

SHARE EXCHANGE AGREEMENT

THIS SHARE EXCHANGE AGREEMENT is made effective the 30th day of March, 2020.

AMONG:

WOLF'S DEN CAPITAL CORP.,

a corporation existing under the laws of British Columbia
(hereinafter referred to as the "**Purchaser**")

- and -

DANAVATION TECHNOLOGIES INC.

a corporation existing under the laws of Ontario
(hereinafter referred to as "**Danavation**")

-and-

The shareholders of Danavation listed in the attached Schedule "A" (which shareholders, together with any persons that become shareholders of Danavation prior to Closing, hereinafter collectively referred to as, the "**Shareholders**", and individually as, a "**Shareholder**")

WHEREAS on the terms and subject to the conditions herein set forth, the Purchaser desires to purchase from the Shareholders all of the issued common shares of Danavation (the "**Purchased Shares**"), representing all of the issued and outstanding shares of Danavation as at the date of this Agreement, and the Shareholders desire to sell the Purchased Shares to the Purchaser.

WHEREAS promptly after the Closing, the Resulting Issuer will seek to list on the CSE by filing the Listing Statement (capitalized terms used in this recital have the meanings given to such terms in Section 1.01);

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

ARTICLE I INTERPRETATION

1.01 Definitions

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

- (a) "**Agreement**" means this share exchange agreement as the same may be supplemented or amended from time to time and includes all of the schedules attached hereto;
- (b) "**Alternative Transaction**" means any of the following (other than the transactions contemplated by this Agreement): (a) any merger, amalgamation, arrangement, share

exchange, take-over bid, tender offer, recapitalization, consolidation or other business combination directly or indirectly involving Danavation or the Purchaser, as applicable, or any analogous transaction whereby Danavation or the Purchaser, as applicable, becomes directly or indirectly publicly listed; (b) any acquisition of all or substantially all of the assets of Danavation or the Purchaser, as applicable (or any lease, long-term supply agreement, exchange, mortgage, pledge or other arrangement having a similar economic effect); (c) any acquisition of beneficial ownership of 50% or more of Danavation's or the Purchaser's, as applicable, common shares in a single transaction or a series of related transactions; (d) any acquisition by Danavation or the Purchaser, as applicable, of any assets or capital stock of another person (other than acquisitions of capital stock or assets of any other person that are not, individually or in the aggregate, material to Danavation or the Purchaser, as applicable); or (e) any bona fide proposal to, or public announcement of an intention to, do any of the foregoing on or before the Termination Date;

- (c) **"Applicable Securities Laws"** means the securities legislation having application, the regulations and rules thereunder and all administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable securities regulatory authority, all as amended;
- (d) **"BCBCA"** means the *Business Corporations Act* (British Columbia), as may be amended from time to time;
- (e) **"Books and Records"** means all technical, business and financial records, financial books and records of account, books, data, reports, files, lists, drawings, plans, logs, briefs, customer and supplier lists, deeds, certificates, contracts, surveys, title opinions or any other documentation and information in any form whatsoever (including written, printed, electronic or computer printout form) relating to a corporation and its business;
- (f) **"Business Day"** means a day which is not a Saturday, Sunday or a statutory holiday in the Province of Ontario;
- (g) **"Closing"** means the completion of the Transaction in accordance with the terms and conditions of this Agreement;
- (h) **"Closing Date"** means the date of Closing, which shall be the fifth Business Day following the satisfaction or waiver of all conditions to the obligations of the parties to consummate the Transaction (other than conditions that are satisfied with respect to actions the respective parties will take at the Closing itself), or such other date as the parties may mutually determine;
- (i) **"Common Shares"** means common shares in the capital of the Purchaser;
- (j) **"Concurrent Financing"** means the private placement of Common Shares of the Purchaser to raise aggregate gross proceeds of up to \$6,000,000 through the issuance of equity securities at a price per equity security to be determined in the context of the market, expected to close concurrently with the Time of Closing;
- (k) **"Consolidation"** means the consolidation of the outstanding Common Shares on the basis of one (1) post-consolidation common share of the Purchaser for each eight (8) outstanding Common Shares which shall occur prior to Closing of the Concurrent Financing;

- (l) **"Contracts"** (individually, a **"Contract"**) means all written or oral outstanding contracts and agreements, leases (including the real property leases), third-party licenses, insurance policies, deeds, indentures, instruments, entitlements, commitments, undertakings and orders made by or to which a party is bound or under which a party has, or will have, any rights or obligations and includes rights to use, franchises, license and sub-licenses agreements and agreements for the purchase and sale of assets or shares;
- (m) **"Corporate Records"** means the corporate records of a corporation, including: (i) its articles, by-laws or other constituting documents, any unanimous shareholders agreement and any amendments thereto; (ii) all minutes of meetings and resolutions of shareholders, directors and any committee thereof; (iii) the share certificate books, register of shareholders, register of transfers and registers of directors and officers; and (iv) all accounting records;
- (n) **"CSE"** means the Canadian Securities Exchange, operated by the CNSX Markets Inc.;
- (o) **"Danavation Assets"** means the assets of Danavation as shown in the Danavation Financial Statements;
- (p) **"Danavation Financial Statements"** has the meaning set forth in Section 5.03(k);
- (q) **"Danavation Material Contracts"** has the meaning set forth in Section 5.03(q);
- (r) **"Danavation Private Placement"** means the non-brokered private placement of up to 17,600,000 Danavation Shares at a price of \$0.05 per share, for aggregate gross proceeds of up to \$880,000, and resulting in Danavation having not less than 100 shareholders in the equity capital of Danavation, each holding a minimum of one board lot in accordance with the rules of the CSE;
- (s) **"Danavation Shares"** means the common shares in the capital of Danavation;
- (t) **"Danavation Shareholder Consent Agreement"** means the consent agreement to be entered into between the Purchaser and each New Danavation Shareholder by the Time of Closing, substantially in the form attached hereto as Schedule "B";
- (u) **"Disclosed"** means, in the case of the Shareholders and Danavation, fairly disclosed (with sufficient details to identify the nature and scope of the matter disclosed), and, in the case of the Purchaser, fairly disclosed in writing to Danavation prior to the date of this Agreement (with sufficient details to identify the nature and scope of the matter disclosed);
- (v) **"Escrow Agent"** means TSX Trust Company, or such other escrow agent as may be mutually agreed upon and duly appointed by the Purchaser and Danavation, each acting reasonably;
- (w) **"Governmental Authority"** means any: (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign; or (ii) regulatory authority, including any securities commission, gaming commission or stock exchange, including the CSE;
- (x) **"IFRS"** means International Financial Reporting Standards;

- (y) **"IP"** means any and all intellectual property or proprietary rights arising at law or in equity, including, without limitation: (i) patents, all patent rights and all patent rights and all applications therefor and all reissues, re-examinations, continuations, continuations-in-part, divisions, and patent term extensions thereof; (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models; (iii) registered and unregistered copyrights, copyright registrations and applications, mask works and mask work registrations and applications therefor, author's rights and works of authorship; (iv) URLs, web sites, web pages and any part thereof; (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary and manufacturing processes, technology, formulae, and algorithms; (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor; (vii) industrial designs or design patents, whether or not patentable or registrable, patented or registered or the subject of applications for registration or patent or registration and all rights of priority, applications, continuations, continuations-in-part, divisions, re-examinations, reissues and other derivative applications and patents therefor; (viii) licenses, contacts and agreements otherwise relating to the IP; and (ix) the goodwill symbolized or represented by the foregoing;
- (z) **"laws"** means all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or any provisions of the foregoing, including general principles of common and civil law and equity, binding on or affecting the person referred to in the context in which such word is used; and **"law"** means any one of them;
- (aa) **"Licensed IP"** means all IP that is licensed to Danavation under the terms of a license agreement or otherwise;
- (bb) **"Lien"** means any mortgage, encumbrance, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition, which, in substance, secures payment, or performance of an obligation;
- (cc) **"Listing"** means the listing of the Common Shares (including the Payment Shares) on the facilities of the CSE;
- (dd) **"Listing Statement"** means the listing statement of Purchaser pertaining to the Transaction and in the form prescribed by the CSE, prepared in support of the listing of the Common Shares on the CSE;
- (ee) **"Material Adverse Effect"** means: (i) any change, effect, occurrence, fact, circumstance or event which, individually or when taken together with any other changes, effects, occurrence, facts, circumstances or events, could reasonably be expected to be materially adverse to the assets, liabilities, condition (financial or otherwise), business, properties or results of operation of the Purchaser or Danavation, as applicable; or (ii) a material impairment of or delay in the ability of the parties (or any one of them) to perform their obligations hereunder or consummate the Transaction;
- (ff) **"Material Contract"** means any Contract to which a person is a party and which is material to such person, including any Contract: (i) the termination of which would have

a Material Adverse Effect on such person; (ii) any contract which would result in payments to or from such person or its subsidiaries (if any) in excess of \$25,000, whether payable in one payment or in successive payments; (iii) any agreement or commitment relating to the borrowing of money or to capital expenditures; and (iv) any agreement or commitment not entered into in the ordinary course of business;

- (gg) "**material fact**" shall have the meaning ascribed to it in the *Securities Act* (Ontario);
- (hh) "**misrepresentation**" shall have the meaning ascribed to it in the *Securities Act* (Ontario);
- (ii) "**New Danavation Shareholder**" has the meaning set forth in Section 2.01;
- (jj) "**Payment Shares**" has the meaning set forth in Section 2.02;
- (kk) "**person**" includes an individual, sole proprietorship, partnership, limited partnership, unincorporated association or organization, unincorporated syndicate, body corporate, trust, trustee, executor, administrator, legal representative of the Crown or any agency or instrumentality thereof;
- (ll) "**Public Record**" means the information relating to the Purchaser contained in all press releases, material change reports, financial statements and related management's discussion and analysis, information circulars and all other documents of the Purchaser which have been filed on SEDAR;
- (mm) "**Purchased Shares**" has the meaning set forth in the recitals to this Agreement;
- (nn) "**Purchaser Financial Statements**" has the meaning set forth in Section 5.01(k);
- (oo) "**Purchaser Material Contracts**" has the meaning set forth in Section 5.01(q);
- (pp) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;
- (qq) "**Shareholders**" and "**Shareholder**" have the respective meanings set forth in the recitals to this Agreement;
- (rr) "**Shareholders' Approval**" means, if required, approval of the Transaction by shareholders of the Purchaser in accordance with the policies of the CSE and applicable securities laws, which approval may be obtained by written consent of such shareholders;
- (ss) "**Subsidiary**" means any person (other than an individual) that is controlled by another person (other than an individual);
- (tt) "**Tax Act**" means the *Income Tax Act* (Canada), as may be amended from time to time;
- (uu) "**Termination Date**" means December 31, 2020, or such later date as may be agreed in writing between the Purchaser and Danavation;
- (vv) "**Termination Fee**" means a cash termination payment in an amount equal to \$60,000 payable by the Purchaser to Danavation as provided for in this Agreement;

(ww) "**Time of Closing**" means 10:00 a.m. (Toronto time) on the Closing Date, or such other time as the parties may mutually determine; and

(xx) "**Transaction**" means the purchase and sale of the Purchased Shares in accordance with the terms of this Agreement and the Listing.

1.02 Currency

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

1.03 Interpretation Not Affected by Headings, etc.

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

1.04 Number, etc.

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

1.05 Date for Any Action

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

1.06 Statutory References

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

1.07 Accounting Principles

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

1.08 Knowledge

(a) Any reference herein to "the knowledge of the Purchaser" (or similar expressions) will be deemed to mean the actual knowledge of Tony Di Benedetto and Richard Buzbuzian, the senior officers of the Purchaser.

- (b) Any reference herein to "the knowledge of Danavation" (or similar expressions) will be deemed to mean the actual knowledge of John Ricci and Frank Borges, the senior officers of Danavation.
- (c) Any reference herein to "the knowledge of the Shareholder" (or similar expressions) will be deemed to mean the actual knowledge of the applicable Shareholder, together with the knowledge such person would have had if they had conducted a diligent inquiry into the relevant subject matter.

ARTICLE II PURCHASE AND SALE OF PURCHASED SHARES

2.01 Purchase and Sale

Subject to and in accordance with the terms conditions of this Agreement, the parties hereby agree to as follows:

- (a) each of the Shareholders covenants and agrees to sell, assign and transfer to the Purchaser and the Purchaser covenants and agrees to purchase from the Shareholders, the number of Purchased Shares which are beneficially owned by such Shareholder at the Time of Closing. As of the date of this Agreement, the number of Purchased Shares which are beneficially owned by each Shareholder is the number set forth opposite the name of such Shareholder as set out in Schedule "A" attached hereto;
- (b) each of the persons who purchase securities in the Danavation Private Placement (the "**New Danavation Shareholders**") shall become a party to, and be bound by, this Agreement by executing the consent agreement (the "**Danavation Shareholder Consent Agreement**") in the form attached as Schedule "B" hereto. By executing the Danavation Shareholder Consent Agreement, each New Danavation Shareholder shall for all purposes be a selling Shareholder and such Shareholders will agree to sell, assign and transfer to the Purchaser the securities purchased in the Danavation Private Placement and the Purchaser will covenant and agree to purchase such securities from the New Danavation Shareholder, all on terms set forth in the Danavation Shareholder Consent Agreement; and
- (c) as a result of the foregoing, Danavation will be a wholly-owned subsidiary of the Purchaser.

2.02 Purchase Price

In consideration for the acquisition of the Purchased Shares, the Purchaser shall issue from treasury to the Shareholders, pro rata in proportion to their holdings of Purchased Shares at the Time of Closing, 56,700,000 post-Consolidation Common Shares representing the issued and outstanding Purchased Shares as at the date of this Agreement, and such number of Common Shares as is equal to the number of Danavation Shares issued pursuant to the Danavation Private Placement (up to a maximum of 17,600,000 post Consolidation Common Shares), for an aggregate of up to 73,700,000 post Consolidation Common Shares (the "**Payment Shares**") to the Shareholders.

2.03 Tax Election

The Purchaser agrees that, at the request and expense of any Shareholder, it shall sign and execute an election pursuant to the provisions of subsection 85 of the Tax Act that apply to the transfer, in which election such Shareholder shall be entitled to elect the amount which shall be such Shareholder's proceeds of disposition and the Purchaser's cost of the respective Purchased Shares sold to the Purchaser for purposes of the Tax Act, provided such amount is within the limits prescribed by the Tax Act and provided that such Shareholder shall be responsible for preparing the appropriate tax election form and providing the Purchaser with a letter representing to the Purchaser that such Shareholder either is: (i) a resident of Canada for purposes of the Tax Act and is not exempt from tax under section 149 of the Tax Act; or (ii) a partnership if one or more of the members of such partnership satisfy the criteria specified in clause (i) above. The Purchaser shall execute any completed election form received and mail such form to the Shareholder at the Shareholder's address as noted on the form within 45 days of receipt thereof; provided that the Purchaser shall not be obligated to execute any election form received after 45 days from the Effective Date. The selling Shareholder shall be solely responsible for preparing and filing the form with the appropriate tax authorities and shall contemporaneously provide a copy of such form to the Purchaser, and such Shareholder shall be solely responsible for any interest or penalties arising in respect of any late filed election made pursuant to this Section 2.03. The Purchaser shall not be liable for any damages arising to a Shareholder for late filing, any errors or omissions, or otherwise in respect of any form contemplated in this Section 2.03, and the Purchaser's obligations shall be limited to executing and making the election forms as contemplated in this Section 2.03.

2.04 Restrictions on Resale

Each of the Shareholders acknowledges and agrees as follows:

- (a) the transfer of the Purchased Shares and the issuance of the Payment Shares in exchange therefor, will be made pursuant to appropriate exemptions (the "**Exemptions**") from the formal takeover bid and registration and prospectus (or equivalent) requirements of Applicable Securities Laws;
- (b) that the CSE may require certain of the Payment Shares to be held in escrow in accordance with the policies of the CSE;
- (c) as a consequence of acquiring the Payment Shares pursuant to the Exemptions:
 - (i) the Shareholders will be restricted from using certain of the civil remedies available under Applicable Securities Laws;
 - (ii) the Shareholders may not receive information that might otherwise be required to be provided to the Shareholders, and the Purchaser is relieved from certain obligations that would otherwise apply under Applicable Securities Laws if the Exemptions were not being relied upon by the Purchaser;
 - (iii) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Payment Shares;
 - (iv) there is no government or other insurance covering the Payment Shares;
 - (v) an investment in the Payment Shares is speculative and of high risk;

- (d) the certificates representing the Payment Shares will bear such legends as required by Applicable Securities Laws and the policies of the CSE and it is the responsibility of the Shareholders to find out what those restrictions are and to comply with them before selling the Payment Shares; and
- (e) the Shareholder is knowledgeable of, or has been independently advised as to, the applicable laws of that jurisdiction which apply to the sale of the Payment Shares, and the issuance of the Payment Shares, and which may impose restrictions on the resale of such Payment Shares in that jurisdiction and it is the responsibility of the Shareholder to find out what those resale restrictions are, and to comply with them before selling the Payment Shares.

2.05 Listing Statement

- (a) Promptly after the execution of this Agreement, the Purchaser and Danavation shall jointly prepare and complete the Listing Statement together with any other documents required by the BCBCA, Applicable Securities Laws and other applicable laws and the rules and policies of the CSE in connection with the Listing, and Purchaser shall, as promptly as reasonably practicable after obtaining the approval of the CSE as to the final Listing Statement cause such final Listing Statement to be filed on SEDAR.
- (b) The Purchaser represents and warrants that the Listing Statement will comply in all material respects with all applicable laws (including Applicable Securities Law), and, without limiting the generality of the foregoing, that the Listing Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (provided that the Purchaser shall not be responsible for the accuracy of any information relating to Danavation that is furnished in writing by Danavation for inclusion in the Listing Statement).
- (c) Danavation represents and warrants that any information or disclosure relating to Danavation that is furnished in writing by Danavation for inclusion in the Listing Statement will comply in all material respects with all applicable laws (including Applicable Securities Law), and, without limiting the generality of the foregoing, that the Listing Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (provided that Danavation shall not be responsible for the accuracy of any information relating to the Purchaser that is furnished in writing by the Purchaser for inclusion in the Listing Statement).
- (d) Danavation, the Purchaser and their respective legal counsel shall be given a reasonable opportunity to review and comment on drafts of the Listing Statement and other documents related thereto, and reasonable consideration shall be given to any comments made by Danavation, the Purchaser and their respective counsel, provided that all information relating solely to the Purchaser included in the Listing Statement shall be in form and content satisfactory to the Purchaser, acting reasonably, and all information relating solely to Danavation included in the Listing Statement shall be in form and content satisfactory to Danavation, acting reasonably.
- (e) The Purchaser and Danavation shall promptly notify each other if at any time before the date of filing in respect of the Listing Statement, either party becomes aware that the

Listing Statement contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Listing Statement and the parties shall cooperate in the preparation of any amendment or supplement to such documents, as the case may be, as required or appropriate.

ARTICLE III CONDITIONS OF CLOSING

3.01 Conditions of Closing in Favour of the Purchaser

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

- (a) the Shareholders and Danavation shall have tendered all closing deliveries set forth in Sections 4.03 and 4.04, respectively, including delivery of the Purchased Shares, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers;
- (b) receipt of evidence of the approval of the Shareholders, if applicable;
- (c) on or before the Closing Time, Danavation shall have obtained the consent of each of the New Danavation Shareholders, if any, evidenced by the delivery of the Danavation Shareholder Consent Agreements;
- (d) the Common Shares, including the Payment Shares, shall have been conditionally approved for Listing on the CSE, subject to the usual requirements of the CSE in respect of transactions of the nature of the Transaction as contemplated herein;
- (e) the Danavation Private Placement shall have been completed or if completed in escrow pending the Closing, then all conditions necessary to release such escrow shall have been satisfied (other than the completion of the Transaction);
- (f) all of the conditions necessary to complete the Concurrent Financing shall have been satisfied (other than the completion of the Transaction);
- (g) neither Danavation nor any of the Shareholders shall have violated Section 8.01;
- (h) the representations and warranties of Danavation set forth in this Agreement shall have been true and correct as of the date hereof and shall be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier), except as affected by the transactions contemplated by this Agreement, and a certificate of a senior officer of Danavation to this effect shall have been delivered to the Purchaser;
- (i) all of the terms, covenants and conditions of this Agreement to be complied with or performed by Danavation at or before the Time of Closing will have been complied with or performed and a certificate of a senior officer of Danavation to this effect shall have been delivered to the Purchaser;

- (j) the representations and warranties of the Shareholders set forth in this Agreement shall have been true and correct in all material respects as of the date hereof and shall be true and correct in all material respects as of the Time of Closing and delivery by each Shareholder of the documents described in Section 4.04 required to be delivered by such Shareholder shall constitute a reaffirmation and confirmation by such Shareholder of such representations and warranties;
- (k) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Shareholder at or before the Time of Closing will have been complied with or performed and delivery of the documents described in Section 4.04 shall constitute confirmation of such compliance and performance;
- (l) the Purchaser shall be satisfied with the results of its due diligence investigations relating to Danavation and the Transaction, acting reasonably;
- (m) all consents, assignments, waivers, permits, orders and approvals of all Governmental Authorities or other persons, including all those party to the Danavation Material Contracts, necessary to conduct the business of Danavation or permit the completion of the Transaction shall have been obtained or have been attempted to be obtained on a best efforts basis;
- (n) there shall not have been after the date of this Agreement any Material Adverse Effect with respect to Danavation;
- (o) there shall be no action taken under any applicable law by any court or Governmental Authority that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to the Purchaser or Danavation or that could reasonably be expected to impose any condition or restriction upon the Purchaser or Danavation which, after giving effect to the Transaction, would so materially and adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;
- (p) there shall be no legislation (whether by statute, regulation, order-in-council, notice of ways and means motion, by-law or otherwise) enacted, introduced or tabled which, in the opinion of the Purchaser, acting reasonably, adversely affects or may adversely affect the Transaction; and
- (q) the Closing Date shall be on or before the Termination Date.

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

3.02 Conditions of Closing in Favour of Danavation and the Shareholders

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

- (a) the Purchaser shall have tendered all closing deliveries set forth in Section 4.02 including delivery of the Payment Shares and evidence of the Shareholders' Approval, if required;

- (b) the Common Shares, including the Payment Shares, shall have been conditionally approved for Listing on the CSE, subject to the usual requirements of the CSE in respect of transactions of the nature of the Transaction as contemplated herein;
- (c) all consents, waivers, permits, orders and approvals of all Governmental Authorities or other persons, including, if applicable, all those party to the material contracts necessary to permit the completion of the Transaction shall have been obtained;
- (d) the Purchaser shall not have violated Section 8.02;
- (e) the Danavation Private Placement shall have been completed or if completed in escrow pending the Closing, then all conditions necessary to release such escrow shall have been satisfied (other than the completion of the Transaction);
- (f) all of the conditions necessary to complete the Concurrent Financing shall have been satisfied (other than the completion of the Transaction);
- (g) the Purchaser shall have completed the Consolidation;
- (h) the representations and warranties of the Purchaser set forth in this Agreement shall have been true and correct as of the date hereof and shall be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier), except as affected by the transactions contemplated by this Agreement, and a certificate of a senior officer of the Purchaser to this effect shall have been delivered to the Shareholders;
- (i) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Time of Closing will have been complied with or performed and a certificate of a senior officer of the Purchaser to this effect shall have been delivered to the Shareholders and Danavation;
- (j) the Shareholders and Danavation shall be satisfied with the results of their due diligence investigations relating to the Purchaser and the Transaction, acting reasonably;
- (k) there shall not have been after the date of this Agreement any Material Adverse Effect with respect to the Purchaser;
- (l) there shall be no action taken under any applicable law by any court or Governmental Authority that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to the Purchaser or Danavation or that could reasonably be expected to impose any condition or restriction upon the Purchaser or Danavation which, after giving effect to the Transaction, would so materially and adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;
- (m) there shall be no legislation (whether by statute, regulation, order-in-council, notice of ways and means motion, by-law or otherwise) enacted, introduced or tabled which, in the opinion of the Danavation, acting reasonably, adversely affects or may adversely affect the Transaction;

- (n) receipt of executed resignations and mutual releases (in form satisfactory to Danavation, acting reasonably) of Tony Di Benedetto, Richard Buzbuzian and Chris Irwin from the board of directors of the Purchaser, and for greater certainty, any other directors required to provide a resignation and release as required by Danavation;
- (o) receipt of executed resignations and mutual releases (in form satisfactory to Danavation, acting reasonably) of all of the officers of the Purchaser;
- (p) the Purchaser having not less than \$700,000 of working capital (calculated as the difference between: (A) the Purchaser's cash on hand plus HST receivables, less (B) current payables as of March 31, 2020;
- (q) Danavation shall have received evidence that the prior civil litigation between the Purchaser (as Josephine Mining Corp.) which was commenced on September 22, 2016 has been settled in its entirety and there are no outstanding liabilities or obligations, or potential obligations or liabilities, thereunder;
- (r) Any subsidiaries of the Purchaser, including for greater certainty 0890810 B.C. Ltd., shall be divested or dissolved by the Purchaser with no material liabilities or obligations resulting from such action on the resulting on Danavation following the Closing Time; and
- (s) the Closing Date shall be on or before the Termination Date.

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

3.03 Notice and Cure Provisions

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

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

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

ARTICLE IV
CLOSING AND POST CLOSING ARRANGEMENTS

4.01 Time and Place of Closing

Closing of the Transaction shall take place at the Time of Closing at the offices of Irwin Lowy LLP, 217 Queen Street West, Suite 401, Toronto, Ontario M9W 6Y1.

4.02 Closing Deliveries of the Purchaser

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

- (a) share certificates evidencing the Payment Shares registered as directed by the Shareholders (or by Danavation on behalf of the Shareholders), provided, however, that certificates evidencing any Payment Shares required to be held in escrow in accordance with the requirements of the CSE, or otherwise, shall be delivered directly to the Escrow Agent;
- (b) an escrow agreement in a form satisfactory to the CSE, among the Purchaser, the Escrow Agent and such Shareholders as may be required by the CSE to be parties thereto, duly executed by the Purchaser;
- (c) executed resignations and mutual releases (in form satisfactory to Danavation, acting reasonably) of each of Tony Di Benedetto, Richard Buzbuzian and Chris Irwin from the board of directors of the Purchaser, and for greater certainty, resignations and releases of any other board members of the Purchaser as required by Danavation;
- (d) executed resignations and mutual releases (in form satisfactory to Danavation, acting reasonably) of all of the officers of the Purchaser;
- (e) if required, evidence of the Shareholders' Approval;
- (f) a certificate of one of the Purchaser's senior officers, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the notice of articles and articles of the Purchaser (and all amendments thereto as in effect as on such date); (ii) all resolutions of the board of directors of the Purchaser approving the entering into of this Agreement and all ancillary agreements contemplated herein and the completion of the Transaction, including the issuance of the Payment Shares; and (iii) as to the incumbency and genuineness of the signature of each officer of Purchaser executing this Agreement or any of the other agreements or documents contemplated hereby;
- (g) the officer's certificates referred to in Sections 3.02(g) and 3.02(i);
- (h) evidence of the conditional approval of the CSE for the completion of the Transaction and the Listing and posting for trading of the Common Shares (including the Payment Shares) on the CSE;
- (i) a certificate of good standing for the Purchaser;
- (j) in the event an opinion is required by the policies of the CSE, a favourable opinion, in form and substance satisfactory to Danavation and its counsel, each acting reasonably; and

- (k) evidence satisfactory to Danavation, acting reasonably, of the completion of the Consolidation.

4.03 Closing Deliveries of Danavation

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

- (a) a certificate of one of Danavation's senior officers, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the articles and by-laws of Danavation (and all amendments thereto as in effect as on such date); (ii) all resolutions of the board of directors of Danavation approving the entering into of this Agreement and the completion of the Transaction; and (iii) as to the incumbency and genuineness of the signature of each officer of Danavation executing this Agreement or any of the other agreements or documents contemplated hereby;
- (b) the officer's certificates referred to in Sections 3.01(i) and 3.01(j);
- (c) if applicable, and if not previously delivered to the Purchaser, duly executed copies of the Danavation Shareholder Consent Agreements referred to in Section 3.01(c) signed by each New Danavation Shareholder and Danavation;
- (d) a certificate of status for Danavation;
- (e) if applicable, and to the extent not previously delivered, all financial statements of Danavation required to be included in the Listing Statement pursuant to applicable securities laws and the policies of the CSE;
- (f) evidence satisfactory to Purchaser, acting reasonably, of the completion of the Danavation Private Placement (and, if applicable, the satisfaction of all conditions precedent for the release from escrow of the proceeds thereof (other than the completion of the Transaction)); and
- (g) in the event an opinion is required by the policies of the CSE, a favourable opinion, in form and substance satisfactory to the Purchaser and its counsel, each acting reasonably.

4.04 Closing Deliveries of the Shareholders

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

- (a) with respect to each Shareholder, share certificates evidencing the Purchased Shares owned by such Shareholder, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers; and
- (b) if required by the CSE to be delivered by such Shareholder, an escrow agreement in a form satisfactory to the CSE, among the Purchaser, the Escrow Agent and such Shareholder as may be required by the CSE to be parties thereto, duly executed by such Shareholder.

ARTICLE V REPRESENTATIONS AND WARRANTIES

5.01 Representations and Warranties of the Purchaser

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

- (a) the Purchaser is a corporation validly existing and in good standing under the laws of the Province of British Columbia and is duly registered, licensed or qualified to carry on business as an extra-provincial or foreign corporation under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;
- (b) the Purchaser has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder, to own and lease its property, and to carry on its businesses as now being conducted;
- (c) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by the Purchaser and each is, or will be at the Time of Closing, a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms;
- (d) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not: (i) result in a breach or violation of the constating documents of the Purchaser or of any resolutions of the directors or shareholders of the Purchaser; (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement (including any Purchaser Material Contract), licence or permit to which the Purchaser is a party or by which the Purchaser is bound or to which any material assets or property of the Purchaser is subject; or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to the Purchaser;
- (e) the authorized capital of the Purchaser consists of an unlimited number of Common Shares, of which, as of the date hereof, 181,251,726 Common Shares are issued and outstanding as fully paid and non-assessable, and after the Consolidation 22,656,465 Common Shares will be issued and outstanding as fully paid and non-assessable;
- (f) Purchaser has reserved for issuance, and when issued in accordance with the terms hereof, the Payment Shares will be validly issued as fully paid and non-assessable Common Shares;
- (g) there are no other Common Shares or securities convertible, exchangeable or exercisable into Common Shares or preferred shares issued or outstanding;
- (h) the Purchaser is a "reporting issuer" as that term is defined under applicable Securities Law in the Provinces of British Columbia, Ontario and Alberta and the Purchaser is in compliance with its timely and continuous disclosure obligations under the securities

laws of the Provinces of British Columbia, Ontario and Alberta and, without limiting the generality of the foregoing, there has not occurred any "material change" (as defined under applicable securities legislation of the Provinces of British Columbia, Ontario and Alberta) which has not been publicly disclosed on a non-confidential basis and the statements collectively set forth in the Public Record are true, correct and complete in all material respects and, except as may have been corrected by subsequent disclosure, all the statements set forth in the Public Record were true, correct, and complete in all material respects and did not contain any misrepresentation as of the date of such statements and the Purchaser has not filed any confidential material change reports since the date of such statements which remains confidential as at the date hereof;

- (i) no person has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Purchaser;
- (j) the Purchaser does not own, and has not at any time owned, and does not have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in any person, and the Purchaser does not have any agreements to acquire or lease any material assets or properties or any other business operations;
- (k) the audited consolidated financial statements of the Purchaser as at and for the fiscal year ended December 31, 2018 and unaudited condensed interim consolidated financial statements of the Purchaser as at and for the nine-month period ended September 30, 2019 (the "**Purchaser Financial Statements**") have been prepared in accordance with IFRS applied on a basis consistent with prior periods. The Purchaser Financial Statements are true, correct and complete and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Purchaser as at the respective dates thereof and results of operations of the Purchaser for the respective periods then ended. Since September 30, 2019, there has been no material alteration in the manner of keeping the books, accounts or records of the Purchaser or in its accounting policies or practices;
- (l) the Purchaser's auditors who audited the Purchaser Financial Statements (as applicable) are independent public accountants;
- (m) except as disclosed in the Purchaser Financial Statements, there are no related-party transactions or off-balance sheet structures or transactions with respect to the Purchaser;
- (n) except as disclosed in the Purchaser Financial Statements, the Purchaser is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (o) since September 30, 2019, there has been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of the Purchaser;
- (p) the Purchaser has conducted and is conducting its business in compliance in all material respects with all applicable laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried on;

- (q) the Purchaser Material Contracts constitute all the Material Contracts of the Purchaser. Each of the Purchaser Material Contracts is in full force and effect, unamended, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act (including the purchase and sale of the Purchased Shares hereunder and the other transactions contemplated hereunder, including, without limitation, the Concurrent Financing and the issuance of the Payment Shares) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default, or give rise to a warranty claim or other obligation or liability thereunder. The Purchaser has not violated or breached, in any material respect, any of the terms or conditions of any Purchaser Material Contract and all the covenants to be performed by any other party thereto have been fully and properly performed;
- (r) there are no waivers, consents, notices or approvals required to be given or obtained by the Purchaser in connection with the Transaction and the other transactions contemplated by this Agreement under any Contract to which the Purchaser is a party;
- (s) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over the Purchaser is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement or the consummation of the Transaction, including, without limitation, the Concurrent Financing or the issuance of the Payment Shares, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay the Purchaser from performing its obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on the Purchaser;
- (t) there is no suit, action or proceeding or, to the knowledge of the Purchaser, pending or threatened against the Purchaser that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on the Purchaser, and there is no judgment, decree, injunction, rule or order of any Governmental Authority outstanding against the Purchaser causing, or which could reasonably be expected to cause, a Material Adverse Effect on the Purchaser;
- (u) the Purchaser has good and marketable title to its properties and assets (other than property or an asset as to which the Purchaser is a lessee, in which case it has a valid leasehold interest), except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Purchaser;
- (v) no person has any written or oral agreement, option, understanding or commitment for the purchase from the Purchaser of any of its assets or property;
- (w) the Purchaser has all permits, licences, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, applicable Governmental Authorities that are required in order to permit it to carry on its business as presently conducted, except for such permits, licences, certificates, orders, filings, applications and registrations, the failure to have or make, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Purchaser, and all such all permits, licences, certificates of authority, orders and approvals are in good standing in all material respects;

- (x) the Purchaser has duly filed on a timely basis all tax returns required to be filed by it and has paid all taxes which are due and payable and has paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due and payable on or before the date hereof, and adequate provision has been made for taxes payable for the current period for which tax returns are not yet required to be filed. There are no actions, suits or claims asserted or assessed against the Purchaser in respect of taxes, governmental charges or assessments, nor are any matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by such Governmental Authority. The Purchaser has withheld from each payment made by it to any person and remitted to the proper tax and other receiving offices within the time required all income tax and other deductions required to be withheld from such payments;
- (y) the Purchaser has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified the Purchaser of such Governmental Authority's intention to commence or to conduct any investigation, that could be reasonably likely to have a Material Adverse Effect on the Purchaser;
- (z) the Corporate Records of the Purchaser are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable laws and with the constating documents of the Purchaser, and without limiting the generality of the foregoing: (i) the minute books contain complete and accurate minutes of all meetings of the directors (and any committee thereof) and shareholders of the Purchaser; (ii) such minute books contain all written resolutions passed by the directors (and any committee thereof) and shareholders of the Purchaser; (iii) the share certificate books, if any, the central securities register and register of transfers, and branch registers, of the Purchaser are complete and accurate, and all transfers of shares of the Purchaser reflected therein have been duly completed and approved; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers of the Purchaser were duly elected or appointed as the case may be.
- (aa) all Books and Records of the Purchaser have been fully, properly and accurately kept and, where required, completed in accordance with generally accepted accounting principles, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;
- (bb) other than in connection with the Concurrent Financing (in respect of which the extent to which any person has been authorized by the Purchaser to act as a broker or finder or in any other capacity or that may or will impose liability on the Purchaser, Danavation or the Shareholders has been disclosed to Danavation), the Purchaser has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement that in any manner may or will impose liability on Danavation or the Shareholders; and
- (cc) to the knowledge of the Purchaser, no representation or warranty of the Purchaser contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

5.02 Representations and Warranties of the Shareholders

Each of the Shareholders, on its own behalf and not on behalf of any other Shareholder, hereby severally (and, for greater certainty, not jointly with any other Shareholder) represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated herein:

- (a) if it is not an individual, it is duly formed, validly existing and in good standing under the laws of its jurisdiction of formation, or if it is an individual, it is of full age of majority;
- (b) if it is an individual, it has the legal power and capacity and has taken all necessary action and has obtained all necessary approvals to enter into and execute this Agreement and to carry out its obligations hereunder;
- (c) this Agreement has been, and each additional agreement or instrument required to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by the Shareholder and each is, or will be at the Time of Closing, a legal, valid and binding obligation of the Shareholder, enforceable against the Shareholder in accordance with its terms;
- (d) if the Shareholder is not an individual, the Shareholder is validly existing under the laws of its jurisdiction of organization and has the corporate or other power to enter into this Agreement and any other agreement to which it is, or is to become, a party to pursuant to the terms hereof and to perform its obligations hereunder and thereunder;
- (e) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to the Shareholder;
- (f) the Shareholder is the registered and beneficial owner of that number of Danavation Shares set forth opposite the Shareholder's name in Schedule "A" (such Danavation Shares comprising part of the Purchased Shares), free and clear of all Liens, charges, mortgages, security interests, pledges, demands, claims and other encumbrances of any nature whatsoever;
- (g) except for the Purchaser's rights hereunder, no person has any agreement or option or any right or privilege capable of becoming an agreement for the purchase of the common shares of Danavation held or beneficially owned by the Shareholder and none of such shares are subject to any voting trust, shareholders agreement, voting agreement or other agreement with respect to the disposition or enjoyment of any rights of such shares;
- (h) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over the Shareholder is required to be obtained by the Shareholder in connection with the execution and delivery of this Agreement or the consummation by the Shareholder of the Transaction, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent the Shareholder from performing its obligations under this Agreement;

- (i) except as Disclosed by the Shareholder to the Purchaser the Shareholder is not a "non-resident" of Canada within the meaning of the Tax Act; and
- (j) to the knowledge of the Shareholder, no representation or warranty of the Shareholder contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

5.03 Representations and Warranties of Danavation

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

- (a) Danavation is a corporation validly existing and in good standing under the laws of the jurisdiction of incorporation and is duly registered, licensed or qualified to carry on business under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;
- (b) Danavation has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder;
- (c) Danavation has the corporate power and capacity to own and lease its property, and to carry on its businesses as now being conducted;
- (d) Danavation has no Subsidiaries and holds no securities or other ownership, equity or proprietary interests in any other person;
- (e) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by Danavation and each is, or will be at the Time of Closing, a legal, valid and binding obligation of Danavation, enforceable against Danavation in accordance with its terms;
- (f) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not: (i) result in a breach or violation of the articles or by-laws of Danavation or of any resolutions of the directors or shareholders of Danavation; (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement (including any Danavation Material Contract), license or permit to which Danavation is a party or by which Danavation is bound or to which any material assets or property of Danavation is subject; or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to Danavation;
- (g) the authorized capital of Danavation consists of an unlimited number of common shares and an unlimited number of special shares, issuable in series, all with no specified par value, of which, as of the date of this Agreement, 56,700,000 Common shares are issued and outstanding as fully paid and non-assessable;

- (h) other than as set out herein, there are no other common shares of Danavation or securities convertible, exercisable or exchangeable into common shares of Danavation issued or outstanding;
- (i) no person (other than the Purchaser pursuant to this Agreement) has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of Danavation;
- (j) Danavation does not own, and has not at any time owned, and does not have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in any person, and Danavation does not have any agreements to acquire or lease any material assets or properties or any other business operations;
- (k) the audited financial statements of Danavation as at and for the period ended December 31, 2019 and 2018 (the "**Danavation Financial Statements**"), will be prepared in accordance with IFRS. The Danavation Financial Statements will be true, correct and complete and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of Danavation as at the date thereof and results of operations of Danavation for the period then ended. Since December 31, 2019, there has been no material alteration in the manner of keeping the books, accounts or records of Danavation or in its accounting policies or practices;
- (l) Danavation's auditors who audit the Danavation Financial Statements will be independent public accountants;
- (m) except as disclosed in the Danavation Financial Statements, there will be no related-party transactions or off-balance sheet structures or transactions with respect to Danavation;
- (n) except as disclosed in the Danavation Financial Statements, Danavation will not be a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (o) since December 31, 2019, there has been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of Danavation;
- (p) Danavation has conducted and is conducting its business in compliance in all material respects with all applicable laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried on;
- (q) the Contracts listed in the due diligence data room (the "**Danavation Material Contracts**"), together with this Agreement, and after the execution and delivery hereof, all ancillary agreements contemplated herein, constitute all the Material Contracts of Danavation. Each of the Danavation Material Contracts is in full force and effect, unamended, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act (including the purchase and sale of the Purchased Shares hereunder and the other transactions contemplated hereunder, including, without limitation, the Danavation Private Placement and the issuance of the Payment Shares) which, with the giving of notice, the lapse of time or the happening of any other event or

condition, would become a default, or give rise to a warranty claim or other obligation or liability thereunder. Danavation has not violated or breached, in any material respect, any of the terms or conditions of any Danavation Material Contract and all the covenants to be performed by any other party thereto have been fully and properly performed;

- (r) to the best of its knowledge, there are no waivers, consents, notices or approvals required to be given or obtained by Danavation in connection with the Transaction and the other transactions contemplated by this Agreement under any Contract to which Danavation is a party;
- (s) to the best of its knowledge, no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over Danavation is required to be obtained by Danavation in connection with the execution and delivery of this Agreement, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay Danavation from performing its obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on Danavation;
- (t) there is no suit, action or proceeding or, to the knowledge of Danavation, pending or threatened against Danavation that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on Danavation, and there is no judgment, decree, injunction, rule or order of any Governmental Authority outstanding against Danavation causing, or which could reasonably be expected to cause, a Material Adverse Effect on Danavation;
- (u) no bankruptcy, insolvency or receivership proceedings have been instituted by Danavation or, to the knowledge of Danavation, are pending against Danavation;
- (v) Danavation has good and marketable title to its properties and assets (other than property or an asset as to which Danavation is a lessee, in which case it has a valid leasehold interest), except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on Danavation;
- (w) no person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, option, understanding or commitment for the purchase from Danavation of any of its assets or property;
- (x) Danavation has all permits, licences, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, applicable Governmental Authorities and other persons that are required in order to permit it to carry on its business as presently conducted, except for such permits, licences, certificates, orders, filings, applications and registrations, the failure to have or make, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on Danavation, and all such permits, licenses, certificates of authority, orders and approvals are in good standing and fully complied with in all material respects;
- (y) Danavation has duly filed on a timely basis all tax returns required to be filed by it and has paid all taxes which are due and payable and has paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due

and payable on or before the date hereof, and adequate provision has been made for taxes payable for the current period for which tax returns are not yet required to be filed. There are no actions, suits or claims asserted or assessed against Danavation in respect of taxes, governmental charges or assessments, nor are any matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by such Governmental Authority. Danavation has withheld from each payment made by it to any person and remitted to the proper tax and other receiving offices within the time required all income tax and other deductions required to be withheld from such payments;

- (z) Danavation has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified Danavation of such Governmental Authority's intention to commence or to conduct any investigation that could be reasonably likely to have a Material Adverse Effect on Danavation;
- (aa) Danavation has no employees other than those employees listed in the chart provided to the Purchaser prior to the date hereof and Danavation is not a party to any employment, management or consulting agreement of any kind whatsoever, save as set out in the agreements provided in the due diligence data room;
- (bb) no current or former employee, officer or director of Danavation is entitled to a severance, termination or other similar payment as a result of the Transaction;
- (cc) the Corporate Records of Danavation are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable laws and with the constating documents of Danavation, and without limiting the generality of the foregoing: (i) the minute books of Danavation contain complete and accurate minutes of all meetings of the directors and shareholders of Danavation; (ii) such minute books contain all written resolutions passed by the directors and shareholders of Danavation; (iii) the securities register of Danavation are complete and accurate, and all transfers of shares of Danavation have been duly completed and approved; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers of Danavation were duly elected or appointed as the case may be;
- (dd) all Books and Records of Danavation have been fully, properly and accurately kept and, where required, completed in accordance with generally accepted accounting principles, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;
- (ee) Danavation is not a 'reporting issuer' or equivalent in any jurisdiction nor are any shares of Danavation listed or quoted on any stock exchange or electronic quotation system;
- (ff) other than with respect to the payment to First Canadian Capital Corp. of \$60,000 on execution of this Agreement, Danavation has not authorized any other person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement, that in any manner may or will impose liability on the Purchaser or Danavation;
- (gg) Danavation is conducting and has since incorporation conducted its business in compliance with all applicable laws of each jurisdiction in which it carries on business;

- (hh) to the knowledge of Danavation, no representation or warranty of Danavation contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading;
- (ii) there is no IP that is material to the operation of the business of Danavation other than the IP provided to the Purchaser in writing prior to the date hereof;
- (jj) Danavation has not received notice from any person of any claim or any intention to commence any legal proceeding with respect to infringement, adverse ownership, invalidity, lack of distinctiveness, misappropriation or misuse regarding any of the Licensed IP or challenging any of the Licensed IP or the right of its use of the Licensed IP;
- (kk) Danavation has not commenced and does not intend to commence any claim or legal proceeding challenging the IP rights of any other person;
- (ll) to the knowledge of Danavation, none of the operation, conduct and maintenance of the business of Danavation as it is currently and has historically been operated, conducted and maintained, infringes, misuses or violates any IP rights of any third party, whether registered or unregistered;
- (mm) there are no restrictions on the ability of Danavation to transfer all rights in the IP and, to the knowledge of Danavation, the consummation of the transactions contemplated by this Agreement will not impair, compromise, restrict or adversely affect the IP or the Purchaser's ability to use it in the business of Danavation in accordance with the past practices of Danavation;
- (nn) Danavation has made available to the Purchaser a true and complete copy of all contracts, agreements and amendments thereto which comprise or relate to the IP; and
- (oo) no current or former employee, director, officer, shareholder, consultant, advisor or non-arm's-length person of Danavation or any of its affiliates or predecessors is a direct or indirect licensor of the IP.

5.04 Survival of Representations and Warranties

The representations and warranties made by the parties and contained in this Agreement or any document or certificate given pursuant hereto shall survive the Closing of the Transaction until the date that is 24 months from the date of Closing. No claim for breach of any representation, warranty or covenant shall be valid unless that party against whom such claim is made has been given notice thereof before the expiry of such 24-month period.

ARTICLE VI COVENANTS

6.01 Mutual Covenants

Each of the parties hereby covenants and agrees as follows:

- (a) to use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws and regulations to complete the Transaction in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, in the event that any person, including without limitation, any securities regulatory authority, seeks to prevent, delay or hinder implementation of all or any portion of the Transaction or seeks to invalidate all or any portion of this Agreement, each of the parties shall use commercially reasonable efforts to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the parties to complete the Transaction;
- (b) to use commercially reasonable efforts to obtain, before the Time of Closing, all authorizations, waivers, exemptions, consents, orders and other approvals from domestic or foreign courts, Governmental Authorities, shareholders and third parties as are necessary for the consummation of the transactions contemplated herein;
- (c) to use commercially reasonable efforts to defend or cause to be defended any lawsuits or other legal proceedings brought against it challenging this Agreement or the completion of the Transaction; no party will settle or compromise any claim brought against them in connection with the transactions contemplated by this Agreement prior to the Closing Date without the prior written consent of each of the others, such consent not to be unreasonably withheld or delayed;
- (d) to promptly notify each of the other parties if any representation or warranty made by it in this Agreement ceases to be true and correct in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier) and of any failure to comply in any material respect with any of its obligations under this Agreement;
- (e) to co-operate with each of the other parties hereto in good faith in order to ensure the timely completion of the Transaction; and
- (f) to use commercially reasonable efforts to co-operate with each of the other parties hereto in connection with the performance by the other of its obligations under this Agreement.

6.02 Covenants of the Purchaser

The Purchaser covenants and agrees with each of the Shareholders and Danavation that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VII, subject to Section 8.02, it will:

- (a) in a timely and expeditious manner and cooperate with Danavation to:
 - (i) prepare, in consultation with Danavation, the Listing Statement in prescribed form and in form and content acceptable to Danavation, acting reasonably, and file the Listing Statement with the CSE, in accordance with all applicable laws and the policies of the CSE;
 - (ii) if required, obtain the Shareholders' Approval;

- (iii) file and/or deliver any document or documents as may be required in order for the Listing or Transaction as contemplated herein to be effective; and
 - (iv) file and/or deliver any document or documents required pursuant to applicable laws and/or the rules and policies of the CSE in connection with the Listing and the Transaction as contemplated herein after the Closing;
- (b) ensure that the Listing Statement does not contain a misrepresentation as it relates to the Purchaser, including in respect of its assets, liabilities, operations, business and properties;
- (c) to make available and afford Danavation and its authorized representatives and, if requested by Danavation, provide a copy of all title documents, contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to the Purchaser;
- (d) make application to the CSE and diligently pursue the Listing as directed by Danavation;
- (e) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance the Purchaser will be required to disclose that information has been withheld on this basis), furnish promptly to Danavation (on behalf of the Shareholders) a copy of each notice, report, schedule or other document or communication delivered, filed or received by the Purchaser in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Authority in connection with or in any way affecting the Transaction as contemplated herein;
- (f) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction as contemplated herein, including using commercially reasonable efforts to fulfil all conditions and satisfy all provisions of this Agreement and the Transaction;
- (g) subject to applicable laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (h) conduct and operate its business and affairs only in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons;
- (i) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its notice of articles or articles as the same exist at the date of this Agreement;
- (j) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set

forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:

- (i) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;
- (ii) increase or decrease its paid-up capital or purchase or redeem any shares except pursuant to the Consolidation; or
- (iii) issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire, any such shares, except pursuant to the Concurrent Financing;
- (k) take all necessary corporate action and proceedings to approve and authorize the issuance of the Payment Shares to the Shareholders;
- (l) take all necessary corporate action and proceedings to approve and authorize the Consolidation and Concurrent Financing, and the issuance of the securities under the Concurrent Financing;
- (m) prepare and file with all applicable securities commissions such notifications and fees necessary to permit, or that are required in connection with, the issuance of the Payment Shares to the Shareholders, in each case, on a basis exempt from the prospectus requirements of Applicable Securities Laws; and
- (n) not to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of the Purchaser (including those that are convertible or exchangeable into securities of the Purchaser), other than as contemplated under this Agreement (including the issuance of securities under the Concurrent Financing) or pursuant to the exercise or conversion of share purchase warrants, options or convertible securities of the Purchaser outstanding as of the date hereof.

6.03 Covenants of Danavation

Danavation covenants and agrees with the Purchaser that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VII, subject to Section 8.01, it will:

- (a) in a timely and expeditious manner, assist the Purchaser in the preparation of the Listing Statement in connection with the Listing, including providing such information in relation to the business, affairs, assets and properties of Danavation as may be necessary to comply with applicable laws and the policies of the CSE;
- (b) ensure that the Listing Statement does not contain a misrepresentation as it relates to Danavation, including in respect of its assets, liabilities, operations, business and properties;
- (c) to make available and afford the Purchaser and its authorized representatives and, if requested by the Purchaser, provide a copy of all title documents, contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports,

licences, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to Danavation;

- (d) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance Danavation will be required to disclose that information has been withheld on this basis), furnish promptly to the Purchaser a copy of each notice, report, schedule or other document or communication delivered, filed or received by Danavation in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Authority in connection with or in any way affecting the Transaction as contemplated herein;
- (e) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using commercially reasonable efforts to:
 - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other Contracts; and
 - (ii) fulfil all conditions and satisfy all provisions of this Agreement and the Transaction;
- (f) subject to applicable laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (g) conduct and operate its business and affairs only in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and, for greater certainty, other than payments and transactions consistent with the salary budget provided to the Purchaser prior to the date hereof, it will not enter into any material transaction out of the ordinary course of business consistent with past practice without the prior consent of the Purchaser, and Danavation will keep the Purchaser fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained;
- (h) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its articles or by-laws as the same exist at the date of this Agreement;
- (i) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later

date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:

- (i) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;
- (ii) increase or decrease its paid-up capital or purchase or redeem any shares except: (A) pursuant to the Danavation Private Placement; or (B) if applicable, upon the exercise of share purchase warrants or options or conversion of convertible securities of Danavation outstanding as of the date hereof; or
- (iii) issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire any such shares except: (A) pursuant to the Danavation Private Placement; or (B) if applicable, upon the exercise of share purchase warrants or options or conversion of convertible securities of Danavation outstanding as of the date hereof;
- (j) take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the Purchased Shares to the Purchaser; and
- (k) not to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of Danavation (including those that are convertible or exchangeable into securities of Danavation), other than as contemplated under this Agreement (including the issuance of securities under the Danavation Private Placement) or pursuant to the exercise or conversion of share purchase warrants, options or convertible securities of Danavation outstanding as of the date hereof.

6.04 Covenants of the Shareholders

Each of the Shareholders covenants and agrees with the other parties hereto that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VII, subject to Section 8.01, it will:

- (a) in a timely and expeditious manner, provide such information with respect to the Shareholder as the Purchaser may reasonably require in connection with the preparation of the Listing Statement with respect to the Listing and as may be necessary to comply with applicable laws and the policies of the CSE;
- (b) enter into such escrow arrangements in respect of the Payment Shares as may be required in accordance with applicable securities laws and/or the policies of the CSE;
- (c) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance the Shareholder will be required to disclose that information has been withheld on this basis), furnish promptly to the Purchaser a copy of each notice, report, schedule or other document or communication delivered, filed or received by such Shareholder in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Authority in connection with or in any way affecting, the Transaction as contemplated herein;

- (d) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using commercially reasonable efforts to fulfil all conditions and satisfy all provisions of this Agreement and the Transaction;
- (e) subject to applicable laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction; and
- (f) not encumber in any manner the Purchased Shares and ensure that at the Time of Closing the Purchased Shares are free and clear of all Liens, charges, mortgages, security interests, pledges, demands, claims and other encumbrances whatsoever.

ARTICLE VII TERMINATION

7.01 Termination

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

- (a) by mutual written consent of Purchaser and Danavation, on its own behalf and on behalf of the Shareholders;
- (b) by either Danavation or the Purchaser if the Closing shall not have been consummated on or prior to the Termination Date, without liability to the terminating party on account of such termination; provided that the right to terminate this Agreement pursuant to this Section 7.01(b) shall not be available to a party whose material breach or violation of any representation, warranty, covenant, obligation or agreement under this Agreement has been the cause of or has resulted in the failure of the Closing to occur on or before such date;
- (c) by the Purchaser, if there has been a material breach by Danavation or the Shareholders of any representation, warranty, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby which breach would result in the failure to satisfy one or more of the conditions set forth in Section 3.01 which Danavation or the Shareholders, as applicable, fails to cure within ten (10) Business Days after written notice thereof is given by the Purchaser;
- (d) by Danavation if there has been a material breach by the Purchaser of any representation, warranty, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby which breach would result in the failure to satisfy one or more of the conditions set forth in Section 3.02 which the Purchaser fails to cure within ten (10) Business Days after written notice thereof is given by Danavation;
- (e) by the Purchaser or Danavation, if Danavation or the Purchaser completes an Alternative Transaction or enters into a definitive and binding agreement to effect an Alternative Transaction; and

- (f) by any party, if any permanent injunction or other order of a court or other competent authority preventing the Closing shall have become final and non-appealable; provided, however, that no party shall be entitled to terminate this Agreement if such party's material breach of this Agreement or any of the documents contemplated hereby has resulted in such permanent injunction or order.

7.02 Effect of Termination

Upon termination of this Agreement in accordance with the terms hereof, the parties hereto shall have no further obligations under this Agreement, other than the obligations contained in Sections 8.03, 10.02 and 10.08.

ARTICLE VIII EXCLUSIVITY AND ACCESS

8.01 Obligations of Danavation and Shareholders

Prior to the Termination Date, or the earlier termination of this Agreement, neither Danavation nor the Shareholders shall, directly or indirectly, negotiate or deal with any party other than with the Purchaser relating to the sale or disposition of any part of the outstanding shares (including the Purchased Shares) or assets of Danavation, or solicit enquiries or provide information with respect to same.

8.02 Obligations of Purchaser

Prior to the Termination Date, or the earlier termination of this Agreement, the Purchaser shall not, directly or indirectly, negotiate or deal with any party other than Danavation relating to an Alternative Transaction involving the Purchaser or the acquisition by the Purchaser of all or any part of the outstanding shares or assets or property of any other person, or solicit enquiries or provide information with respect to same, provided that nothing herein shall prevent the board of directors of the Purchaser from responding to an unsolicited offer in accordance with their fiduciary duties as directors.

8.03 Termination Fee

If Danavation terminates this Agreement pursuant to Section 7.01 (b) or 7.01(e) the Termination Fee shall be paid to Danavation in readily available funds as soon as practicable and in any event within three (3) Business Days after the date on which this Agreement is terminated.

ARTICLE IX POWER OF ATTORNEY

9.01 Power of Attorney

Each of the Shareholders hereby severally and irrevocably appoints Danavation as its agent and attorney to take any action that is required under the Agreement or to execute and deliver any documents on their behalf, including without limitation, for the purposes of all Closing matters (including without limitation, the receipt of certificates representing the Payment Shares) and deliveries of documents and to do and cause to be done all such acts and things as may be necessary or desirable in connection with the closing matters for the Transaction. Without limiting the generality of the foregoing, Danavation may, on its own behalf and on behalf of the Shareholders, extend the Time of Closing, modify or waive any

conditions as are contemplated herein, negotiate, settle and deliver the final forms of any documents that are necessary or desirable to give effect to the Transaction (other than any escrow agreements required that a Shareholder may be required to enter into), extend such time periods as may be contemplated herein or terminate this Agreement, in its absolute discretion, as it deems appropriate. Each of the Shareholders hereby acknowledges and agrees that any decision or exercise of discretion made by Danavation under this Agreement, shall be final and binding upon the Shareholders so long as such decision or exercise was made in good faith. The Purchaser shall have no duty to enquire into the validity of any document executed or other action taken by Danavation on behalf of the Shareholders pursuant to this Article IX.

ARTICLE X GENERAL

10.01 Notices

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

- (a) if to the Purchaser:

Wolf's Den Capital Corp.
700, 595 Burrard Street
Vancouver, British Columbia V7X 1S8

Attention: Richard Buzbuzian, President and CEO
E-mail: richard@dronedeliverycanada.com

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

Dentons Canada LLP
15th Floor, Bankers Court
850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Attention: James O'Sullivan
E-mail: james.osullivan@dentons.com

- (b) if to Danavation or the Shareholders:

Danavation Technologies Inc.
109 Woodbine Downs Boulevard, Suite 1
Toronto, Ontario M9W 6Y1

Attention: John Ricci
E-mail: jricci@danavation.com

with a copy (which copy shall not constitute notice to Danavation or the Shareholders) to:

Irwin Lowy LLP
217 Queen Street West
Suite 401

Toronto, Ontario M5V 0R2

Attention: Riccardo Forno
E-mail: rforno@irwinlowy.com

Or such other address as may be designated by notice given by either Danavation or the Purchaser to the other in accordance with this Section 10.01. Each notice shall be personally delivered to the addressee or sent by e-mail to the addressee and a notice which is personally delivered or sent by email shall, if delivered or sent prior to 4:00 p.m. (local time of the recipient) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the next Business Day. Any notice delivered to Danavation in accordance with this Section 10.01 prior to the Time of Closing shall be deemed to have been delivered to each of the Shareholders. The previous sentence of this Section 10.01 shall not apply to a notice given as contemplated in Section 3.03 of the occurrence, or failure to occur, of any event or state of facts which would or would likely to cause any of the representations or warranties of any Shareholder to be untrue or inaccurate or result in the failure by any Shareholder to comply with or satisfy any covenant, condition or agreement, which notice shall not be deemed to have been received by such Shareholder unless delivered to the address of such Shareholder as reflected in the books of Danavation (or after the Time of Closing, the books of the Purchaser). Any Shareholder may, from time to time, by notice given in accordance with this Section 10.01, designate or provide an address of such Shareholder for notices to be given after the Time of Closing.

10.02 Confidentiality

Prior to Closing and, if the Transaction is not completed, at all times thereafter, each of the parties hereto will keep confidential and refrain from using all information obtained by it in connection with the transactions contemplated by this Agreement relating to any other party hereto, provided however that such obligation shall not apply to any information which: (i) was in the public domain at the time of its disclosure to a party or which subsequently comes into the public domain other than as a result of a breach of such party's obligations under this Section 10.02; (ii) was lawfully obtained by the receiving party on a non-confidential basis from a source other than the other party to this Agreement if such source was not known to the receiving party to be prohibited from disclosing such information to the receiving party; (iii) was known to the receiving party prior to the disclosure of such information by the disclosing party; or (iv) was independently developed by the receiving party without reliance upon any such information. For greater certainty, nothing contained herein shall prevent any disclosure of information which may be required pursuant to applicable laws or pursuant to an order in judicial or administrative proceedings or any other order made by any Governmental Authority.

10.03 Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns, provided that no party may assign this Agreement or its rights or obligations hereunder without the prior written consent of the other parties hereto.

10.04 Waiver

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

10.05 Governing Law

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

10.06 Expenses

Each party shall be responsible for and bear all of its own costs and expenses (including any legal, accounting, banking, broker's, finder's, consultant's or other fees or expenses) incurred in connection with the Transaction, including fees and expenses of its representatives incurred at any time in connection with pursuing or consummating the Transaction.

10.07 Time of Essence

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

10.08 Public Announcements

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

10.09 Further Assurances

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

10.10 Entire Agreement

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

10.11 Amendments

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

10.12 Severability

In the event that any provision or part of this Agreement is determined by any court or other judicial or administrative body to be illegal, null, void, invalid or unenforceable, that provision shall be

severed to the extent that it is so declared and the other provisions of this Agreement shall continue in full force and effect.

10.13 Remedies Cumulative

The rights and remedies of the parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such party may be lawfully entitled for the same default or breach.

10.14 Counterparts

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

10.15 Independent Legal Advice

EACH SHAREHOLDER ACKNOWLEDGES, CONFIRMS AND AGREES THAT HE, SHE OR IT HAS HAD THE OPPORTUNITY TO SEEK AND WAS NOT PREVENTED OR DISCOURAGED BY ANY PARTY HERETO FROM SEEKING INDEPENDENT LEGAL ADVICE PRIOR TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THAT, IN THE EVENT THAT ANY SHAREHOLDER DID NOT AVAIL HIMSELF/HERSELF/ITSELF WITH THAT OPPORTUNITY PRIOR TO SIGNING THIS AGREEMENT, SUCH SHAREHOLDER DID SO VOLUNTARILY WITHOUT ANY UNDUE PRESSURE AND AGREES THAT SUCH SHAREHOLDER'S FAILURE TO OBTAIN INDEPENDENT LEGAL ADVICE SHALL NOT BE USED BY HIM/HER/IT AS A DEFENCE TO THE ENFORCEMENT OF HIS/HER/ITS OBLIGATIONS UNDER THIS AGREEMENT.

[Signature pages follow.]

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

WOLF'S DEN CAPITAL CORP.

By: (signed) "Richard Buzbuzian"
Name: Richard Buzbuzian
Title: President and CEO

DANAVATION TECHNOLOGIES INC.

By: (signed) "John Ricci"
Name: John Ricci
Title: President

[Signature pages of the Shareholders follows.]

Danavation Shareholders

K ICCIR HOLDINGS INC.

(signed) "*John Ricci*"

Name: John Ricci

Title: Director

SEGROB HOLDINGS INC.

(signed) "*Frank Borges*"

Name: Frank Borges

Title: Director

2746410 ONTARIO INC.

(signed) "*Michael Tran*"

Name: Michael Tran

Title: Director

FIRST CANADIAN CAPITAL CORP.

By: (signed) "*Jason Monaco*"

Name: Jason Monaco

Title: President

Schedule A

Shareholders of Danavation Technologies Inc.

Name and Address of Shareholder	Number of Danavation Shares
K Iccir Holdings Inc. [REDACTED]	20,400,000
Segrob Holdings Inc. [REDACTED] [REDACTED]	20,400,000
2746410 Ontario Inc.	900,000
First Canadian Capital Corp.	15,000,000
TOTAL	56,700,000 COMMON SHARES

Schedule B

DANAVATION SHAREHOLDERS CONSENT AGREEMENT

THIS AGREEMENT MADE EFFECTIVE AS OF _____, 2020
(the "**Agreement**").

BETWEEN:

WOLF'S DEN CAPITAL CORP.,
a corporation existing under the laws of British Columbia

(the "**Purchaser**")

AND:

DANAVATION TECHNOLOGIES INC.,
a corporation existing under the laws of the Province of Ontario
(the "**Danavation**")

AND:

THE NEW DANAVATION SHAREHOLDERS who have executed
this Agreement

(individually a "**New Danavation Shareholders**" and collectively the
"**New Danavation Shareholders**")

WHEREAS:

- A. The Purchaser, Danavation and the Shareholders of Danavation entered into a Share Exchange Agreement dated effective March 27, 2020 and attached as Schedule "A" hereto (the "**Share Exchange Agreement**");
- B. Pursuant to the Share Exchange Agreement, Danavation agreed to the Transaction and further agreed to obtain the consent of the New Danavation Shareholders to the Transaction (as defined therein); and
- C. The New Danavation Shareholder has agreed to provide such consent and to be bound by the terms of the Share Exchange Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do covenant and agree each with the other as follows:

- 1. Unless specifically defined herein or unless the context otherwise requires, terms used herein which are defined in the Share Exchange Agreement shall have the meanings ascribed to such terms in the Share Exchange Agreement.

2. On the execution of this Agreement by a New Danavation Shareholder, such New Danavation Shareholder covenants and agrees that:
- a. it shall be bound by all of the provisions of the Share Exchange Agreement as if such New Danavation Shareholder was an original party to the Share Exchange Agreement including, without limitation, all representations, warranties and covenants of the New Danavation Shareholders contained therein;
 - b. hereby irrevocably authorizes John Ricci, President and CEO of Danavation, in his sole discretion to act as such New Danavation Shareholder's representative at Closing, with full power of substitution, as its true and lawful attorneys, with the full power and authority in its place and stead to swear, execute, file and record any document necessary, to approve any opinions, certificates or other documents addressed to the New Danavation Shareholder, to receive certificates representing the Payment Shares to which such New Danavation Shareholder is entitled under the Share Exchange Agreement, to terminate the Share Exchange Agreement on his, her or its behalf in the event that any condition precedent to the Closing has not been satisfied, to execute in such New Danavation Shareholder's name and on his, her or its behalf, all closing receipts and documents, to complete and correct any documents relating to the Share Exchange Agreement that have been signed by the New Danavation Shareholder and require completion or correction; and
 - c. to waive, in whole or in part, any representations, warranties, covenants or conditions for the benefit of such New Danavation Shareholder contained in the Share Exchange Agreement or in any document or agreement ancillary to the Share Exchange Agreement.

The New Danavation Shareholder agrees that the power of attorney granted above is irrevocable, is coupled with an interest and has been given for valuable consideration, the receipt and adequacy of which are acknowledged. This power of attorney and other rights and privileges granted under this section will survive any legal or mental incapacity, dissolution, bankruptcy or death of the New Danavation Shareholder. This power of attorney extends to the heirs, executors, administrators, other legal representatives and successors, transferees and assigns of the New Danavation Shareholder. Any person dealing with Danavation may conclusively presume and rely upon the fact that any document, instrument or agreement executed by a representative of Danavation pursuant to this power of attorney is authorized and binding on the New Danavation Shareholder, without further inquiry. The New Danavation Shareholder agrees to be bound by any representations or actions made or taken by Danavation pursuant to this power of attorney, and waives any and all defences that may be available to contest, negate or disaffirm any action of the representative of Danavation taken in good faith under this power of attorney.

3. This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the parties hereby agree to attorn to the exclusive jurisdiction of the Courts of Ontario and not to commence any form of proceedings in any other forum.
4. This Agreement may be signed and returned in counterpart by email as a PDF attachment, and each copy so signed shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the day and year first above written.

WOLF'S DEN CAPITAL CORP.

Per: _____
Authorized Signatory

DANAVATION TECHNOLOGIES INC.

Per: _____
Authorized Signatory

AND THE FOLLOWING NEW DANAVATION SHAREHOLDERS:

Name: _____

Number of Shares: _____

Address: _____

Signed: _____

Witness Name: _____

Signed: _____

DATE: _____