

INTELLECTUAL PROPERTY ASSET PURCHASE AGREEMENT

Dated as of December 20, 2019

by and between

MOUNTAIN VALLEY MD INC.

and

SMARTEK INTERNATIONAL LLC.

and

MICHAEL FARBER

and

██████████ ██████████

INTELLECTUAL PROPERTY ASSET PURCHASE AGREEMENT

THIS INTELLECTUAL PROPERTY ASSET PURCHASE AGREEMENT (the Agreement"), is made and effective as of the • day of December, 2019 ("Effective Date") by and between MOUNTAIN VALLEY MD INC., ("Purchaser"), an Ontario corporation with its registered office at 210 Adelaide Street West, Toronto, ON M5H 1W7, and SMARTEK INTERNATIONAL LLC ("Smartek"), a [REDACTED], MICHAEL FARBER ("Farber"), an individual residing at [REDACTED], and [REDACTED] together with Smartek and Farber each a "Smartek Party" and collectively the "Smartek Parties"), an individual residing at [REDACTED].

WHEREAS: [PARTY DETAILS]

- A. The Purchaser is a private corporation formed under the laws of the Province of Ontario, operating or intending to operate, *inter alia*, in the global cannabis industry in the areas of cultivation, research and development, production, manufacturing and marketing through strategic acquisitions and partnerships, for the purposes of generating a market-leading global portfolio of high quality, vertically-integrated, sustainable cannabis assets;
- B. The Purchaser has entered into an Amalgamation Agreement dated June 28, 2019 with a reporting issuer and its wholly owned subsidiary for the purposes of completing a going public transaction (the "Liquidity Event"), following the completion of which the Purchaser would become a wholly owned subsidiary of a publicly traded corporation formed under the laws of the Province of British Columbia (the "Parent") whose common shares would be listed for trading on the Canadian Securities Exchange (the "CSE");
- C. Smartek is a private corporation formed under the laws of the State of New Jersey and is in the business of, *inter alia*, developing, manufacturing and licensing desiccated liposomes;
- D. Farber and [REDACTED] are the sole directors, officers, shareholders and holders of interest of any kind in and to Smartek, each owning 50% of the issued and outstanding shares of Smartek;
- E. The Smartek Parties agree to sell to Purchaser and Purchaser agrees to purchase from the Smartek Parties

- a. The Products (as defined below); and
- b. The Smartek Parties IP Assets (as defined below);
- c. The right and interest of Smartek and Farber to certain commercialization opportunities for the Products, including but not limited to opportunities with [REDACTED] identified as the Post-Closing Deliverables (as defined below),

such purchase and sale, on the terms and conditions herein, comprising the "Acquisition"; and

- F. As the parties acknowledge that Farber is an inventor and product developer with extensive expertise and experience in the formulation and development of patented nutritional ingredients, dietary supplements and pharmaceutical products, including but not limited to the development and optimization of a desiccated liposomal delivery system for pharmaceuticals and other actives, the Purchaser is offering to enter into the Consulting Agreement (as defined below), to be executed on or about the Closing Date (as defined below);

[SECOND
SHAREHOLDER
DETAILS]

POTENTIAL THIRD PARTY
ARRANGEMENTS]

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements hereinafter contained, and intending to be bound hereby, the parties hereto agree as follows:

1. PURCHASE AND SALE OF ASSETS; CONSULTING AGREEMENT; POST-CLOSING DELIVERABLES

1.1. Purchase and Sale of Products and Smartek Parties IP Assets

Upon the terms and conditions herein set forth, each of the Smartek Parties hereby sells and agrees to sell, convey, transfer, assign, grant and deliver to the Purchaser, and the Purchaser hereby purchases and agrees to purchase, acquire and accept from the Smartek Parties, all of each Smartek Party's right, title and interest in and to the Products (as defined below) and the Smartek Parties IP Assets (as defined below), free and clear of all liabilities, obligations, pledges, security interests, liens, defenses, contractual commitments, claims, setoffs, equities or other encumbrances or charges (collectively "Encumbrances") other than as expressly set forth herein, as and when follows:

- (a) The Products mean those certain products, prototype products, product concepts and inventions relating to nutritional ingredients, dietary supplements, natural health products and pharmaceutical products, formulated with and without cannabinoids, including all existing samples thereof, together with all related recipes and formulations, as set out on Schedule "A" attached hereto (the "Products") but expressly excluding only products owned or developed by Smartek based on nitric oxide amino acid esters (the "Excluded Nitric Acid Assets"), which are also set out on Schedule "A", attached hereto;
- (b) The Smartek Parties IP Assets means:
 - a. Those patents and patent applications set out in Schedule "B", attached hereto (the "Smartek Parties Patents") comprising patents and patent applications owned solely by Smartek, or owned or co-owned by Farber (with any such co-owner of patents or patent applications clearly identified);
 - b. Those trademarks and trademark applications set out in Schedule "C", attached hereto (the "Smartek Parties Trademarks");
 - c. Trade secrets and know-how relating to the Products, including the design, recipes, formulations, and all instructions relating to sourcing of ingredients, manufacturing, production, testing, analysis, quality control, regulatory applications (existing or planned), packaging, storing and shipping of the Products set out in Schedule "D" attached hereto (the "Smartek Parties Trade Secrets and Know-How"); and
 - d. Any and all other intellectual property in, arising from or in any way associated with the Products;
- (c) On the Closing Date, the Smartek Parties shall sell, convey, transfer, assign, grant and deliver to the Purchaser, and the Purchaser hereby agrees to purchase, acquire and accept from the Smartek Parties, all of each Smartek Party's right, title and interest in and to the Products and the Smartek Parties IP Assets, other than the Smartek Parties Trade Secrets and Know-How, (the "Closing Deliverables").
- (d) Within 90 days of the Closing Date (the "Priority 1 Deadline"), the Smartek Parties shall sell, convey, transfer, assign, grant and deliver to the Purchaser, and the Purchaser hereby

agrees to purchase, acquire and accept from the Smartek Parties, all of each Smartek Party's right, title and interest in and to the Smartek Parties Trade Secrets and Know-How in, arising from or in any way related to the "Priority 1 Products", which are hereby defined as those Products mutually identified by the Parties as being for "Pain", "Sleep" and "Energy", respectively, which for the avoidance of doubt shall include the delivery by the Smartek Parties of any and all documentation or other evidence thereof in any form sufficient to effectively protect and replicate the foregoing in the opinion, and upon the mutual approval, of the Purchaser and Farber, each acting reasonably (the "Priority 1 Deliverables"). Notwithstanding the foregoing, in the event that the Purchaser and Farber do not mutually agree that the Priority 1 Deliverables have been delivered in full by the Priority 1 Deadline but do agree that the Priority 1 Deliverables are achievable within a reasonable period of time, the Priority 1 Deadline shall be extended for a mutually agreed (as between the Purchaser and Farber) upon period of time for the purposes of allowing the Smartek Parties to complete the Priority 1 Deliverables. The date of actual delivery of the Priority 1 Deliverables shall be deemed to be the Priority 1 Closing Date.

- (e) Within 180 days of the Closing Date (the "Priority 2 Deadline"), the Smartek Parties shall sell, convey, transfer, assign, grant and deliver to the Purchaser, and the Purchaser hereby agrees to purchase, acquire and accept from the Smartek Parties, all of each Smartek Party's right, title and interest in and to the Smartek Parties Trade Secrets and Know-How in, arising from or in any way related to the "Priority 2 Products", which are hereby defined as those Products mutually identified by the Parties as being for "Anxiety", "Nicotine", and "Testosterone and Libido", respectively, which for the avoidance of doubt shall include the delivery by the Smartek Parties of any and all documentation or other evidence thereof in any form sufficient to effectively protect and replicate the foregoing in the opinion, and upon the mutual approval, of the Purchaser and Farber, each acting reasonably (the "Priority 2 Deliverables"). Notwithstanding the foregoing, in the event that the Purchaser and Farber do not mutually agree that the Priority 1 Deliverables have been delivered in full by the Priority 1 Deadline but do agree that the Priority 1 Deliverables are achievable within a reasonable period of time, the Priority 1 Deadline shall be extended for a mutually agreed (as between the Purchaser and Farber) upon period of time for the purposes of allowing the Smartek Parties to complete the Priority 1 Deliverables. The date of actual delivery of the Priority 2 Deliverables shall be deemed to be the Priority 2 Closing Date.

1.2. Consulting Agreement

On or about the Closing Date the parties hereto shall execute a consulting agreement whereby Farber will provide services, and the other Smartek Parties will consent to the provision of services by Farber, to the Purchaser, in connection with the Products, the Smartek Parties IP Assets and otherwise as may be required by the Purchaser, for the consideration disclosed herein, as further negotiated by the parties (the "Consulting Agreement").

1.3. Post-Closing Deliverables

Notwithstanding anything to the contrary herein, it is acknowledged and agreed that the Purchase Price shall be or shall be deemed to be consideration for the Acquisition (i.e. assignment of Products and Smartek Parties IP Assets) as well as the delivery or achievement of certain post-closing deliverables (the "Post-Closing Deliverables"), any or all of which may but need not be achieved such that, in the event that the one or more Post-Closing Deliverables are not delivered or achieved with direct and material contribution by Farber, the Purchase Price shall be reduced by an amount equal to that unearned portion of the Post-Closing Deliverable Consideration corresponding to the Post-Closing Deliverables as set out in Section 2.1(d). It is agreed that the Post-Closing Deliverable Consideration will only be payable if the Post-Closing Deliverables, which are set out as follows, are delivered or achieved with direct and material contribution by Farber within Twelve (12) months

from the Closing Date, or such longer period of time as agreed by the Purchaser and Farber, each such delivery to be mutually agreed by the Purchaser and Farber:

[POTENTIAL THIRD PARTY ARRANGEMENTS AND MILESTONES]

- (a) Entry into a material agreement for the purchase of white-labeled sleep strip product, whether with ██████ or a third party (in either case referred to as the “█████ Agreement”) and thereafter the receipt by the Purchaser of gross revenues received by the Purchaser arising from and pursuant to the terms of the ██████ Agreement, including licence fees and royalties, less direct, external costs associated therewith, of USD \$█████ (the “█████ Deliverable”);
- (b) Entry into a material agreement with ██████ for the purchase of white-labeled energy stick pack product (the “█████ Agreement”) and thereafter the receipt by the Purchaser of gross revenues received by the Purchaser arising from and pursuant to the terms of the ██████ Agreement, including licence fees and royalties, less direct, external costs associated therewith, of USD ██████ the “█████ Deliverable”);
- (c) Successful production and sales by the Purchaser of a nicotine/beta caryophyllene strip product (either sublingual or buccal), being one of the agreed Priority 2 Products, either directly to the market or through a licensed reseller resulting in minimum gross profit arising therefrom, being gross revenues less direct external costs associated therewith, of CAD \$█████ (the “Nicotine Strip Deliverable”);
- (d) Successful production and sales of testosterone strips or stick packs, being one of the agreed Priority 2 Products, either directly to the market or through a licensed reseller resulting in a minimum gross profit arising therefrom, being gross revenues less direct external costs associated therewith, of CAD ██████ (the “Testosterone Deliverable”); and/or
- (e) Minimum gross profits, being gross revenues received by the Purchaser less direct external costs, each arising from and associated with the Smartek Parties IP Assets as agreed by the Purchaser and Farber of USD \$█████ (the “Minimum Gross Profit Deliverable”, together with the ██████ Deliverable, the ██████ Deliverable, the Nicotine Strip Deliverable, and the Testosterone Deliverable, each a “Post-Closing Deliverable and collectively the “Post-Closing Deliverables”).

1.4. No Assumption of Liabilities

Except as expressly provided in this Agreement, the Purchaser shall assume no liabilities or obligations relating to the Smartek Parties IP Assets, including, without limitation, legal fees, accounts payable, indebtedness, tax liabilities, employee obligations, or other contractual liabilities, or any liabilities for any damages, penalties, fines or other claims whatsoever arising or resulting from any legal proceeding pertaining to the Products or otherwise relating to the Smartek Parties IP Assets incurred prior to the Closing. All such liabilities and obligations, fixed or contingent, known or unknown, are and shall remain the liabilities and obligations of the Smartek Parties jointly, severally and collectively.

1.5. Format of Smartek Parties IP Assets

It is acknowledged and agreed that Farber, on his own behalf and on behalf of the Smartek Parties, is and shall at all times be required to document all aspects of the Smartek Parties IP Assets, including but not limited to the Smartek Parties Trade Secrets and Know-How, in a manner mutually agreed by the Purchaser and Farber, acting reasonably, consistent with, first, legal requirements and, second, industry standards.

2. PAYMENTS

2.1. Consideration

The purchase price (the "Purchase Price") to be paid by the Purchaser to the Smartek Parties in consideration for the Acquisition together with the delivery of the Post-Closing Deliverables, subject to adjustments in accordance with the terms herein, shall be an aggregate of CAD \$1,000,000 (the "Cash Consideration"), 25,000,000 Class "B" Common Shares in the capital stock of the Purchaser or in the event that the Liquidity Event has been completed, an equivalent number of common shares in the capital stock of the Parent (the "Consideration Shares"), and 10,000,000 share purchase warrants (the "Consideration Warrants"), each entitling the holder to acquire one additional Class "B" Common Share in the capital stock of Purchaser, or in the event that the Liquidity Event has been completed, an equivalent number of common shares in the capital stock of the Parent, each Warrant exercisable for a period of five (5) years at an exercise price of \$0.60 per share, subject to forced exercise in the event that the Purchaser completes the Liquidity Event and the common shares of the Parent trade on the CSE or any other nationally recognized stock exchange (each the "Exchange") at \$1.00 or higher for a period of 5 trading days, following notice of which the Consideration Warrants will expire if not exercised within 90 days (or such longer period in the discretion of the Purchaser). The Purchase Price shall be paid by the Purchaser to the Smartek Parties as follows, on and subject to the terms herein:

- (a) It is acknowledged and agreed by all parties hereto that, prior to the date hereof, the Purchaser had delivered to one or more of the Smartek Parties, and the Smartek Parties accepted, an aggregate amount equal to CAD [REDACTED] (the "Initial Payments");
- (b) It is further acknowledged and agreed that the Smartek Parties incurred third party, reasonable, verifiable expenses incurred by the Smartek Parties directly in connection with the application for, and maintenance of, Smartek Parties IP Assets in an amount equal to CAD [REDACTED] (the "Expenses");
- (c) It is agreed that an amount equal to the Initial Payments less an amount equal to the Expenses (the "Deposit") shall be applied to the Purchase Price such that the remaining Cash Consideration payable on and subject to the terms herein, such amount of the Deposit being CAD [REDACTED];
- (d) On the Closing Date, an amount equal to CAD [REDACTED] (the "Escrowed Amount"), being [REDACTED] less an amount equal to the Deposit, together with 10,000,000 Consideration Shares (the "Escrowed Shares"), will be delivered into escrow in accordance with the terms of the Escrow Agreement, in substantially the form attached hereto as Schedule "K", and to be held in escrow on and subject to the terms and conditions therein, to be released as follows:
 - i. 50% of the Escrowed Amount and 5,000,000 of the Escrowed Shares (the "Initial Escrow Release Payment") upon the delivery of the Priority 1 Deliverables;
 - ii. 30% of the Escrowed Amount and 3,000,000 of the Escrowed Shares (the "Second Escrow Release Payment") upon the completion of a bioavailability study to the reasonable satisfaction of the Purchaser and its advisors (the "Study"), with respect to the "Pain" THC/CBD Product, that shows a minimum 200% improvement in uptake of CBD and THC as compared to average values of the product "Sativex®" (in which neither Party in any manner holds an interest of any kind), by way of example to show 10 ng/ ml THC and 3.5 ng/ ml CBD with a Tmax of a maximum 25 minutes (compared to Sativex, 5 ng/ml for THC and 1.75ng/ ml CBD) with a dose of 5 mgs CBD and THC each in all strip products (compared to Sativex

[MILESTONES]

10.8mg THC and CBD), using 2 sublingual strips (compared to Sativex using 4 sublingual sprays), the results of which Study the Smartek Parties hereby confirm are anticipated to be proportionately indicative of the results that would be expected from same or similar studies to be performance on the other Products to be delivered hereunder;

- iii. the remaining 20% of the Escrowed Amount and the remaining 2,000,000 Escrowed Shares upon the delivery of the Priority 2 Deliverables.
- (e) An amount equal to CAD \$500,000 (the “Post-Closing Deliverable Cash Consideration”), 15,000,000 Consideration Shares (the “Post-Closing Deliverable Consideration Shares”) and the 10,000,000 Consideration Warrants (together with the Post-Closing Deliverable Cash Consideration and the Post-Closing Deliverable Consideration Shares referred to from time to time herein as the “Post-Closing Deliverable Consideration”) shall be paid in whole or in part upon and subject to the achievement of the Post-Closing Deliverables, as follows:
- i. CAD \$ [REDACTED] Consideration Shares upon the completion of the [REDACTED] Deliverable;
 - ii. CAD [REDACTED] Consideration Shares upon the completion of the [REDACTED] Deliverable;
 - iii. [REDACTED] Consideration Shares upon the completion of the Nicotine Strip Deliverable;
 - iv. [REDACTED] Consideration Shares upon the completion of the Testosterone Deliverable; and/or
 - v. [REDACTED] Consideration Warrants upon the completion of the Minimum Gross Profit Deliverable.

[MILESTONES]

Notwithstanding the foregoing, with respect to sections 2.1(e)(i), (ii), (iii) and (iv), the Smartek Parties will be entitled to receive payment of the Post-Closing Deliverable Consideration on a prorated basis, such that upon the achievement of a percentage of the applicable Post-Closing Deliverable, an equal percentage of the Post-Closing Deliverable Consideration shall be paid. For clarity, in the event that the Purchaser receives gross proceeds arising from and pursuant to the terms of the [REDACTED] Agreement, including licence fees and royalties, less direct, external costs associated therewith, of USD \$ [REDACTED] being 25% of the [REDACTED] Deliverable, the Smartek Parties shall be entitled to receive a payment equal to 25% of the corresponding Post-Closing Deliverable Consideration set out in section 2.1(e)(i), being [REDACTED] as Post-Closing Cash Consideration and [REDACTED] Post-Closing Consideration Shares in the foregoing example.

2.2. Purchase Price Adjustment

Notwithstanding anything to the contrary herein, unless otherwise agreed by the Purchaser, taking into consideration extraordinary circumstances that would reasonably have delayed the delivery of any or all of the Post-Closing Deliverables, and unless resulting from deliberate actions of the Purchaser intended to delay delivery by the Smartek Parties or negligent actions of the Purchaser that would reasonably be expected to result in delays in delivery by the Smartek Parties of the Post-Closing Deliverables:

- (a) In the event that any or all of the Post-Closing Deliverables are achieved after the date that is Twelve (12) months following the Closing Date, the Purchaser and the Smartek Parties hereby agree to, in a timely manner enter into good faith negotiations with respect to timing for delivery and the valuation of the Post-Closing Deliverables, and other related matters as determined by the Purchaser and the Smartek Parties, acting reasonably, which may or may not result in the amendment of the terms of this Agreement and the reduction of the Purchase Price.
- (b) In the event that the Smartek Parties do not deliver the Post-Closing Deliverables within the time(s) prescribed in this Agreement, or as otherwise agreed in accordance with Section 2.2(a), the Purchase Price shall be reduced to reflect the amount agreed upon by the Purchaser and the Smartek Parties pursuant to Section 2.2(a) (the “Amended Purchase Price”). Immediately thereafter, any Escrowed Amount and Escrowed Shares exceeding the Amended Purchase Price will be returned to the Purchaser and any portion of the Deposit exceeding the Amended Purchase Price will be reallocated and instead treated, in whole or in part, as an advance payment against consulting fees (the “Prepaid Consulting Fees”) to be payable to Farber pursuant to the Consulting Agreement, such that CAD \$15,000 shall be allocated toward each month of the term set out in the Consulting Agreement, which for the avoidance of doubt shall be inclusive of any and all expenses incurred by Farber in carrying out his duties pursuant to the Consulting Agreement. Notwithstanding the foregoing, any amount by which the Prepaid Consulting Fees exceed the actual number of months during which Farber provides services to the Purchaser pursuant to the Consulting Agreement shall be treated as a loan from the Purchaser to the Smartek Parties, jointly, severally and collectively, (the “Loan”), which loan will be secured against the assets of the Smartek Parties, and the Smartek Parties shall be jointly and severally liable to repay the foregoing amount to the Purchaser within 30 days or such longer period as may be agreed subject to interest at a rate of 10% per annum on a 30/360 calendar basis, to accrue following such 30 day period. All Parties agree to execute such further documentation to give effect to the foregoing, including a promissory note and general security agreement.
- (c) Notwithstanding anything to the contrary herein, it is agreed and understood that the Priority 1 Deliverables shall be required to be delivered prior to the [REDACTED] Deliverable or the [REDACTED] Deliverable.

2.3. Consideration Share and Warrant Lock-Up and Resale Restrictions

Notwithstanding the release of any Escrowed Shares pursuant to the Escrow Agreement or anything else to the contrary herein:

- (a) The Smartek Parties agree to enter into the Lock-Up Agreement, in substantially the form attached hereto as Schedule “H”, pursuant to which the Smartek Parties will be unable to sell, transfer or assign, or otherwise pledge or grant an interest in, the first 10,000,000 Consideration Shares issued to the Smartek Parties until four (4) months following the later of the Closing Date and the date that the Consideration Shares are listed for trading on the Exchange; and
- (b) any or all Consideration Shares may be subject to certain additional resale restrictions, whether imposed by applicable laws and/or policies of the Exchange on which the shares of MVMD may be listed for trading.

3. THE CLOSING

3.1. Time of Closing

- (a) The closing of the Acquisition hereunder (the “Closing”) shall take place as soon as practicable following the date of this Agreement but in any event within 20 business days of the date of this Agreement unless otherwise agreed to by the Purchaser and Farber, each acting reasonably (the “Closing Date”), at such time and such location as shall have been agreed to by the Purchaser and Farber.
- (b) If all conditions precedent set forth in Sections 3.2 and 3.3 have not been satisfied or waived and the Closing shall not have occurred on or before the Closing Date, then either the Purchaser or the Smartek Parties may unilaterally terminate this Agreement at any time thereafter prior to such satisfaction or waiver, by notice to the other, provided that:
 - i. The Deposit is treated as the Loan in accordance with Section 2.2(c) irrespective of which Party gives such notice;
 - ii. if the unsatisfied condition(s) is for the benefit of the party not giving said notice, then such party shall have the right, within 3 business days after its being served with said notice, to waive such unsatisfied condition(s) and proceed to effect Closing immediately;
 - iii. notwithstanding the foregoing, or any other provision hereof, if causing the satisfaction of an unsatisfied condition precedent was the obligation of either party hereto, or if either party is in breach of any other representation, warranty or covenant hereunder, the other party may pursue its remedies at law or in equity.

3.2. Smartek Parties Conditions to Closing

The Smartek Parties’ obligations to consummate the Acquisition hereunder shall be subject to satisfaction or waiver by the Smartek Parties of the following conditions at or prior to the Closing:

- (a) Each of the representations and warranties of the Purchaser made in or pursuant to this Agreement shall be true and correct in all material respects as of the Closing Date, except for representations and warranties that are made as of a specific date or time, which shall be true and correct to the extent required only as of such specific date or time.
- (b) The Purchaser shall have performed and complied in all material respects with all of the covenants, obligations, agreements and conditions required by this Agreement to be performed or complied with by Purchaser prior to the Closing.
- (c) The Escrow Agreement shall have been executed by the Purchaser on the Closing Date;
- (d) The Escrowed Amount shall have been delivered into escrow in accordance with the Escrow Agreement; and
- (e) The Escrowed Shares shall have been issued as fully paid and non-assessable shares and delivered into escrow in accordance with the Escrow Agreement.

3.3. Purchaser's Conditions to Closing

The Purchaser's obligations to consummate the Acquisition hereunder shall be subject to satisfaction or waiver by the Purchaser of the following conditions at or prior to the Closing:

- (a) The Smartek Parties shall have delivered to the Purchaser the Closing Deliverables set out in Section 3.4;
- (b) Each of the representations and warranties of the Smartek Parties made in or pursuant to this Agreement shall be true and correct in all material respects as of the Closing Date, except for representations and warranties that are made as of a specific date or time, which shall be true and correct to the extent required only as of such specific date or time;
- (c) The Smartek Parties shall have performed and complied in all material respects with all of the covenants, obligations, agreements and conditions required by this Agreement to be performed or complied with by the Smartek Parties prior to the Closing;
- (d) There shall have been no material adverse change in the Smartek Parties IP Assets;
- (e) The Escrow Agreement shall have been executed by the Smartek Parties and the Escrow Agent on the Closing Date;
- (f) If (i) the Smartek Parties shall not have been able to obtain any required government or third party consent or approval, if applicable (ii) any material representation or warranty of the Smartek Parties shall prove to have been inaccurate or untrue in any material respect when first made or (iii) the Smartek Parties shall not have performed, in any material respect, any of the material covenants contained in this Agreement, and in each case by Closing, then the Purchaser shall be entitled, without limitation, (A) not to consummate the Acquisition, or (B) to consummate the Acquisition if Purchaser, in its sole discretion, is willing to consummate the Acquisition on such basis.
- (g) The Lock-Up Agreement shall have been executed by the Smartek Parties on the Closing Date;
- (h) An officer's certificate of Smartek in a form acceptable to the Purchaser shall have been delivered on the Closing Date, certifying its constating documents, by-laws, the resolutions of its directors and shareholders as may be required by applicable laws with respect to the authorizing of its entry into the Closing Transaction Documents, and the specimen signatures of the officers authorized to execute the Transaction Documents;
- (i) A legal of opinion of legal counsel to the Smartek Parties in a form acceptable to legal counsel for the Purchaser shall have been delivered on the Closing Date, including the due authorization and execution of the Closing Transaction Documents and the enforceability of each thereof.

3.4. Delivery of Documents

- (a) Closing Deliverables: As soon as reasonably practicable following the execution of this Agreement and in any event on or before the Closing Date, the Smartek Parties shall deliver to the Purchaser a fully executed original of
 - a. The Patent Assignment, substantially in the form of Schedule "E"; and

- b. The Trademark Assignment, substantially in the form of Schedule “F”
- (b) Priority 1 Deliverable: As soon as reasonably practicable following the Closing Date and in any event on or before the Priority 1 Deadline, the Smartek Parties shall confidentially deliver to the Purchaser:
- a. The Smartek Parties Trade Secrets and Know-How related to the Priority 1 Products at a level of detail sufficient for an individual skilled in the art to replicate the process, including details of all formulations and precise manufacturing conditions, disclosed at a standard appropriate for routine commercial production, sufficient to effectively protect and replicate the foregoing in the opinion, and upon the mutual approval, of the Purchaser and Farber, each acting reasonably, for each distinctive and material type of service or material required for the replication of the process to those specifications achieved in any prototype samples or studies, as applicable, or greater. Notwithstanding the foregoing, in the event that the Purchaser and Farber have agreed to extend the Priority 1 Deadline in accordance with section 1.1(d), the Purchaser shall advise Farber of any concerns and issues and the Smartek Parties shall be entitled to cure the foregoing and re-submit the Priority 1 Deliverables on the mutually extended (as between the Purchaser and Farber) Priority 1 Deadline.
 - b. The Smartek Parties Trade Secret and Know-How Assignment, for the Priority 1 Products, substantially in the form of Schedule “G”, attached hereto.
- (c) Priority 2 Deliverable: As soon as reasonably practicable following the Closing Date and in any event on or before the Priority 2 Deadline, the Smartek Parties shall confidentially deliver to the Purchaser:
- a. The Smartek Parties Trade Secrets and Know-How related to the Priority 2 Products at a level of detail sufficient for an individual skilled in the art to replicate the process including details of all formulations and precise manufacturing conditions disclosed at a standard appropriate for routine commercial production sufficient to effectively protect and replicate the foregoing in the opinion, and upon the mutual approval, of the Purchaser and Farber, each acting reasonably, for each distinctive and material type of service or material required for the replication of the process to those specifications achieved in any prototype samples or studies, as applicable, or greater. Notwithstanding the foregoing, in the event that the Purchaser and Farber have agreed to extend the Priority 2 Deadline in accordance with section 1.1(e), the Purchaser shall advise Farber of any concerns and issues and the Smartek Parties shall be entitled to cure the foregoing and re-submit the Priority 1 Deliverables on the mutually extended (as between the Purchaser and Farber) Priority 2 Deadline.
 - b. The Smartek Parties Trade Secret and Know-How Assignment, for the Priority 2 Products, substantially in the form of Schedule “G”.
- (d) The Consulting Agreement. As soon as reasonably practicable following the Closing Date, as mutually agreed by the Purchaser and Farber, and in any event on or before the Priority 1 Deadline, the Purchaser and Farber shall execute, exchange and deliver the Consulting Agreement.

3.5. Termination

This Agreement may be terminated:

- (a) at any time by the mutual written consent of the Purchaser and the Smartek Parties; or
- (b) by either the Purchaser or the Smartek Parties if any court or governmental body or agency thereof shall have enacted, promulgated or issued any statute, rule, regulation, ruling, writ or injunction, or taken any other action, restraining, enjoining or otherwise prohibiting the transactions contemplated hereby and all appeals and means of appeal therefrom have been exhausted; or
- (c) at any time prior to the Closing Date by the Purchaser, if any of the conditions specified in Section 3.3 have not been met or waived prior to such time as such condition can no longer be satisfied;
- (d) at any time prior to the Closing Date by the Smartek Parties if any of the conditions specified in Section 3.2 shall not have been met or waived prior to such time as such condition can no longer be satisfied, provided that the Deposit is treated as the Loan in accordance with Section 2.2(c) irrespective of which Party gives such notice;
- (e) at any time after the Closing in the event that any Smartek Party breaches any material term, representation, warranty or covenant herein provided that any portion(s) of the Purchase Price earned up to the date of such termination in accordance with the terms of this Agreement, and not associated with any such breach, are paid by the Purchaser as required herein.

3.6. Effect of Termination

If this Agreement is terminated in accordance with the terms herein, this Agreement shall forthwith become null and void and there shall be no liability on the part of any party hereto, except with respect to the obligations set forth in Sections 3.5(d) and 6.3.

4. REPRESENTATIONS AND WARRANTIES OF THE SMARTEK PARTIES

The Smartek Parties hereby make the following representations and warranties, each of which is complete and correct on and as of the Effective Date:

4.1. Powers; Execution

Each of the Smartek Parties has all requisite corporate, as applicable, power and authority to own, operate and transfer the Products and the Smartek Parties IP Assets, and to execute, deliver and perform its obligations under this Agreement. The execution and delivery of this Agreement and any of the other instruments of transfer, conveyance and assignment delivered by the Smartek Parties to the Purchaser hereunder have been duly and validly authorized by all necessary corporate or other action on the part of the Smartek Parties. This Agreement and such instruments are the valid and binding obligations of the Smartek Parties, enforceable against the Smartek Parties in accordance with their respective terms.

4.2. Breach of Statute or Contract

Neither the execution nor delivery of this Agreement nor compliance with the terms and provisions of this Agreement will conflict with or result in a breach of any of the terms, conditions

or provisions of any contract or other instrument to which the Smartek Parties, or any of them, is a party or by the Smartek Parties, or any of them, is or may be bound, or constitute a default thereunder, or result in the creation or imposition of any Encumbrance upon or give to others any interest or rights in or with respect to any of the Products and Smartek Parties IP Assets. Neither the execution and delivery of this Agreement by the Smartek Parties, or any of them, nor compliance by the Smartek Parties, nor any of them, with the terms and provisions of this Agreement will violate any law, or any statute or regulation of any governmental authority as such law, statute or regulation relates to the Products and the Smartek Parties IP Assets, which violation will create any liability to the Purchaser or interfere with the Purchaser's possession and use of the Products and the Smartek Parties IP Assets.

4.3. No Claims or Litigation

To the best of the knowledge of each Smartek Party, there is no pending litigation, judicial, administrative or arbitral action, proceeding, governmental investigation or claim (jointly, severally and collectively the "Litigation") involving Smartek Parties, or any of them, that questions the validity of this Agreement, or any action taken, or to be taken, by Smartek Parties, or any of them, in connection with this Agreement or that relates to the Products and the Smartek Parties IP Assets. There is no Litigation threatened that questions the validity of this Agreement, or any action taken, or to be taken, by Smartek Parties, or any of them, in connection with this Agreement or that relates to the Products and the Smartek Parties IP Assets. There is no judgment, order, injunction, decree or award outstanding (whether rendered by a court, administrative agency or arbitrator), against Smartek Parties, or any of them, or by which Smartek Parties, or any of them, is bound which relates to the Products and the Smartek Parties IP Assets.

4.4. No Barter Receivables or Obligations

No Smartek Party has entered into or is liable for any barter obligations with respect to the Products and Smartek Parties IP Assets.

4.5. Consents

Except as set forth in Schedule "I", attached hereto, no approvals or consents of any governmental or regulatory body or other third party authorizations, consents, approvals, filings or notices are required with respect to the transactions contemplated by this Agreement, including, without limitation, the transfer to the Purchaser of the Products and the Smartek Parties IP Assets.

4.6. Intellectual Property

4.6.1. Title: Any or all of the Smartek Parties, as indicated on Schedules "A", "B", "C" and "D", is or are the sole owners of all right, title and interest in, and have good and sole marketable title to, the Products, and the Smartek Parties IP Assets, and this Agreement and the instruments of transfer to be executed and delivered pursuant hereto will effectively vest in the Purchaser all such right title and interest.

4.6.2. No Encumbrances: Each of the Smartek Parties will transfer to the Purchaser at Closing or the relevant delivery date as set out herein, good and marketable title to all Products and the Smartek Parties IP Assets, free and clear, except as set out in Schedule "J", attached hereto, from all encumbrances, liens or rights of others, and free of any obligation to pay any royalty, license fee, commissions or other amount howsoever characterized, now or in the future, for the use or practice of the Products or Smartek Parties IP Assets, or to obtain any third-party clearances or consents in respect of the same.

4.6.3. Validity: The Smartek Parties IP Assets are valid and in full force and effect and consummation of the transactions contemplated hereby will not alter or impair any such rights; no claims have been asserted against the Smartek Parties, or any of them, by any person challenging the use or transfer of any patents, trademarks, trade names, copyrights, trade secrets, software, technology, know-how or processes included or described in the Smartek Parties IP Assets, or challenging or questioning the validity or effectiveness of any license or agreement relating thereto; to the best of the knowledge of each Smartek Party, there is no valid basis for any claim of the type specified in this Section 4.6.3 that would be reasonably likely in any material way to interfere with this Agreement and transactions contemplated under it relating to the development, manufacture, sale or distribution of any of the Products or the Smartek Parties IP Assets.

4.6.4. Freedom-to-Operate and Sufficiency: To the best of the knowledge of each Smartek Party, neither the manufacture, use or sale of Products, nor the practice of any of the Smartek Parties IP Assets, infringes on the rights of, or constitutes misappropriation of, or in any way involves unfair competition with respect to, any patent, trade secret, know-how, copyright, trademark, or trade name belonging to any third party.

4.6.5. No Employee or Inventorship Disputes: No employee or independent contractor currently or formerly employed or engaged by the Smartek Parties, or any of them, is in violation of any term included in any employment contract, patent disclosure agreement or any other contract, agreement, arrangement or understanding that relates to the Products or the Smartek Parties IP Assets, and no such person is disputing or has threatened to dispute any question of ownership of the Products or the Smartek Parties IP Assets.

4.6.6. Accuracy: The schedules of the Smartek Parties IP Assets provided herein are accurate and complete listings of the information contained therein.

4.6.7. No Third-Party Infringement: To the best of the knowledge of each Smartek Party, no third party is using any of the Products or threatening to use or infringe any of the Smartek Parties IP Assets in the United States or Canada.

4.7. Promotion

The Smartek Parties have heretofore delivered to the Purchaser copies of all promotional materials used in connection with any of the Products and Smartek Parties IP Assets. All statements contained in such promotional materials are complete and correct.

4.8. Employees, Contractors and Suppliers

4.8.1. Except as set out in Schedule “J”, attached hereto, and subject to section 5.5, the Smartek Parties do not currently have in effect any agreements with independent contractors regarding the creation, use or modification of any of the Products and Smartek Parties IP Assets, or otherwise impacting on the ownership of the same, nor as representatives of any nature.

4.8.2. Except as set out in Schedule “J”, attached hereto, and subject to section 5.5, the Smartek Parties do not currently have in effect any agreements with suppliers regarding delivery of services or materials in relation to any of the Products and Smartek Parties IP Assets that may impact in any way the Purchaser’s ability to create, use or modify the Products and Smartek Parties IP Assets.

4.8.3. Except as set out in Schedule “J”, attached hereto, and subject to section 5.5, The ability of an owner of the Products and Smartek Parties IP Assets, such as the Purchaser following the completion of the Acquisition, to replicate, create, use or modify any of the Products or Smartek Parties IP Assets, is and shall not be dependent in any material manner on any one or more particular employees, independent contractors, suppliers or materials.

4.8.4. The Purchaser may but shall not be expected or obligated to offer any employment to any current employees other than Farber, if any, or continue to use the services of any independent contractor or supplier, and the Smartek Parties hereby covenant, jointly, severally and collectively, to continue to assume full liability in respect of any and all of the foregoing.

4.8.5. To the best of the knowledge of the Smartek Parties, those contractors which have provided services to the Smartek Parties with respect to the Products and/or the Smartek Parties IP Assets, including but not limited to [REDACTED] (as defined in section 5.5): a) shall continue to be available to continue to provide the same or similar services to the Purchaser following the Closing Date; and b) have not breached, are not breaching, and shall not breach any third party agreement or the rights of any third party by the delivery of such services to the Smartek Parties up to the Closing Date, and thereafter the Purchaser.

4.9. Reliance

The representations and warranties made by the Smartek Parties herein are made with the knowledge and expectation that the Purchaser is placing complete reliance thereon in entering into this Agreement, and the same shall not be affected in any respect whatsoever by any due diligence investigation conducted by Purchaser in contemplation of this Agreement or otherwise.

4.10. Tax Liens

As of the date hereof, there are no tax liens on any of the Smartek Parties IP Assets, and there is no basis for the assertion of any such tax liens.

4.11. Purchase Price

Each of the Smartek Parties acknowledge that the Consideration Shares and Consideration Warrants evidencing a portion of the Purchase Price are, in addition to being subject to the Escrow Agreement and the Lock-Up Agreement, subject to applicable securities laws and may become subject to applicable policies of the Exchange and may not be sold without proper registration or pursuant to an exemption from such registration or otherwise in accordance with the Policies of the Exchange. Each Smartek Party further acknowledges that currently there is no active market for the Consideration Shares nor Consideration Warrants and none may ever develop, the Consideration Shares and Consideration Warrants are highly speculative and may result in a complete loss. Each Smartek Party represents to the Purchaser that he or it is an “accredited investor” within the meaning of applicable securities laws and that together with his or its financial advisors has had access to and opportunities to inquire about all financial information and other operational information, including risk factors, relating to Parent and to Purchaser, including but not limited to the filings made by the Parent with the Exchange and certain securities commissions in Canada.

4.12. Compliance with Laws

The Smartek Parties have complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the Smartek Party IP Assets and Products and/or each Smartek Party's conduct related to, or ownership of, the Smartek Party IP Assets and the Products.

5. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS OF THE PURCHASER

The Purchaser hereby makes the following representations and warranties, each of which is complete and correct on and as of the date hereof:

5.1. Incorporation

The Purchaser is a corporation duly organized, validly incorporated and existing under the laws of the Province of Ontario.

5.2. Powers; Execution

The Purchaser has all requisite corporate power and authority to own and utilize the Products and Smartek Parties IP Assets and to execute, deliver and perform its obligations under this Agreement. The execution and delivery of this Agreement by the Purchaser has been duly and validly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement is the valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as may be limited by any bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar law affecting the enforcement of creditors' rights generally or by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3. Breach of Statute or Contract

Neither the execution and delivery of this Agreement nor compliance with the terms and provisions of this Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any contract or other instrument to which the Purchaser is a party or by which Purchaser is or may be bound or constitute a default thereunder, or violate any law, or any statute or regulation which relates to the performance by the Purchaser of its obligations hereunder.

5.4. No Claims or Litigation

There are no pending Proceedings involving the Purchaser that questions the validity of this Agreement, or any action taken, or to be taken, by the Purchaser in connection with this Agreement. To the best of the Purchaser's knowledge, there is no Litigation threatened that questions the validity of this Agreement, or any action taken, or to be taken, by the Purchaser in connection with this Agreement. There is no judgment, order, injunction, decree or award outstanding (whether rendered by a court, administrative agency or arbitrator), against the Purchaser or by which the Purchaser is bound which relates to the Products and Smartek Parties IP Assets.

5.5. Contractors

The Purchaser acknowledges that:

- (a) The Smartek Parties IP Assets exclude any intellectual property that might be present in

[THIRD PARTY]

the strip technology encompassed in certain of the Products, which is owned by an unrelated third party entity, a private Canadian corporation named ██████████ Inc. ("██████████") it being understood that the intellectual property owned by ██████████ relates to the strip matrix into which the formulations comprising certain of the Smartek Parties IP Assets may be added during the manufacturing of the strips; and

- (b) the Smartek Parties have, up to the date hereof, developed, tested, produced, and otherwise worked with strip technology from ██████████ for certain Products and certain Smartek Party IP Assets; and
- (c) The Smartek Parties have advised that reasonable technical alternatives to the strip technology from ██████████ could be employed to manufacture strip Products in the event a different strip technology is desired by Purchaser but do not guarantee the impact on the resulting strip performance.

6. FURTHER COVENANTS AND ACKNOWLEDGEMENTS OF THE SMARTEK PARTIES

6.1. Public Announcement

Each of the Smartek Parties agree that he or it will not issue any press release or make any public statement with respect to the transactions contemplated by this Agreement unless the timing and text of such release or statement has been approved in writing by the Purchaser.

6.2. Further Assurances

The Smartek Parties shall, at the request of the Purchaser but without further consideration unless otherwise expressly set out herein, do, execute, acknowledge, deliver and file, or shall cause to be done, executed, acknowledged, delivered or filed, all such further acts, deeds, transfers, conveyances, assignments or assurances as may be reasonably requested to consummate the transactions contemplated by this Agreement.

6.3. Confidential Information

The Smartek Parties, or any of them, will not use or disclose to any Person any trade secrets or confidential or proprietary documents, processes, plans marketing information, strategic plans or financial information relating to the Products and Smartek Parties IP Assets, but excluding information which (i) was or is in the public domain through no fault of the Smartek Parties; (ii) is disclosed to the Smartek Parties after the Closing by a third party who has a right to do so; or (iii) is required to be disclosed by law or court order, provided the Purchaser is promptly advised of the same by the Smartek Parties, or any of them, and given the opportunity to oppose any such disclosure or seek a protective order regarding such confidential information and restricting any such disclosure of the same. Each Smartek Party hereby agrees to execute any further documentation that may be reasonably required by the Purchaser to give effect to the foregoing.

6.4. Deliverables Following Closing

Each of the Smartek Parties hereby covenants to do all things necessary to deliver or cause to be achieved each of the Priority 1 Deliverable, Priority 2 Deliverable, the Consulting Agreement Deliverable and each Post-Closing Deliverable, as set out herein.

6.5. Study

The Smartek Parties hereby covenant to complete the production of the necessary THC/CBD strips at the earliest possible time, it being understood that the Purchaser shall as soon as practicable upon delivery thereof to undertake and complete the Study as soon as practicable following the Closing Date as contemplated herein and in compliance with applicable laws and guidelines.

6.6. No Guarantee of Liquidity Event

The Purchaser is a private company and does not have any of its securities listed on a stock exchange, and notwithstanding the entry by the Purchaser into the Amalgamation Agreement with the Parent, there is no assurance that any Liquidity Event will be completed, or that its securities will ever become publicly listed. As at the date of this Agreement, there is no market for the Consideration Shares, Consideration Warrants or common shares underlying the Consideration Warrants, and there is no assurance that a market will ever develop.

7. SMARTEK PARTY CONDUCT OF PRODUCTS AND SMARTEK PARTIES IP ASSETS PENDING CLOSING

7.1. Conduct of Business

Each Smartek Party hereby covenants and agrees with the Purchaser that between the Effective Date and the final Delivery Date:

- (a) Without the Purchaser's prior written approval, no material contract, licence or commitment related to the Products and/or Smartek Parties IP Assets will be discussed, entertained, explored or entered into by or on behalf of the Smartek Parties or any of them;
 - (b) Each of the Smartek Parties will use commercially reasonable efforts to preserve intact the Products and Smartek Parties IP Assets and the existing relationships and goodwill of the Products and Smartek Parties IP Assets with its vendors, customers, and other third parties involved therewith;
 - (c) No Smartek Party will create or permit to become effective any Encumbrance on any of the Products and Smartek Parties IP Assets;
 - (d) The Smartek Parties, or any of them, will promptly advise the Purchaser of the commencement or threat against the Smartek Parties, or any of them, of any Litigation relating to or affecting the Products and Smartek Parties IP Assets or the transaction contemplated by this Agreement; and
 - (e) No Smartek Party will, directly or indirectly, solicit, review, discuss, negotiate or otherwise consider any inquiry or proposal relating to the sale of the Products and Smartek Parties IP Assets, and will promptly inform the Purchaser of any inquiry or proposal and will provide the Purchaser with all related documentation.
- 8.** The Smartek Parties shall act at all times in compliance with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the Smartek Party IP Assets and Products and/or each Smartek Party's conduct related to, or ownership of, the Smartek Party IP Assets and the Products.

9. FURTHER ASSURANCES ON INTELLECTUAL PROPERTY; CONFIDENTIALITY

9.1. Further Assurances on Assignment of Products and Smartek Parties IP Assets

To further facilitate the Acquisition and the terms of this Agreement, from time to time on and after the Effective Date, each party shall at the reasonable request of the other party or parties (a) deliver to such other party or parties such records, information or other documents as are consistent with the provisions of this Agreement, (b) execute, and deliver or cause to be delivered, all such assignments, consents, documents or further instruments of transfer or license, or any modifications, extensions or adjustments thereto as such other party may reasonably deem necessary or desirable in order for such party to obtain the full benefits of and for perfecting transfers under, this Agreement and (c) take or cause to be taken all such other actions, as such other party may reasonably deem necessary or desirable in order for such party to obtain the full benefits of this Agreement and the transactions contemplated thereby.

9.2. No Contesting, Impairment or Challenge of Smartek Parties IP Assets by Smartek Parties Post-Closing

No Smartek Party shall after the Closing Date use any of the Smartek Parties IP Assets, or any mark or name confusingly similar to the Trademarks, in any business which he or it controls or with which he is affiliated. No Smartek Party will attack, damage, disparage, or challenge, or support any third party effort to attack, damage, disparage or challenge, the Smartek Parties IP Assets nor the Purchaser's right, title or interest in and to the Smartek Parties IP Assets

9.3. Protection of Confidential Information

Each Smartek Party hereby agrees on behalf of himself or itself and each of his or its respective affiliates, officers, directors, shareholders, employees, independent contractors, agents and representatives, to safeguard against disclosure to third Persons all confidential information included in the Products and Smartek Parties IP Assets by using reasonable secrecy measures and not less than the same degree of care as for their own similarly proprietary information. In the event of a breach or threatened breach by any Smartek Party of any provision of this Section 8.3, the parties agree and acknowledge that the Purchaser will be entitled to an injunction restraining any and all of the Smartek Parties, including any affiliates, officers, directors, shareholders, employees, independent contractors, agents and representatives thereof, from any use or disclosure, or threatened use or disclosure, in whole or in part, of such confidential information. Nothing herein will be construed as prohibiting the Purchaser from pursuing any other remedies in law or in equity for such breach or threatened breach, including the recovery of damages.

9.4. Management of Smartek Parties IP Assets Post-Closing

The Parties acknowledge that upon delivery of the Closing Deliverables, Purchaser shall have decision-making authority over the Smartek Parties IP Assets, including decisions over costs incurred, scope of claims, scope of international filings (if any), prosecution and abandonment and enforcement. Purchaser may, but is not obliged to, consult with any Smartek Parties regarding future decision making the Smartek Parties IP Assets after Closing.

10. INDEMNITIES

10.1. Survival of Representations and Warranties

All of the representations and warranties made by each party to this Agreement shall survive

indefinitely to the extent permitted by applicable laws or such shorter maximum period permitted thereby.

10.2. General Indemnification by the Smartek Parties

Each Smartek Party, jointly and severally with the other Smartek Parties, hereby agrees to protect, defend, indemnify and hold harmless the Purchaser and each of its affiliates, shareholders, directors, officers, employees, contractors, agents, representatives, successors and assigns, from, against and in respect of any and all losses, costs, damages, charges or expenses (including, without limitation, reasonable legal fees) resulting from (a) any misrepresentation, breach of any warranty or covenant on the part of any Smartek Party contained in this Agreement, and/or (b) any liabilities pertaining to the Products and Smartek Parties IP Assets in existence or arising from/during a period of time up to and including the Closing Date, whether or not known.

10.3. Right to Cure

Each of the Purchaser or the Smartek Parties, or any of them, as applicable, shall give written notice to the other (each a "Defaulting Party") of any alleged breach of any representation or warranty or nonfulfillment of any provision of this Agreement and the Defaulting Party shall have the right to cure any alleged breach to the reasonable satisfaction of the other party for a period of thirty (30) days or, in the case of a breach that cannot be reasonably cured within such 30-day period, within a period deemed reasonably sufficient by the other party, in its reasonable discretion, to effect such cure, prior to the Defaulting Party having been deemed in breach of this Agreement.

10.4. Notification of Claims

Each of the Purchaser and the Smartek Parties, or any of them shall, in a timely manner, provide each other with notice of all third party actions, suits, proceedings, claims, demands or assessments subject to the indemnification provisions of this Section 9 (collectively, "Third Party Claims") brought at any time following the date hereof, and shall otherwise make available all relevant information material to the defense of any Third Party Claims against it. The indemnifying party shall have the right to control the defense of such Third Party Claims with the counsel of its choice. The indemnified party shall have the right to elect to join in the defense of any such Third Party Claim at its sole expense, and no claim shall be settled or compromised without the consent of the indemnified party, which consent shall not be unreasonably withheld or delayed.

10.5. Non-exclusivity of Indemnification Remedies

The indemnification remedies and other remedies provided in this Section 9 shall not be deemed to be exclusive. Accordingly, the exercise by any party of any of its rights under this Section 9 shall not be deemed to be an election of remedies and shall not be deemed to prejudice, or to constitute or operate as a waiver of, any other right or remedy that such party may be entitled to exercise. In addition to any rights of setoff or other right or remedy that the Purchaser may be entitled to exercise (whether under this Agreement, under any other contract, under any statute, rule or other legal requirement, at common law in equity, or otherwise), the Purchaser shall have the right to withhold and deduct any sum that may be owed by the Purchaser under this Section 9 from any amount otherwise payable to the Smartek Parties.

11. GENERAL

11.1. Waiver

Any failure of any party hereto to comply with any of its obligations or agreements or to fulfill any conditions herein contained may be waived only by a written waiver from the other parties. No failure by any party hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder by any party preclude any other or future exercise of that right or any other right hereunder by that party.

11.2. Notices

All notices, requests or other communications required or permitted hereunder shall be given in writing by hand delivery, overnight mail, registered mail, or certified mail, return receipt requested, postage prepaid, to the party to receive the same at its respective address set forth below, or at such other address as may from time to time be designated by such party to the others in accordance with this Section 10.2:

If to the Purchaser:

Mountain Valley MD Inc.

[REDACTED]

[PARTY CONTACT INFORMATION]

With a copy to:

[REDACTED]

(which will not constitute delivery or service)

If to Smartek, at the address first set out above:

If to Farber, at the address first set out above:

If to [REDACTED] at the address first set out above:

All such notices and communications hereunder shall be deemed given when received, as evidenced by the acknowledgement of receipt issued with respect thereto by the applicable postal authorities or the signed acknowledgment of receipt of the person to whom such notice or communication shall have been addressed. Nothing contained in this Section 10.2 shall be deemed to constitute consent to the manner and address for service of process in connection with any legal proceeding (including but not limited to litigation arising out of or in connection with this Agreement), which services shall be effected as required by applicable law.

11.3. No Third Party Beneficiaries

Neither this Agreement nor any provision hereof shall create any right in favor of or impose any obligation upon any Person or entity other than the Purchaser, any or all of the Smartek Parties, and their respective successors and assigns.

11.4. Captions and Paragraph Headings

Captions and paragraph headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it.

11.5. Entire Agreement

The making, execution and delivery of this Agreement by the parties has been induced by no representations, statements, warranties or agreements other than those herein expressed. This Agreement embodies the entire understanding of the parties and there are no other agreements or understandings, written or oral, in effect between parties relating to the subject matter hereof, unless expressly referred to by reference herein or therein. This Agreement may be amended or modified only by an instrument signed by all of the parties or their duly authorized agents. The parties make no representations or warranties not expressly set forth in this Agreement. This Agreement supersedes and terminates the document described as a “Binding Letter of Intent” among the parties dated July 5, 2019, as amended, and all prior discussions, negotiations, understandings, arrangements and agreements between the parties relating to the subject matter hereof.

11.6. Counterparts and Execution

This Agreement may be executed and delivered by physical or electronic means in any number of duplicate counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

11.7. Independent Counsel

Each party hereto has retained and consulted with its own independent counsel and tax advisors with respect to the terms of this Agreement. The parties acknowledge that each party and its counsel has reviewed, and has had sufficient opportunity to review and revise, this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

11.8. Assignability

No party hereto may assign this Agreement without the prior written consent of the other parties. Notwithstanding the foregoing, (a) the Purchaser may assign this Agreement to any other wholly-owned direct or indirect subsidiary of the Purchaser or the Parent or any entity into which or with which such corporation shall be merged or joined, as applicable, and (b) the Purchaser may assign its rights hereunder to any subsequent bona fide purchaser of the Products and Smartek Parties IP Assets or any portion or component of the Products and Smartek Parties IP Assets. Any impermissible attempted assignment of this Agreement without such prior written consent shall be void.

11.9. Successors and Assigns

This Agreement and the provisions thereof shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the parties.

11.10. Governing Law

The parties have agreed that the validity, construction, operation and effect of any and all of the terms and provisions of this Agreement shall be determined and enforced in accordance with the

laws of Ontario, Canada, excluding conflict of laws rules applicable thereto. By execution and delivery of this Agreement, both parties hereby waive any objection which such party may now or hereafter have to jurisdiction selected by the other party.

11.11. Severability

In the event that any part of this Agreement is declared by any court or other judicial or administrative body to be null, void or unenforceable, said provision shall survive to the extent it is not so declared, and all of the other provisions of this Agreement shall remain in full force and effect.

12. DEFINITIONS

- 12.1.** “**Acquisition**” shall have the meaning set forth in the Recitals hereto.
- 12.2.** “**Cash Consideration**” shall have the meaning specified in Section 2.1 of the Agreement.
- 12.3.** “**Closing**” shall have the meaning specified in Section 3.1 of the Agreement.
- 12.4.** “**Closing Date**” shall mean the date on which the Closing shall occur.
- 12.5.** “**Closing Deliverables**” shall have the meaning specified in Section 1.1(a) of the Agreement.
- 12.6.** “**Closing Transaction Documents**” shall mean this Agreement, the Patent Assignment, the Trademark Assignment, the Lock-Up Agreement, the Escrow Agreement, and any and all other documentation required to be executed on or about the Closing Date as set out herein.
- 12.7.** “**Consideration Shares**” shall have the meaning specified in Section 2.1 of the Agreement.
- 12.8.** “**Consideration Warrants**” shall have the meaning specified in Section 2.1 of the Agreement.
- 12.9.** “**Copyright Rights**” shall have the meaning set forth in Section 8.1(a) of the Agreement.
- 12.10.** “**Defaulting Party**” shall have the meaning set forth in Section 9.4 of the Agreement.
- 12.11.** “**Delivery Date**” shall mean any of the Closing Date, the Priority 1 Closing Date or the Priority 2 Closing Date, as applicable.
- 12.12.** “**Deposit**” shall have the meaning specified in Section 2.1(c) of the Agreement.
- 12.13.** “**Encumbrances**” shall have the meaning set forth in Section 1.1 of the Agreement.
- 12.14.** “**Escrowed Amount**” shall have the meaning specified in Section 2.1(d) of the Agreement.
- 12.15.** “**Escrowed Shares**” shall have the meaning specified in Section 2.1(d) of the Agreement.

- 12.16. **“Expenses”** shall have the meaning specified in Section 2.1(b) of the Agreement.
- 12.17. **“Governmental Body”** shall mean any: (i) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (ii) federal, state, provincial, local, municipal, foreign or other government; (iii) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission council, board, instrumentality, officer, official, representative, organization, unit, body or entity and any court or other tribunal); (iv) multi-national organization or body; or (v) Person exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.
- 12.18. **“Initial Escrow Release Payment”** shall have the meaning specified in Section 2.1(d)(i) of the Agreement.
- 12.19. **“Initial Payments”** shall have the meaning specified in Section 2.1(a) of the Agreement.
- 12.20. **“Litigation”** shall have the meaning set forth in Section 4.3 of the Agreement.
- 12.21. **“Person”** shall mean any individual, Governmental Body, any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability company, joint venture, estate, trust, cooperative, foundation, society, political party, union, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity.
- 12.22. **“Post-Closing Deliverable Cash Consideration”** shall have the meaning set forth in Section 2.1(d) of the Agreement.
- 12.23. **“Post-Closing Deliverable Consideration”** shall have the meaning set forth in Section 2.1(d) of the Agreement.
- 12.24. **“Post-Closing Deliverable Consideration Shares”** shall have the meaning set forth in Section 2.1(d) of the Agreement.
- 12.25. **“Post-Closing Deliverables”** shall have the meaning set forth in Section 1.2 of the Agreement.
- 12.26. **“Priority 1 Closing Date”** shall mean the date upon which the Priority 1 Deliverables are actually delivered to the Purchaser as contemplated herein.
- 12.27. **“Priority 1 Deadline”** shall have the meaning set forth in Section 1.1(b) of the Agreement.
- 12.28. **“Priority 1 Deliverables”** shall have the meaning set forth in Section 1.1(b) of the Agreement.
- 12.29. **“Priority 2 Closing Date”** shall mean the date upon which the Priority 2 Deliverables are actually delivered to the Purchaser as contemplated herein.
- 12.30. **“Priority 1 Products”** shall have the meaning set forth in Section 1.1(d) of the Agreement.

- 12.31. **“Priority 2 Deadline”** shall have the meaning set forth in Section 1.1(c) of the Agreement.
- 12.32. **“Priority 2 Deliverables”** shall have the meaning set forth in Section 1.1(c) of the Agreement.
- 12.33. **“Priority 2 Products”** shall have the meaning set forth in Section 1.1(e) of the Agreement.
- 12.34. **“Proceeding”** shall mean any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation brought, conducted or heard by or before, or that otherwise involves, any Governmental Body, judge, arbitrator or arbitration panel.
- 12.35. **“Products”** shall mean the Priority 1 Products and the Priority 2 Products.
- 12.36. **“Purchase Price”** shall have the meaning set forth in Section 2.1 of the Agreement.
- 12.37. **“Purchaser”** shall have the meaning set forth in the Recitals hereto.
- 12.38. **“Second Escrow Release Payment”** shall have the meaning specified in Section 2.1(d)(ii) of the Agreement.
- 12.39. **“Smartek Parties”** shall have the meaning set forth in the Recitals hereto.
- 12.40. **“Study”** shall have the meaning set forth in Section 2.1(c)(ii) of the Agreement.
- 12.41. **“Third Party Claims”** shall have the meaning set forth in Section 9.4 of the Agreement.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have duly signed this Agreement the day and year first written above.

Mountain Valley MD Inc.

Per: _____
Dennis Hancock, President and CEO

Smartek International, LLC

Per: _____
Michael Farber, President

Michael Farber

Witness

[REDACTED]

Witness

[SECOND SMARTEK SHAREHOLDER]

[SCHEDULES REMOVED OR REDACTED]

SCHEDULE "J"

DISCLOSURE REGARDING SECTIONS 4.6.2 AND 4.8.1



APPENDIX "1" TO SCHEDULE "J"

[REDACTED]

[REDACTED] attached]

SCHEDULE "K"

FORM OF ESCROW AGREEMENT