and
- (d) all conditions to the [First/Second/Subsequent] Closing under Sections [2.2/2.3]¹, [6.1]/[6.2]/[6.3] and 6.4 have been satisfied.

For the purposes of this certificate, capitalised terms used and not defined herein have the meaning given to those terms in the Agreement.

Yours sincerely

For and on behalf of

GLOBAL CARE CAPITAL INC.

By:

Name: Hugh Maddin

Title: Chief Executive Officer

¹ Include for Second Closing / Subsequent Closings only.

ANNEX D: FLOW OF FUNDS REQUEST

[Print on letterhead of Global Care Capital Inc.]

FLOW OF FUNDS REQUEST

**Global Care Capital Inc. – Convertible Securities Purchase Agreement –
[First/Second/Subsequent] Closing**

In connection with the convertible securities purchase agreement dated [DATE], 2022 (the “**Agreement**”) between Global Care Capital Inc. (the “**Company**”) and Mirabel Capital, Ltd. (the “**Investor**”) (as may be modified, supplemented, amended and/or restated from time to time), the Company irrevocably requests and authorises the Investor to distribute such funds as set out below, in the manner set out below, at the [First/Second/Subsequent] Closing to occur on or about [DATE]. Capitalised terms used but not otherwise defined in this letter shall have the meaning given to such terms in the Agreement.

Item	Amount
Purchase Price in respect of [First/Second/Subsequent] Convertible Security	US\$[INSERT]
[Less (DESCRIPTION OF EXPENSES)]	US\$[INSERT]]
Total	US\$[INSERT]

Please kindly transfer the net amount of US\$[insert], due at the Closing, to the following bank account:

Bank Name:	[INSERT]
Bank Address:	[INSERT]
Beneficiary Name:	[INSERT]
Beneficiary Address:	[INSERT]
Transit No.:	[INSERT]
Account No.:	[INSERT]
SWIFT:	[INSERT]

Yours sincerely

For and on behalf of

GLOBAL CARE CAPITAL INC.

By:

Name:

Title:

Date: