
SHARE PURCHASE AGREEMENT

This Agreement is made as of July 30, 2021 among

Belle Pulses Ltd., a corporation incorporated under the laws of
Saskatchewan,
(the “**Corporation**”)

and

10111404 Saskatchewan Ltd., a corporation incorporated under
the laws of Saskatchewan,
(“**Tony HoldCo**”)

and

101114406 Saskatchewan Ltd., a corporation incorporated under
the laws of Saskatchewan,
(“**Francis HoldCo**”)

and

Roger Begrand and Diane Begrand, as joint owners, individuals
resident in Saskatchewan
(together, the “**Begrands**”)

and

Anthony Gaudet, in his personal capacity (“**Tony**”) and in his
capacity as trustee of the Tony Gaudet Family Trust (“**Tony
Trust**”)

and

Francis Gaudet, in his personal capacity (“**Francis**”) and in his
capacity as trustee of the Francis Gaudet Family Trust (“**Francis
Trust**”)

and

Novel Agri-Technologies Inc., a corporation incorporated under
the laws of British Columbia
(the “**Purchaser**”)

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RECITALS

- A. Tony HoldCo, Francis HoldCo, and Begrands are the registered and beneficial owners of all of the issued and outstanding shares in the capital of the Corporation;
- B. Tony Trust and Francis Trust are the registered and beneficial owners of all of the issued and outstanding shares in the capital of, respectively, Tony HoldCo and Francis HoldCo;
- C. The Purchaser wishes to purchase: (i) from Tony Trust, all of the issued and outstanding shares in the capital of Tony HoldCo, (ii) from Francis Trust, all of the issued and outstanding shares in the capital of Francis HoldCo, and (iii) from Begrands, all of the issued and outstanding shares held by Begrands in the capital of the Corporation, and Tony Trust, Francis Trust, and the Begrands are desirous of such purchase.

The Parties therefore agree as follows:

ARTICLE 1 – INTERPRETATION

1.1 Definitions

In this Agreement:

“**Accounting Records**” means all of the books of account, accounting records and other financial information of the Corporation, Tony HoldCo and Francis HoldCo, as the context requires (whether in written, printed, electronic or computer printout form, or stored electronically, digitally or on computer related media);

“**ACU Credit Facilities**” means the \$6,000,000 CAD operating line of credit facility and \$500,000 USD operating line of credit facility, between the Corporation and Affinity Credit Union 2013;

“**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with that other Person. For purposes of this definition, a Person “controls” another Person if that Person possesses, directly or indirectly, the power to direct the management and policies of that other Person, whether through ownership of voting securities, by contract or otherwise and “controlled by” and “under common control with” have similar meanings;

“**Agreement**” means this share purchase agreement, as the same may be amended from time to time;

“**Applicable Laws**” means any and all applicable (i) laws, statutes, rules, regulations, by-laws, codes, treaties, constitutions and ordinances; and (ii) Orders, in each case having force of law;

“**Audited Financial Statements**” means the non-consolidated financial statements of the Corporation for the fiscal year ending on July 31, 2020 consisting of the non-consolidated balance sheet, the non-consolidated statement of income, non-consolidated statement of shareholders’ equity and the non-consolidated statement of cash flows together with the

accompanying all notes thereto and the report of the auditors, PricewaterhouseCoopers LLP thereon;

“**Books and Records**” means the Accounting Records and all other information in any form relating to the Corporation, Tony HoldCo, Francis HoldCo or the Business, as the context requires, including sales and purchase records, lists of suppliers and customers, credit and pricing information, personnel and payroll records, tax records, production reports and records, inventory reports and records, marketing and advertising materials, and all other documents, files and corporate records, (whether in written, printed, electronic or computer printout form, or stored electronically, digitally or on computer related media);

“**Business**” means the business carried on by the Corporation consisting of the processing of yellow and green peas;

“**Business Day**” means any day except Saturday, Sunday, any statutory holiday in the Province of Saskatchewan or any other day on which the principal chartered banks in the City of Regina are closed for business;

“**Claim Notice**” has the meaning in Section 8.4(a);

“**Closing**” means the completion of the purchase and sale of the Purchased Shares and all other transactions contemplated by this Agreement;

“**Closing Date**” means July 30, 2021, or such other date as is agreed to by the Parties in writing;

“**Closing Document**” means any agreement, certificate or other instrument to be executed or delivered at Closing as contemplated by this Agreement;

“**Closing Time**” means 9:00 a.m. in the City of Regina on the Closing Date or such other time on the Closing Date as the Vendors and the Purchaser may agree in writing that the Closing will take place;

“**Collective Agreement**” means any collective agreement, letter of understanding, letter of intent or other written communication with any labour union or employee association that governs the terms and conditions of employment of any Employees and imposes obligations on the Corporation;

“**Consent**” means any approval, consent, permit, waiver, ruling, exemption, acknowledgement or similar authorization from any Person other than (i) the Corporation, or (ii) any Governmental Authority, including those required by Applicable Laws or under the terms or conditions of any Contract;

“**Contract**” means any contract, agreement, instrument or other legally binding commitment or arrangement, written or oral, to which the Corporation is a party or under which it has rights or obligations;

“**Cortland Credit Facility**” means [●]

“**Counsel**” has the meaning specified in Section 9.19(a);

“**Damages**” means, whether or not involving a Third Party Claim, actual out-of-pocket losses, damages, liabilities, costs or expenses, including reasonable legal fees;

“**Data Room**” means the virtual data room made available by the Vendors and the Corporation, access to which was provided to the Purchaser, Rockshield and their respective Representatives for purposes of their due diligence investigations in connection with the transactions contemplated by this Agreement;

“**Debt Instrument**” means any bond, debenture, promissory note, trust indenture, loan agreement or other agreement evidencing indebtedness for borrowed money;

“**Deposit**” means the sum of \$250,000 that was paid to the Corporation by Rockshield at the direction of the Purchaser upon the execution of the LOI;

“**Direct Claims**” has the meaning in Section 8.4(a);

“**Disclosure Letter**” means the letter provided by the Corporation setting out certain additional details in respect of the representations and warranties set out herein, which shall be dated concurrent with the date hereof;

“**Duties**” means any duties, tariffs, taxes or other such measures levied or imposed on imported goods under (i) the *Customs Tariff* (Canada), the *Excise Act* (Canada), the *Excise Act, 2001* (Canada), the *Excise Tax Act* (Canada), the *Special Import Measures Act* (Canada), or any other similar legislation enacted in Canada (but not including the goods and services tax or harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada)), (ii) the *Trade Act* (United States), the *Tariff Act of 1930* (United States) or any other similar legislation enacted in the United States or in a foreign jurisdiction.

“**Employee**” means an individual who is employed by the Corporation, whether on a full-time or part-time basis;

“**Employee Benefit Plans**” means any plan, policy, agreement or arrangement (whether written or unwritten) relating to stock options, stock purchases, stock awards, deferred compensation, bonus, profit sharing, severance, retention, termination, retirement, pension, health, dental or other medical, life, disability or other insurance (whether insured or self-insured), mortgage insurance, employee loan, employee assistance, supplementary unemployment benefits, supplementary retirement, welfare benefits, change of control, fringe benefits, supplemental benefits or other employee benefits, in each case, sponsored, maintained or contributed to, or required to be sponsored, maintained or contributed to, by the Corporation, for the benefit of current or former Employees, officers or directors of the Corporation, other than any multiemployer plan, the Canada Pension Plan, any health or drug plan established and administered by a province, and any employment, parental or workers’ compensation insurance provided by Canadian federal or provincial Applicable Laws;

“Environment” means the environment or natural environment as defined in any Environmental Law and includes soil, air, surface water, ground water, land surface and subsurface strata;

“Environmental Laws” means Applicable Laws relating to the Environment, including Applicable Laws relating to the generation, manufacture, processing, distribution, use, re-use, treatment, storage, disposal, transport, labelling, handling and the like of Hazardous Substances;

“Equipment Leases” means the leases of personal or moveable property to which the Corporation is a party or under which it has rights or obligations;

“Escrow Agent” means Dentons Canada LLP;

“Escrow Agreement” has the meaning specified in Section 2.6(a);

“Financial Statements” means the Audited Financial Statements and Interim Financial Statements;

“Francis Holdco” means 101114406 Saskatchewan Ltd.

“Fundamental Representations” means the representations and warranties of the Vendors set out in Section 3.1.1, Section 3.1.2, and Section 3.1.3 and the Corporation set out in Section 3.2.1, Section 3.2.2, Section 3.2.3, Section 3.2.4 and Section 3.2.15 of this Agreement.

“Governmental Authority” means any federal, provincial, municipal, local or foreign government, agency, department, ministry, body, court or commission exercising legislative, executive, judicial, administrative or regulatory functions of or pertaining to government;

“Guarantee” means any agreement, contract or commitment providing for the guarantee, indemnification, assumption or endorsement or any like commitment with respect to the obligations, liabilities (contingent or otherwise) or indebtedness of any Person;

“Hazardous Substance” means any chemical, substance, contaminant, waste, pollutant or material that is prohibited, controlled or regulated by any Governmental Authority pursuant to Environmental Laws, including pollutants, contaminants, dangerous goods or substances, toxic or hazardous substances or materials, wastes (including solid non-hazardous wastes and subject wastes), residual materials, noise, vibration, petroleum and its derivatives and by-products and other hydrocarbons, all as defined in or pursuant to any Environmental Law;

“Holdback” has the meaning ascribed in Section 2.6(a);

“Holdcos” means the Francis Holdco and the Tony Holdco;

“Holdco Shares” means in respect to Francis Holdco, twenty (20) Class A shares owned by the Francis Gaudet Family Trust, 295,500 Class D, Series 1 shares owned by Francis

and fifty (50) Class F shares owned by Francis personally, and in respect to Tony Holdco, twenty (20) Class A shares owned by the Tony Gaudet Family Trust, 263,645.9422 Class D, Series 1 shares owned by Tony and fifty (50) Class F shares owned by Tony personally;

“Indebtedness” means, as of any time, without duplication, (a) the outstanding principal amount of, accrued and unpaid interest on, and other payment obligations arising under any indebtedness for borrowed money or indebtedness issued in substitution or exchange for borrowed money (but excluding any trade payables and accrued expenses arising in the ordinary course of business), and indebtedness evidenced by any note, bond, debenture or other debt security, in each case, to the extent constituting an obligation or indebtedness of the Corporation, (b) the net obligations or receivables of the Corporation under any interest rate, commodity or currency swap, cap, collar or futures contract or other interest rate, commodity or currency hedging arrangement, in each case, as if terminated at such time (it being understood that any obligations of the Corporation in respect of the foregoing shall be added to Indebtedness and any receivables of the Corporation in respect of the foregoing shall reduce Indebtedness), (c) all reimbursement obligations of the Corporation under letters of credit to the extent such letters of credit have been drawn, and (d) guarantees of the indebtedness referred to in clause (a) given by the Corporation in favor of any third party. Notwithstanding the foregoing, “Indebtedness” shall not include (i) obligations under any operating or capital leases, (ii) any amounts included as Transaction Expenses or (iii) undrawn letters of credit;

“Indemnified Person” means a Party that is entitled to or seeks indemnification pursuant to Section 8.4.

“Indemnifying Person” means a Party that is required to indemnify an Indemnified Person, or against which indemnification is sought, pursuant to Section 8.4.

“Intellectual Property” means:

- (i) all patents, patent rights, patent applications, reissues, continuations, continuations in-part, re-examinations, divisional applications and analogous rights to them, and inventions and discoveries owned or used by the Corporation in connection with the Business;
- (ii) all trademarks, trademark applications and registrations, signs, trade dress, service marks, logos, slogans, brand names and other identifiers of source owned or used by the Corporation in connection with the Business;
- (iii) all copyrights and copyright applications and registrations owned or used by the Corporation in connection with the Business;
- (iv) all industrial designs and applications for registration of industrial designs and industrial design rights, design patents and industrial design registrations owned or used by the Corporation in connection with the Business;

- (v) all trade names, trade name registrations, business names, corporate names, telephone numbers, domain names, domain name registrations, website names and worldwide web addresses, social media accounts and social media handles and other communication addresses owned or used by the Corporation in connection with the Business;
- (vi) all rights and interests in and to works, inventions (whether patentable or not), processes, data, databases, confidential information, trade secrets, designs, knowhow, technical information, product formulae and information, manufacturing, engineering and other technical drawings and manuals, technology, technical information, engineering data, design and engineering specifications, and similar materials recording or evidencing expertise or information owned or used by the Corporation in connection with the Business;
- (vii) all other intellectual property rights owned or used by the Corporation in carrying on, or arising from the operation of, the Business, and foreign equivalents or counterpart rights, in any jurisdiction throughout the world;
- (viii) all licences granted to the Corporation of the intellectual property described in paragraphs (i) to (vi) above; and
- (ix) all goodwill associated with any of the foregoing;

“Interested Person” means any present or former officer, director, shareholder or employee of the Corporation, or any Person with which the Corporation or any of the foregoing does not deal at arm’s length within the meaning of the Tax Act;

“Interim Financial Statements” means the unaudited non-consolidated financial statements of the Corporation for the nine month period ended April 30, 2021, consisting of a non-consolidated balance sheet of the Corporation and the accompanying statements of profit and loss, retained earnings and changes in financial position for the period then ended and all notes (if any) to them;

“Interim Period” means the period from and including the time of execution of this Agreement to and including the Closing Time;

“Leased Property” means the premises other than the Owned Real Property which are leased, subleased, licensed, used or occupied by the Corporation and listed or described in the Disclosure Letter, and the interest of the Corporation in all plants, buildings, structures, fixtures, erections, improvements, easements, rights-of-way, spur tracks and other appurtenances situated on or forming part of those premises;

“Leases” means the real and/or immovable property leases or other rights of occupancy relating to real and/or immovable property to which the Corporation is a party or under which it has rights or obligations, whether as lessor or lessee, and listed or described in Section 3.2.22;

“**Legal Proceeding**” means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review and any application for same;

“**License**” means any license, permit, approval, authorization, certificate, directive, Order, variance, registration, right, privilege, concession or franchise issued, granted, conferred or otherwise created by any Governmental Authority;

“**Lien**” means any lien, mortgage, charge, pledge, hypothec, prior claim, pledge, claim, restriction, security interest, assignment, option, conditional sale, warrant, lease, sublease, easement, restrictive covenant, title retention agreement, statutory or deemed trust, adverse claim or other encumbrance of any kind (whether created or arising by agreement, statute or otherwise at law), which secures payment or performance of an obligation or otherwise affects the right, title or interest in or to any particular property;

“**LOI**” means the letter of intent dated April 16, 2021 between the Purchaser and the Corporation;

“**Material Adverse Effect**” means any event, change, effect, condition, fact, development, occurrence or circumstance that, individually or in the aggregate with all other events, changes, effects, conditions, facts, developments, occurrences or circumstances, is or would reasonably be expected to be material and adverse to the Business or the results of operations, capital, properties, condition (financial or otherwise), assets, obligations or liabilities of the Corporation taken as a whole, except any such event, change, effect, condition, fact, development, occurrence or circumstance resulting from or arising out of:

- (i) any change in global, national or regional political, regulatory or legislative conditions or in general economic, business, regulatory, political, commodity, currency or market conditions or in national or global financial or capital markets (including credit market or securities markets);
- (ii) any change generally affecting the industries in which the Corporation operates;
- (iii) acts of terrorism, military actions or war (whether or not declared), protests, riots or civil unrest, or any natural or man-made disaster, climate change, act of God (including any flood, drought, forest fire or storm), pandemic (including the COVID-19 pandemic) or other health crisis or public health event or the worsening of any of the foregoing;
- (iv) any adoption, proposed implementation or change in Applicable Laws (including any “shelter-in-place” and “stay-at-home” Applicable Laws), or any changes in generally accepted accounting practices (or any change in the authoritative interpretation or enforcement by a Governmental Authority of any of the foregoing);
- (v) any stoppage or shutdown of a Governmental Authority;

- (vi) any global or national changes or developments in or relating to currency exchange rates or interest rates;
- (vii) the failure by the Business to meet any financial projections, forecasts, budgets or revenue or earnings predictions (it being understood that the underlying cause of any such failure may be taken into account in determining whether a Material Adverse Effect has occurred to the extent not otherwise excluded by clauses (i) through (ix));
- (viii) any action taken or refrained from being taken, in each case, either (a) pursuant to or under Applicable Laws or (b) which the Purchaser has approved, consented to or requested following the date of this Agreement;
- (ix) any change resulting from the negotiation, execution, performance or announcement of this Agreement or the consummation of the transactions contemplated herein, including any such change relating to the identity of, or facts and circumstances relating to, Purchaser or any of its Affiliates and including any losses or threatened losses or other actions of customers, suppliers, licensors, partners, providers, employees or other Persons having relationships with the Business; or
- (x) any matter set forth in the Disclosure Letter,

except, in the case of clauses (i) to (vi) above, to the extent that any such event, change, effect, condition, fact, development, occurrence or circumstance has a materially disproportionate effect on the Corporation, taken as a whole, relative to other participants in the markets and industries in which the Corporation operate; provided that the Purchaser will not seek to assert that a Material Adverse Effect has occurred on the basis that the COVID-19 pandemic or related events have had or may have a disproportionately adverse effect on the Corporation, taken as a whole, relative to other companies operating in the industries in which the Corporation operates.

“**Material Contracts**” has the meaning specified in Section 3.2.25;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*;

“**Non-Recourse Parties**” means, with respect to a Person, such Person’s Affiliates and its and their respective portfolio companies and its and their respective past, current or future directors, officers, employees, incorporators, members, partners, equityholders, agents, attorneys, advisors, representatives, successors and assigns.

“**Operating Agreement**” means the Operating Agreement in respect of the Subsidiary, entered into among the Corporation, 101020588 Saskatchewan Ltd., Anthony Gaudet, Francis Gaudet, Mike Quann, and Don Driscoll, dated effective February 11, 2013.

“**Order**” means any order, directive, judgment, decree, award or writ of any Tribunal;

“**Owned Real Property**” means the real and/or immovable property owned by the Corporation and listed or described in the Disclosure Letter, and includes all plants,

buildings, structures, erections, improvements, appurtenances and fixtures situated on or forming part of that property;

“**Parties**” means the Vendors, the Corporation, the HoldCos and the Purchaser and “**Party**” means any one of them;

“**Permitted Liens**” means:

- (i) Liens for Taxes and utilities which are not due or in arrears, or which are being contested in good faith by appropriate Legal Proceedings and for which adequate accruals, provisions or reserves (based on good faith estimates of management) have been set aside for the payment thereof;
- (ii) Easements, servitudes, encroachments, right of way and other minor imperfections of title which, individually or in the aggregate, would not reasonably be expected to interfere in any material respect with the ordinary conduct of the Business or materially impair the continued use or operation of the relevant real or immovable property for the purpose for which it is currently used;
- (iii) Liens imposed or promulgated by Applicable Laws with respect to real or immovable property, including zoning, building or similar restrictions, as well as Liens consisting of (a) easements, rights of way, servitudes, restrictions and similar rights in real or immovable property and (b) the reservations, limitations, provisions and conditions, if any, expressed in any original grant from the Crown of any real or immovable property or any interest therein or in any similar grant from a Governmental Authority in jurisdictions other than Canada; provided that any such items would not, individually or in the aggregate, reasonably be expected to interfere in any material respect with the ordinary conduct of the Business or materially impair the continued use or operation of such real or immovable property for the purpose for which it is currently used;
- (iv) construction, mechanics’, carriers’, workers’, repairers’, storers’ or other similar Liens (including, in the Province of Saskatchewan, legal hypothecs in favour of architects, engineers, suppliers of material, workmen or subcontractors): (a) that, individually or in the aggregate, are not material, (b) that arose or were incurred in the ordinary course of business and/or ordinary industry practices, (c) that are related to obligations not due or in arrears or, if due, are not delinquent or are being contested in good faith by appropriate Legal Proceedings and for which adequate accruals or reserves (based on good faith estimates of management) have been set aside for the payment thereof, (d) that have not been registered or filed under Applicable Laws, and (e) for which notice in writing has not been given to the Vendors or the Corporation;

- (v) other Liens that have not had, and the existence of which would not have, a Material Adverse Effect on the operation of the Corporation's business as currently carried on;
- (vi) Liens created in connection with the Cortland Credit Facility; and
- (vii) the Liens listed or described in the Disclosure Letter;

“**Person**” includes any individual, body corporate, unlimited liability company, limited liability corporation, partnership, limited liability partnership, sole proprietorship, firm, joint stock company, joint venture, trust, unincorporated association, unincorporated organization, syndicate, Governmental Authority and any other entity or organization of any nature whatsoever;

“**Personal Information**” means any information in the possession or control of the Corporation about an identifiable individual other than the name, title or business address or telephone number of an Employee;

“**Prime Rate**” for any day means the rate of interest expressed as a rate per annum that the Royal Bank of Canada establishes as the reference rate of interest that it will charge on that day for Canadian dollar demand loans to its customers in Canada and which it refers to as its prime rate;

“**Privileged Communications**” has the meaning specified in Section 9.19(b);

“**Purchase Price**” means the consideration payable by the Purchaser to the Vendors under Section 2.3;

“**Purchased Shares**” means:

- (i) the Holdco Shares; and
- (ii) all of the issued and outstanding Shares owned by the Begrands;

“**Purchaser’s Indemnified Persons**” means the Purchaser and its directors, officers, employees and agents, respectively;

“**R&W Policy**” has the meaning specified in Section 4.3.3.

“**Regulatory Clearance**” means any approval, clearance, clearance consent, permit, waiver, ruling, exemption, acknowledgement or similar authorization from any Governmental Authority, including those required by Applicable Laws or under the terms or conditions of any Contract, License or Order, including but not limited to Competition Act Clearance, HSR Act Clearance and the Ministry Approvals;

“**Release**” means any release or discharge of any Hazardous Substance, including any burial, incineration, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leaching, migration, dispersal, dispensing or disposal;

“**Releasing Claims**” has the meaning specified in Section 9.18.

“**Released Parties**” has the meaning specified in Section 9.18.

“**Releasing Parties**” has the meaning specified in Section 9.18.

“**Representatives**” means, in respect of a Party, that Party’s directors, officers, employees, agents, solicitors, accountants, professional advisors and other representatives involved in the transactions contemplated by this Agreement and, in the case of the Vendors prior to Closing, includes those of the Corporation;

“**Rockshield**” means Rockshield Capital Corp., the intended assignee of the Purchaser’s rights under this Agreement;

“**Shares**” means shares in the capital of the Corporation;

“**Subsidiary**” means Belle Pulses USA LLC;

“**Tax Act**” means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), the *Income Tax Application Rules*, R.S.C. 1985, c. 2 (5th Supp.), and the *Income Tax Regulations*, C.R.C., c. 945, in each case as amended to the date of this Agreement;

“**Tax Legislation**” means the Tax Act and all federal, provincial, territorial, municipal, foreign or other statutes imposing a tax, including all treaties, conventions, rules, regulations, Orders and decrees of any jurisdiction;

“**Tax Returns**” means all reports, elections, returns, and other documents required to be filed under the provisions of any Tax Legislation and any tax forms required to be filed, whether in connection with a Tax Return or not, under any provisions of any applicable Tax Legislation;

“**Tax**” or “**Taxes**” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable Tax Legislation, including, Canadian federal, provincial, territorial, municipal and local, foreign or other income, capital, goods and services, sales, use, consumption, excise, value-added, business, real or immovable property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, provincial pension plan contributions, employment insurance premiums, and provincial workers’ compensation payments, including any interest, penalties and fines associated therewith;

“**Tax Representations**” means the representations and warranties contained in Section 3.2.33;

“**Third Party Claim**” has the meaning in Section 8.4(a);

“**Tony Holdco**” means 101114404 Saskatchewan Ltd.

“**Transaction Expenses**” means, without duplication, the collective amount payable at Closing by the Corporation for (a) all out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of this Agreement solely to the extent such fees, expenses and payments are incurred and unpaid as of immediately preceding the Closing, and (b) any transaction bonuses, change-in-control awards and similar other payments that are payable to Employees at the Closing solely as a result of the sale of the Purchased Shares;

“**Tribunal**” means any court (including a court of equity), arbitrator or arbitration panel, or any Governmental Authority or other body exercising adjudicative, regulatory, judicial or quasi-judicial powers, including any stock exchange;

“**Vendors**” means Tony Trust, Francis Trust, and Begrands, and “**Vendor**” refers to any one of them;

“**Vendors’ Indemnified Persons**” means the Vendors and the Vendors’ employees and agents, and their respective heirs, executors, successors and assigns;

1.2 Certain Rules of Interpretation

In this Agreement:

- (a) **Accounting Principles** – Unless otherwise specified, any reference in this Agreement to “generally accepted accounting principles” is to the generally accepted accounting principles in effect in Canada at the date of this Agreement as recommended in Part I – International Financial Reporting Standards of the CPA Canada Handbook and applied consistently with previous financial years of the Corporation.
- (b) **Consent** – Whenever a provision of this Agreement requires or contemplates the consent or approval of a Party and that approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, that Party will be deemed to have withheld its approval or consent.
- (c) **Currency** – Unless otherwise specified, all dollar amounts in this Agreement, including the symbol “\$”, refer to Canadian currency.
- (d) **Gender and Number** – In this Agreement, unless the context requires otherwise, any reference to gender includes all genders and words importing the singular number only include the plural and vice versa.
- (e) **Headings, etc.** – The division of this Agreement into Articles, Sections and other subdivisions and the inclusion of headings and a table of contents are provided for convenience only and do not affect the construction or interpretation of this Agreement.
- (f) **Including** – In this Agreement, the words “include” or “including” mean “include (or including) without limitation” and the words following “include” or “including” are not to be considered an exhaustive list.

- (g) **Knowledge** – Any reference to “the knowledge of the Corporation” means the actual knowledge of Tony and Francis.
- (h) **Performance on Holidays** – If any act is required by the terms of this Agreement to be performed on a day which is not a Business Day, the act will be valid if performed on the next succeeding Business Day.
- (i) **References to Documents** – Unless otherwise specified, any reference in this Agreement to this Agreement or any other agreement or document, is a reference to this Agreement or the other agreement or document as it may have been, or may from time to time be, amended, supplemented, restated, novated or replaced and includes all schedules and exhibits to it.
- (j) **References to Persons** – Unless the context otherwise requires, any reference in this Agreement to a Person includes its successors and permitted assigns.
- (k) **References to this Agreement** – The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement as a whole and not to any particular section or portion of it.
- (l) **Statutory References** – Unless otherwise specified, any reference in this Agreement to a statute includes all rules and regulations made under it, in each case as it or they may have been, or may from time to time be, amended or re-enacted.
- (m) **Time** – Time is of the essence of this Agreement, and no extension or variation of this Agreement will operate as a waiver of this provision.
- (n) **Time Periods** – Unless otherwise specified, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Regina time) on the last day of the period. If a period of time is to expire on any day that is not a Business Day, the period will be deemed to expire at 5:00 p.m. (Regina time) on the next succeeding Business Day.
- (o) **Trade Terms** – Unless otherwise defined in this Agreement, words or abbreviations which have well-known trade meanings are used in this Agreement with those meanings.

ARTICLE 2 PURCHASE AND SALE OF SHARES

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, at the Closing Time the Vendors shall sell to the Purchaser, and the Purchaser shall purchase from them, all of the Purchased Shares.

2.2 Allocation of Purchase Price

For clarity, the Parties agree that the Purchase Price shall be allocated as follows:

- (a) 58.75% to the purchase of all of the shares of Tony Holdco owned by Tony Trust;
- (b) 35% to the purchase of all of the shares of Francis Holdco owned by Francis Trust;
and
- (c) 6.25% to the purchase of the 5 common shares of the Corporation owned by the Begrands.

2.3 Amount of Purchase Price

The consideration payable by the Purchaser to the Vendors for the Purchased Shares (the "**Purchase Price**") will equal \$30,000,000 minus (a) Transaction Expenses, and (b) all outstanding amounts drawn under the ACU Credit Facilities, the payment of which, concurrent with closing, shall be the responsibility of the Vendors. The sum of \$30,000,000, less the Deposit and the Holdback, will be payable on Closing by the Purchaser to the Vendors counsel.

2.4 Deposit

The Deposit was paid to the Corporation upon execution of the LOI and the Corporation agrees to deal with the Deposit as follows:

- (a) on the Closing Date, the Deposit, less interest earned thereon, shall be credited on account of the Purchase Price; or
- (b) if the Purchaser or, following the assignment of Purchaser's obligations hereunder to Rockshield, Rockshield fails to complete the purchase of the Purchased Shares when required hereunder or otherwise repudiates this Agreement, then the Deposit, together with interest earned thereon, shall be forfeited to the Vendors without prejudice to any rights and remedies which the Purchaser may have at law or equity;
or
- (c) if the Vendors fails to complete the sale of the Purchased Shares when required hereunder or otherwise repudiates this Agreement, then the Deposit, together with interest earned thereon, shall be refunded to Rockshield upon demand by Rockshield, without prejudice to any rights and remedies which the Purchaser or Rockshield may have at law or equity.

2.5 Purchase Price Payable on Closing

As soon as practicable prior to the Closing Time, but in no event later than four (4) Business Days prior to the Closing Date, the Corporation shall provide to the Purchaser an estimate of the Purchase Price payable on Closing which shall be based on the Corporation's good faith estimates of the amount of Transaction Expenses, together with the other items set out in Section 2.3.

2.6 Closing Payments

At the Closing Time, the Purchaser shall make payments as follows:

- (a) the Purchaser shall pay the sum of \$1,000,000 (the “**Holdback**”) into an escrow account, which shall be established pursuant to an escrow agreement (the “**Escrow Agreement**”), which Escrow Agreement shall be entered into on the Closing Date among the Vendor, the Purchaser and the Escrow Agent and substantially in the form of Exhibit A. The Holdback shall be distributed in satisfaction of any Damages in accordance with Section 8.2. All fees and expenses of the Escrow Agent shall be borne 50% by Purchaser and 50% by the Vendors;
- (b) the Purchaser shall pay \$30,000,000, less the Holdback and the Deposit, by wire transfer of immediately available funds to Vendors counsel in trust for the Vendors on the Closing Date.

2.7 Payment of Purchase Price on Closing

The Escrow Agent shall place the Holdback in an interest-bearing trust account. Interest accruing on the funds held in trust to follow payment on account of principal.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Vendors

Each of the Vendors, which for the purposes of this Section 3.1, shall include Tony and Francis, represents and warrants to the Purchaser as set out in this Section 3.1 and acknowledges that the Purchaser is relying on those representations and warranties in entering into this Agreement and completing the transactions contemplated by it.

3.1.1 Incorporation and Qualification of the Vendors

If the Vendor is not an individual, the Vendor is validly existing under the laws of its jurisdiction of organization and has the requisite power and authority to own the Purchased Shares and to enter into and perform its obligations under this Agreement and each of the Closing Documents to which it is or is to become a party.

3.1.2 Authorization

Each Vendor has all necessary capacity to enter in this Agreement and all other agreements and instruments to be executed by each Vendor as contemplated by this Agreement and to carry out the obligations of each under this Agreement and such other agreements and instruments.

3.1.3 Validity of Agreement

This Agreement and each of the Closing Documents to which each Vendor is or is to become a party have been or will be duly executed and delivered by the Vendor and are or will be legal, valid and binding obligations of the Vendor enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except

that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

3.1.4 Title to Purchased Shares

The Purchased Shares are owned by the Vendors as the registered and beneficial owner with good and valid title to the Purchased Shares, free and clear of all Liens other than Permitted Liens. On Closing, the Purchaser will acquire good and valid title to the Purchased Shares, free and clear of all Liens other than those restrictions on transfer, if any, stated in the articles of the Corporation, under Applicable Laws relating to securities regulations, and Liens granted by the Purchaser, if any. The Purchased Shares represent:

- (a) all of the issued and outstanding shares in the capital of the Corporation held by Begrands;
- (b) all of the issued and outstanding shares in the capital of Tony HoldCo held by Tony Trust; and
- (c) all of the issued and outstanding shares in the capital of Francis HoldCo held by Francis Trust.

Excepting the Purchased Shares, the Vendors do not hold any other shares, directly or indirectly, in the capital of Tony HoldCo, Francis HoldCo, or the Corporation. In aggregate, the shares in the capital of the Corporation held by Tony HoldCo, Francis HoldCo, and Begrands represent all of the issued and outstanding shares in the capital of the Corporation.

3.1.5 No Conflicts

Except for the Regulatory Clearances and the Consents described in the Disclosure Letter, the execution and delivery of and performance by each Vendor of this Agreement do not and will not:

- (a) result in the breach of, or conflict with, or allow any Person to exercise any rights under, or cause such Vendor, to be bound by any additional or more onerous obligation under, any of the terms or provisions of:
 - (i) the organizational documents of such Vendor if the Vendor is not an individual; or
 - (ii) any Contract to which such Vendor is a party, except as would not, individually or in the aggregate, reasonably be expected to have a material and adverse effect on the ability of such Vendor to consummate the transactions contemplated by this Agreement;
- (b) result in the violation of any Applicable Law, except as would not, individually or in the aggregate, reasonably be expected to have a material and adverse effect on the ability of such Vendor to consummate the transactions contemplated by this Agreement;

(c) result in the creation of any Lien on the Purchased Shares.

Notwithstanding anything to the contrary contained herein, the Corporation provides no representation and warranty as to whether the performance by it of its obligations under this Agreement complies with applicable privacy legislation.

3.1.6 Residence of Vendor

The Vendor is not a “non-resident” of Canada within the meaning of the *Tax Act*.

3.2 Representations and Warranties of the Corporation

3.2.1 Incorporation and Qualification of the Corporation

The Corporation is a corporation incorporated and existing under the laws of Saskatchewan. The Corporation has the corporate power and capacity to own, lease, use and operate its property, carry on the Business as now being conducted by it and enter into and perform its obligations under this Agreement and each of the Closing Documents to which it is or is to become a party. The Corporation is registered, licensed or otherwise qualified to carry on the Business and is in good standing in each of the jurisdictions in which the nature of the Business or the property or assets owned or leased by it makes that qualification necessary, except where the failure to be so qualified or in good standing would not have a Material Adverse Effect.

3.2.2 Authorization

The execution and delivery of, and performance by the Corporation of, this Agreement and the completion of the transactions contemplated by it have been duly authorized by all necessary corporate action on behalf of the Corporation.

3.2.3 Validity of Agreement

This Agreement and each of the Closing Documents to which the Corporation is or is to become a party have been or will be duly executed and delivered by the Corporation and are or will be legal, valid and binding obligations of Corporation, enforceable against each of them in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

3.2.4 Authorized and Issued Capital

The authorized capital of the Corporation consists of an unlimited number of Class A common voting shares, an unlimited number of Class B common non-voting shares, an 1,000 Class C preferred non-voting shares, and an unlimited number of Class D preferred voting shares, of which the Purchased Shares (and no more) have been duly issued and are outstanding as fully paid and non-assessable shares. All of the Purchased Shares have been issued in compliance with Applicable Laws, including securities laws. The Corporation is a “private issuer” as defined in NI 45-106.

3.2.5 No Other Agreements or Options

Except for the agreements described in the Disclosure Letter, no Person has any written or oral agreement or option or any right or privilege capable of becoming an agreement or option for (i) the purchase or other acquisition from the Vendors of any of the Purchased Shares; (ii) the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Corporation; or (iii) other than in the ordinary course of business, the purchase or other acquisition from the Corporation of any of its undertaking, property or assets.

3.2.6 No Conflicts

Except for the Regulatory Clearances and Consents described in the Disclosure Letter, the execution and delivery of and performance by the Corporation of this Agreement do not and will not:

- (a) result in the breach of, or conflict with, or allow any Person to exercise any rights under, or cause the Corporation to be bound by any additional or more onerous obligation under, any of the terms or provisions of:
 - (i) the organizational documents of the Corporation; or
 - (ii) any Material Contract to which the Corporation is a party, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;
- (b) result in the breach of, or cause the termination, amendment or revocation of, any Consent or License held by the Corporation or necessary to the ownership of the Purchased Shares or the operation of the Business, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;
- (c) result in the violation of any Applicable Law, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;
- (d) result in the creation of any Lien on the Purchased Shares or any of the property or assets of the Corporation.

Notwithstanding anything to the contrary contained herein, the Vendors provide no representation and warranty as to whether the performance by it of its obligations under this Agreement complies with applicable privacy legislation.

3.2.7 Required Regulatory Clearances

Except as disclosed in the Disclosure Letter and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, there is no requirement on the part of the Vendor or the Corporation to obtain any Regulatory Clearance or make any filing with or give notice to any Governmental Authority in connection with the lawful completion of the transactions contemplated by this Agreement.

3.2.8 Required Consents

Except as disclosed the Disclosure Letter and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, there is no requirement on the part of the Vendor or the Corporation to obtain any Consent in connection with the lawful completion of the transactions contemplated by this Agreement.

3.2.9 Business Carried on in Ordinary Course

Since July 31, 2020, the Corporation has carried on the Business in the ordinary course, consistent with past practice in all material respects.

3.2.10 Compliance with Applicable Laws

The Corporation is conducting the Business and operates and maintains the properties and assets used in the Business in compliance with Applicable Laws, except for any non-compliance or breach which, individually or in the aggregate, has not had, and which could not be reasonably expected to have, a Material Adverse Effect. The Corporation has not received within the last twelve (12) months any written notice of any alleged violation of any Applicable Law, except for violations which, individually or in the aggregate, have not had, and which could not be reasonably expected to have, a Material Adverse Effect.

3.2.11 Required Licenses

Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Business, the Corporation possesses the Licenses required under Applicable Laws to conduct the Business and to own, use and operate the properties and assets used in the Business. The Corporation is in compliance in all material respects with all such Licenses. There is no Legal Proceeding pending or, to the knowledge of the Corporation, threatened regarding the termination, revocation or nonrenewal of such Licenses. The Corporation has not received any written notice of revocation or non-renewal or material amendment of any such Licenses, or of any intention of any Person to revoke or refuse to renew or materially amend any of such Licenses, except where such revocation, non-renewal or material amendment of such Licenses would not, individually or in the aggregate, have a Material Adverse Effect.

3.2.12 No Material Adverse Change

Since July 31, 2020, there has not been any change, event, development, condition, occurrence or combination of changes, events, developments, conditions or occurrences that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect on the Business.

3.2.13 Books and Records

All Books and Records have been maintained, in all material respects, in accordance with Applicable Laws, and all material financial transactions relating to the Business have been fairly recorded in the Accounting Records, in accordance with generally accepted accounting principles.

3.2.14 Financial Statements

The Financial Statements have been prepared in accordance with generally accepted accounting principles (except as otherwise stated in the Financial Statements and the notes thereto, and subject to usual year-end adjustments in the case of the Interim Financial Statements) and present fairly, in all material respects:

- (a) the assets, liabilities and financial condition of the Corporation; and
- (b) the revenues, earnings and results of operations of the Corporation on a non-consolidated basis,

in each case as of the date and throughout the period indicated. Copies of the Audited Financial Statements and the Interim Financial Statements have been made available to the Purchaser in the Data Room prior to the date hereof.

3.2.15 Working Capital

The consolidated working capital of the Corporation, Tony HoldCo and Francis HoldCo is not less than zero.

3.2.16 Non-Arm's Length Transactions

The Corporation is not a party to any Contract with any Interested Person other than Contracts of employment, and since July 31, 2020, no payment has been made to any Interested Person, other than in the ordinary course of business.

3.2.17 No Liabilities

The Corporation does not have any material liabilities of any nature whatsoever that would be required to be disclosed under generally accepted accounting principles, except for:

- (a) liabilities reflected or reserved against in the Audited Financial Statements or the Interim Financial Statements;
- (b) liabilities disclosed in this Agreement; or
- (c) liabilities incurred in the ordinary course of business after July 31, 2020, which are not, in the aggregate, materially adverse to the Business or the assets, operations, affairs, prospects or condition (financial or otherwise) of the Corporation.

3.2.18 Debt Instruments

Except as disclosed in the Disclosure Letter, the Corporation is not a party to or bound by or subject to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument, and no Debt Instrument or Lien which the Corporation is a party to or bound by or subject to is dependent upon the Guarantee of or any security provided by any other Person. To the knowledge of the Corporation, there are

no outstanding material defaults or violations under any of those Contracts on the part of the Corporation or on the part of any other party to those Contracts.

3.2.19 Guarantees

The Corporation has not given or agreed to give, nor is it a party to or bound by or subject to any Guarantee.

3.2.20 Title to the Assets

Except for any Leased Property and any leased personal or moveable property that is the subject of any Equipment Lease, the Corporation is the sole beneficial (and where its interests are registered, the sole registered) owner of all its property and assets (whether real or immovable, personal, moveable or mixed and whether tangible or intangible) used by it in connection with the Business or reflected in the Books and Records as being owned by the Corporation (excluding Inventories sold or otherwise disposed of since July 31, 2020 in the ordinary course of the Business), with good title thereto, free and clear of all Liens other than Permitted Liens.

3.2.21 Owned Real Property

- (a) The Disclosure Letter includes a complete and accurate list of all of the Owned Real Property and sets out the municipal address and proper current description for each separate parcel of Owned Real Property.
- (b) The Corporation is the legal and beneficial owner of their respective Owned Real Property with good and marketable title thereto and free of all Liens other than Permitted Liens.
- (c) Except as disclosed in the Disclosure Letter, there are no options or other Contracts to sell, transfer or dispose of the Owned Real Property or any interest therein or which would restrict the ability of the Corporation to transfer the Owned Real Property or any interest therein, and no Person has any right to occupy or use the Owned Real Property or any part thereof other than as disclosed by the Corporation to the Purchaser.

3.2.22 Leases and Leased Property

- (a) The Disclosure Letter includes a complete and accurate list of all of the Leases. The Leases are in full force and effect as against the Corporation that is a party thereto and, to the knowledge of the Corporation, as against the third party thereto, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (b) To the knowledge of the Corporation, neither the Corporation, nor any of the other parties to the Leases, is in breach or violation or default under any of the Leases

which breach, violation or default would, individually or in the aggregate, have a Material Adverse Effect. The Corporation has not received or given any written notice of default under any Leases which would, individually or in the aggregate, have a Material Adverse Effect.

- (c) The Corporation has not sublet, assigned, licensed or otherwise conveyed any rights in the Leases or the Leased Property to any other Person.

3.2.23 Real Property Generally

- (a) The Corporation does not own, nor has any interest in, nor is the Corporation a party to or bound by or subject to any option or other Contract respecting, any real or immovable property other than the Owned Real Property and the Leased Property.
- (b) No part of the Owned Real Property or the Leased Property has been taken or expropriated by any Tribunal or other body having power of expropriation, nor has any Legal Proceeding or written notice in respect of any such expropriation been commenced, given or, to the knowledge of the Corporation, threatened.

3.2.24 Equipment Leases

Equipment Leases are in full force and effect and in good standing, and there are no outstanding material defaults or violations under any of those Equipment Leases on the part of the Corporation or, to the knowledge of the Corporation, on the part of any other party to any of those Equipment Leases. The entire interest of the Corporation under each of the Equipment Leases is held by the Corporation free and clear of all Liens other than Permitted Liens.

3.2.25 Material Contracts

- (a) The Disclosure Letter includes a complete and accurate list of all the Material Contracts. For purposes of this Agreement, “**Material Contract**” means any Contract:
 - (i) made in the ordinary course of business under which the Corporation has a financial obligation of greater than \$1,000,000 per annum; and
 - (ii) not made in the ordinary course of business under which the Corporation has a financial obligation of greater than \$100,000 per annum.
- (b) The Material Contracts listed in the Disclosure Letter are in full force and effect and in good standing and there are no outstanding defaults or violations under any of those Material Contracts on the part of the Corporation or, to the knowledge of the Corporation, on the part of any other party to any of those Material Contracts which has had or would reasonably be expected to have a Material Adverse Effect.
- (c) The Corporation has not received written notice that any party to a Material Contract intends to cancel, terminate or otherwise modify or not renew such

Material Contract, and to the knowledge of the Corporation, no such action has been threatened.

3.2.26 Intellectual Property

Except as disclosed in the Disclosure Letter:

- (a) the Corporation owns all right, title and interest in and to, or is validly licensed (and are not in material breach of such Licenses), all Intellectual Property that is material to the conduct of the Business, as currently conducted; and
- (b) such Intellectual Property is sufficient, in all material respects, for conducting the Business as currently conducted, and to the knowledge of the Corporation, such Intellectual Property is valid and enforceable (subject to the effects of bankruptcy, insolvency, reorganization, moratorium or laws relating to or affecting creditors' rights generally), and does not infringe upon the intellectual property rights of any third party, except as would not, individually or in the aggregate, have a Material Adverse Effect.

3.2.27 Investments

- (a) Except as disclosed in the Disclosure Letter, the Corporation is not a partner, beneficiary, trustee, co-tenant, joint venturer or otherwise a participant in any partnership, trust, joint venture, co-tenancy or similar jointly owned business undertaking.
- (b) The Corporation is not subject to any obligation to provide funds to or to make any investment in any business or Person by way of loan, capital contribution or otherwise.

3.2.28 Employees

- (a) The Disclosure Letter contains a list of the titles or positions of all Employees with their date of hire and the location of their employment, whether they are actively at work or not and, if not, the reason for the absence and expected return to work date, a list of all written Contracts with Employees, a list of all Collective Agreements, and a complete and accurate list of the remuneration of, and Employee Benefit Plans applicable to, each Employee. The Disclosure Letter also contains a list of all persons receiving compensation for work or services provided to the Corporation who are not Employees and particulars of their terms of engagement.
- (b) The Corporation is not a party to or bound by or subject to any Collective Agreement, has not made any commitment to, or conducted any negotiation or discussion with, any labour union or employee association with respect to any future agreement or arrangement, is not required to recognize any labour union or employee association representing its Employees or any agent having bargaining rights for its Employees and, to the knowledge of the Corporation, there is no current attempt to organize, certify or establish any labour union or employee association with respect to Employees.

- (c) There are no complaints of unfair labour practice, charges, grievances, arbitration proceedings or appeals of such matters (other than routine individual grievances), that, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a material impact on the Business. There is no present, pending or, to the knowledge of the Corporation, threatened labour strike, dispute, slowdown or work stoppage.
- (d) The Corporation is in compliance with all Applicable Laws applicable to it relating to employment of the Employees, including those relating to wages, hours of work, overtime and other employment standards, collective bargaining, occupational health and safety, pay equity and workers' compensation. There are no outstanding claims, complaints or proceedings by any Employee or former employees of the Corporation under any employment standards, pay equity, occupational health and safety, workplace safety and insurance or any other employment-related statute, and the Corporation has not been advised nor has any knowledge that any such claims, complaints or proceedings may be filed.

3.2.29 Employee Benefit Plans

- (a) Copies of each written Employee Benefit Plan, as amended to the date of this Agreement, as well as summary descriptions of the Employee Benefit Plans provided to Employees and former employees of the Corporation, the most recent actuarial reports, annual information reports and investment reports and any Employee Benefit Plan financial statements and statements of investment policies and procedures have been provided to or made available to the Purchaser in Data Room prior to the date hereof. In the case of each unwritten Employee Benefit Plan, a written description thereof has been provided to or made available to the Purchaser in Data Room prior to the date hereof. The Disclosure Letter includes a complete and accurate list of each material Employee Benefit Plan.
- (b) Each Employee Benefit Plan has been administered in all material respects in compliance with its terms and Applicable Laws.
- (c) Where Applicable Laws require an Employee Benefit Plan to be funded or insured, each such Employee Benefit Plan is fully funded or fully insured on both an on-going and solvency basis.
- (d) There is no investigation, examination, proceeding, action, suit or claim pending or, to the knowledge of the Corporation, threatened involving any Employee Benefit Plan that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and, to the knowledge of the Corporation, no facts exist which presently or after notice or lapse of time or both could reasonably be expected to give rise to any such investigation, examination, proceeding, action, suit or claim.
- (e) None of the Employee Benefit Plans provide for retiree or post-termination life insurance, health or other benefits to retired or terminated employees or to the

beneficiaries or dependents of retired or terminated employees, except as required by Applicable Laws.

- (f) None of the Employee Benefit Plans requires or permits a retroactive increase in premiums or payments, and the level of insurance reserves, if any, under any insured or self-insured Employee Benefit Plan is reasonable and sufficient to provide for all incurred but unreported claims.
- (g) Neither the execution of this Agreement nor the completion of any of the transactions contemplated by this Agreement will:
 - (i) result in any payment (including bonus, golden parachute, retirement, severance, unemployment compensation, or other benefit or enhanced benefit) becoming payable under any Employee Benefit Plan;
 - (ii) increase any benefits otherwise payable under any Employee Benefit Plan;
 - (iii) entitle any Employee to any job security or similar benefit or any enhanced benefits; or
 - (iv) result in the acceleration of the time of payment or vesting of any benefits otherwise payable under any Employee Benefit Plan, or result in any Employee Benefit Plan becoming terminable other than at the sole and unfettered discretion of the Corporation.

3.2.30 Environmental Matters

- (a) None of the Corporation, or, to the knowledge of the Corporation, any other Person responsible under Environmental Laws for acts of the Corporation, caused a Release of any Hazardous Substances (in each case except in compliance with or which has been remediated in compliance with applicable Environmental Laws) on, at, in, under or from the Owned Real Property and the Leased Property currently owned, leased or operated by the Corporation, and, to the knowledge of Vendor, there are no Hazardous Substances or other conditions that could reasonably be expected to result in liability of or adversely affect the Corporation under or related to any Environmental Law on, at, in, under or from the Owned Real Property or the Leased Property currently owned, leased or operated by the Corporation.
- (b) The Corporation has not received any notice and, to the knowledge of the Corporation, there are no facts that could give rise to any notice, that the Corporation is potentially responsible for any remedial or other corrective action or any work, repairs, construction or capital expenditures to be made under any Environmental Law with respect to the Business.

3.2.31 Insurance

The Corporation maintains insurance with reputable and sound insurers covering all of its property and assets and protecting the Business in such amounts and against such losses and claims as are generally maintained for comparable businesses and properties. All

insurance policies currently maintained by the Corporation have been made available to the Purchaser in Data Room prior to the date hereof. Each of those insurance policies is valid and subsisting and in good standing and there is no default under any of them. The Corporation has not failed to give any notice or present any claim under any of those insurance policies in due and timely fashion. No notice of cancellation or non-renewal with respect to, nor disallowance of any claim under, any of those insurance policies, has been received by the Corporation.

3.2.32 Legal Proceedings

- (a) Except as disclosed in the Disclosure Letter, there are no Legal Proceeding in progress, pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation before or by any Tribunal that, if adversely determined, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect. Except as disclosed in the Disclosure Letter, there is no Order outstanding against or affecting the Corporation that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.
- (b) There is no Legal Proceeding in progress, pending, or, to the knowledge of the Corporation, threatened, against or affecting the Vendors, affecting adversely the ability of the Vendors to enter into this Agreement or perform its obligations under this Agreement, or affecting the title of the Vendors to any of the Purchased Shares, at law or in equity or before or by any Tribunal and there are no grounds on which any such Legal Proceeding might be commenced with any reasonable likelihood of success nor is there any Order outstanding against or affecting the Vendors which, in any such case, adversely affects the ability of the Vendors to enter into this Agreement or to perform its obligations under this Agreement.

3.2.33 Tax Matters

- (a) Except as disclosed in the Disclosure Letter, the Corporation has duly filed in the prescribed manner and within the prescribed time all material Tax Returns required to be filed by it and such Tax Returns are true and correct in all material respects. The Corporation has paid all material Taxes due and payable.
- (b) The Financial Statements fairly reflect accrued liabilities for all material Taxes which are not yet due and payable and for which Tax Returns are not yet required to be filed. There is no Legal Proceeding, assessment or reassessment outstanding or, to the knowledge of the Corporation, threatened against the Corporation with respect to Taxes, and no Governmental Authority has asserted in writing or, to the knowledge of the Corporation, threatened to assert any deficiency or claim against the Corporation with respect to Taxes.
- (c) There are no agreements, waivers or other arrangements providing for an extension of time with respect to any assessment or reassessment of Tax, the filing of any Tax Return or the payment of any Tax by the Corporation.

- (d) The Corporation has withheld from each payment made by it the amount of all material Taxes and other material deductions required under any applicable Tax Legislation to be withheld therefrom and has remitted all those amounts withheld and paid all instalments of material Taxes due and payable before the date of this Agreement to the relevant Governmental Authority within the time prescribed under any applicable Tax Legislation.
- (e) The Corporation has complied in all respects with all registration, reporting, collection and remittance requirements in respect of all federal and provincial Tax Legislation in respect of sales tax.
- (f) There are no circumstances existing which could result in the application of either sections 78 to 80.04 of the *Tax Act* or any equivalent provincial Tax Legislation to the Corporation and give rise to an adjustment for Tax purposes that could exceed \$300,000.
- (g) The Corporation has not acquired property or services from or disposed of property or provided services to, a person with whom it does not deal at arm's length (for purposes of the Tax Act) for an amount that is other than the fair market value of such property or services, and has not been deemed to have done so for purposes of any Tax Legislation.

3.2.34 Distributions in the Normal Course

Since the last year end dated July 31, 2020, the Corporation has not distributed any dividends or bonuses except as disclosed to the Purchaser in the Disclosure Letter.

3.2.35 Personal Information

The Corporation does not have a written privacy policy which governs the collection, use and disclosure of Personal Information and the Corporation is in compliance in all material respects with such policy. To the knowledge of the Corporation, no misuse or misappropriation of Personal Information has occurred in respect of the Business. No claims of any misuse or misappropriation of Personal Information have been made or asserted in respect of the operations of the Business.

3.2.36 No Broker

The Vendors and the Corporation have carried on all negotiations relating to this Agreement and the transactions contemplated by this Agreement without intervention on its behalf of any other party in such a manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment against the Purchaser, the Corporation.

3.2.37 Subsidiary

- (a) The Subsidiary is a corporation incorporated and existing under the laws of the State of Montana.

- (b) The authorized capital of the Subsidiary is described in the Disclosure Letter.
- (c) The Corporation is the registered and beneficial owner of fifty-one percent (51%) of the issued shares of the Subsidiary, free and clear of all Liens other than Permitted Liens and those restrictions on transfer, if any, stated in the articles of the Subsidiary, no other shares or securities have been issued by the Subsidiary, and all of the issued shares of the Subsidiary have been duly issued and are outstanding as fully paid and non-assessable shares.
- (d) The Corporation has no subsidiary other than the Subsidiary and does not own nor has it agreed to acquire, directly or indirectly, any shares or securities convertible into shares in the capital of any body corporate other than the Subsidiary or any equity or ownership interest in any business or Person other than the Subsidiary.
- (e) The Corporation is not in default of any of its obligations under the Operating Agreement, nor is it aware of any facts or situations that would lead to a default claim against it in respect to the Operating Agreement.
- (f) Except as disclosed in the Disclosure Letter, there are no Legal Proceeding in progress, pending or, to the knowledge of the Corporation, threatened against or affecting the Subsidiary before or by any Tribunal that, if adversely determined, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.
- (g) The financial statements and other financial information of the Subsidiary provided to the Purchaser in the Data Room are correct and complete in all material respects.
- (h) To the knowledge of the Corporation, the other member of the Subsidiary is in material compliance with the Operating Agreement.

3.3 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendors as set out in this Section 3.3 and acknowledges that the Vendors are relying on those representations and warranties in entering into this Agreement and completing the transactions contemplated by it.

3.3.1 Incorporation and Qualification of the Purchaser

The Purchaser is a corporation incorporated and existing under the laws of British Columbia and has the corporate power and capacity to purchase the Purchased Shares from the Vendors and to enter into and perform its obligations under this Agreement and each of the Closing Documents to which it is or is to become a party.

3.3.2 Authorization of Purchase by Purchaser

The execution and delivery of, and performance by the Purchaser of, this Agreement and the completion of the transactions contemplated by it have been duly authorized by all necessary corporate action on behalf of the Purchaser.

3.3.3 Validity of Agreement

This Agreement and each of the Closing Documents to which the Purchaser is or is to become a party, have been or will be duly executed and delivered by the Purchaser and are or will be legal, valid and binding obligations of the Purchaser, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

3.3.4 No Conflicts

The execution and delivery of and performance by the Purchaser of this Agreement do not and will not (with or without the giving of notice, the lapse of time or the happening of any other event or condition):

- (a) result in the breach of, or conflict with, or allow any Person to exercise any rights under, or cause the Purchaser to be bound by any additional or more onerous obligation under, any of the terms or provisions of:
 - (i) the articles, by-laws or any resolutions of the board of directors or shareholders of the Purchaser; or
 - (ii) any agreement, contract or commitment, written or oral, to which the Purchaser is a party or under which it has rights or obligations; or
- (b) result in the violation of any Applicable Law.

3.3.5 Required Regulatory Clearances

There is no requirement on the part of the Purchaser to obtain any Regulatory Clearance or make any filing with or give notice to any Governmental Authority in connection with the lawful completion of the transactions contemplated by this Agreement, except for receiving the approval of the Canadian Securities Exchange in respect of the Agreement.

3.3.6 Sufficiency of Funds

Purchaser has, or will have on the Closing Date, sufficient funds for the satisfaction of all of Purchaser's obligations under this Agreement and the consummation of the transactions contemplated by this Agreement, including the payments provided for in Section 2.6, and the fees and expenses of Purchaser and its Affiliates related to the transactions contemplated hereby. Purchaser has no reason to believe that any circumstance or condition exists or may in the future exist that could reasonably be expected to prevent or substantially delay the availability of such funds at Closing.

3.3.7 Solvency

Assuming the satisfaction of the conditions set forth in Section 5.1.1 and, at and immediately after the Closing, and after giving effect to the transactions contemplated

hereby, the Corporation (a) will be solvent (in that both the fair value of its assets will not be less than the sum of its debts and that the present fair saleable value of its assets will not be less than the amount required to pay its probable liability on its debts as they become absolute and matured), (b) will have adequate capital with which to engage in its business and (c) will not have incurred and does not plan to incur debts beyond its ability to pay as they become absolute and matured.

3.3.8 No Broker

The Purchaser has carried on all negotiations relating to this Agreement and the transactions contemplated by this Agreement without intervention on its behalf of any other party in such a manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment against the Vendor.

3.3.9 Securities Laws

The Purchaser is acquiring the Purchased Shares as principal and not as agent and is acquiring the Purchased Shares for investment purposes only and not with a view to resale or distribution.

3.3.10 Acknowledgment and Representations.

Purchaser acknowledges and agrees that it (a) has made its own independent review and investigations into and, based thereon, has formed an independent judgment concerning, the business, assets, condition, operations and prospects of the Corporation, (b) has been provided with access to such information, documents and other materials relating to the Corporation and its businesses and operations as it has deemed necessary to enable it to form such independent judgment, (c) has had such time as it deems necessary and appropriate to fully and completely review and analyze such information, documents and other materials and (d) has been provided an opportunity to ask questions of the Corporation with respect to such information, documents and other materials and has received satisfactory answers to such questions. In entering into this Agreement, Purchaser has relied solely upon its own investigation and analysis and the representations and warranties set forth in Sections 3.2 and 3.3. and in any certificate delivered under this Agreement, and Purchaser acknowledges that, except for the representations and warranties set forth in Sections 3.2 and **Error! Reference source not found.** and in any certificate delivered under this Agreement, (x) none of the Vendor, the Corporation or any of their respective Non-Recourse Parties makes or has made any representation or warranty, either express or implied (including any implied warranty of merchantability or suitability), including as to the accuracy or completeness of any of the information provided or made available to Purchaser or any of its respective agents, representatives, lenders or Affiliates prior to the execution of this Agreement and (y) it has not been induced by or relied upon any representation, warranty or other statement, express or implied, made by Vendor, the Corporation or any of their respective Non-Recourse Parties or any other person. Additionally, Purchaser acknowledges that none of the Vendor, the Corporation or any of their respective Non-Recourse Parties makes or has made any representation or warranty, either express or implied, with respect to any projections, forecasts, estimates, plans or budgets of future revenues, expenses or expenditures, future results of operations

(or any component thereof), future cash flows (or any component thereof) or future financial condition (or any component thereof) of the Corporation heretofore or hereafter delivered to or made available to Purchaser or any of its respective agents, representatives, lenders or Affiliates.

3.4 Representations in respect to Holdcos

Each of Tony and Francis, in respect to the Tony Holdco and Francis Holdco respectively, represents and warrants to the Purchaser as set out in this Section 3.4 and acknowledges that the Purchaser is relying on those representations and warranties in entering into this Agreement and completing the transactions contemplated by it

3.4.1 Incorporation and Qualification of the Holdcos

Each Holdco is a corporation incorporated and existing under the laws of Saskatchewan and each has the corporate power and capacity to own, lease, use and operate its property, and enter into and perform its obligations under this Agreement and each of the Closing Documents to which it is or is to become a party. The Holdcos are in good standing in each of the jurisdictions in which they carry on business.

3.4.2 Validity of Agreement

Each of the Closing Documents to which the Holdco is or is to become a party have been or will be duly executed and delivered by each of the Holdcos as the case may be, and are or will be legal, valid and binding obligations of each of the Holdcos enforceable against each in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

3.4.3 Authorized and Issued Capital

The authorized capital of the Holdcos consists of an unlimited number of Class A common voting shares, an unlimited number of Class B common non-voting shares, an unlimited number of Class C preferred non-voting shares, an unlimited number of Class D preferred non-voting shares, an unlimited number of Class E preferred voting shares, and an unlimited number of Class F preferred voting shares, of which the Purchased Shares (and no more) have been duly issued and are outstanding as fully paid and non-assessable shares. All of the Holdco Shares have been issued in compliance with Applicable Laws, including securities laws. The Holdcos are each a "private issuer" as defined in NI 45-106.

3.4.4 No Other Agreements or Options

No Person has any written or oral agreement or option or any right or privilege capable of becoming an agreement or option for (i) the purchase or other acquisition from Tony or Francis of any of the Holdco Shares; (ii) the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Holdcos; or (iii) other than in the ordinary course of business, the purchase or other acquisition from the Holdcos of any of its undertaking, property or assets.

3.4.5 Required Regulatory Clearances

Except as disclosed in the Disclosure Letter and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, there is no requirement on the part of the Vendor or the Corporation to obtain any Regulatory Clearance or make any filing with or give notice to any Governmental Authority in connection with the lawful completion of the transactions contemplated by this Agreement.

3.4.6 Required Consents

Except as disclosed the Disclosure Letter and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, there is no requirement on the part of the Holdcos or Tony or Francis to obtain any Consent in connection with the lawful completion of the transactions contemplated by this Agreement.

3.4.7 Business Carried on in Ordinary Course

The Holdcos have not carried on any business other than holding shares of the Corporation except as disclosed to the Purchaser.

3.4.8 Books and Records

All Books and Records have been maintained, in all material respects, in accordance with Applicable Laws, and all material financial transactions relating to the Holdcos have been fairly recorded in the Accounting Records, in accordance with generally accepted accounting principles.

3.4.9 Financial Statements

The Financial Statements have been prepared in accordance with generally accepted accounting principles (except as otherwise stated in the Financial Statements and the notes thereto, and subject to usual year-end adjustments in the case of the Interim Financial Statements) and present fairly, in all material respects:

- (a) the assets, liabilities and financial condition of the Holdcos and
- (b) the revenues, earnings and results of operations of the Holdcos,

in each case as of the date and throughout the period indicated. Copies of the Audited Financial Statements and the Interim Financial Statements have been made available to the Purchaser in the Data Room prior to the date hereof.

3.4.10 No Liabilities

None of the Holdcos has any material liabilities of any nature whatsoever that would be required to be disclosed under generally accepted accounting principles, except for:

- (a) liabilities reflected or reserved against in the Audited Financial Statements or the Interim Financial Statements;

- (b) liabilities disclosed in this Agreement; or
- (c) liabilities incurred in the ordinary course of business after July 31, 2020, which are not, in the aggregate, materially adverse to the Business or the assets, operations, affairs, prospects or condition (financial or otherwise) of the Holdcos.

3.4.11 Debt Instruments

None of the Holdcos is a party to or bound by or subject to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument, and no Debt Instrument or Lien which the Holdco is a party to or bound by or subject to is dependent upon the Guarantee of or any security provided by any other Person.

3.4.12 Guarantees

None of the Holdcos has given or agreed to give, nor is it a party to or bound by or subject to any Guarantee.

3.4.13 Employees

None of the Holdcos has or has had any employees since they were incorporated.

3.4.14 Legal Proceedings

There are no Legal Proceeding in progress, pending or, to the knowledge of Tony or Francis threatened against or affecting the Holdcos before or by any Tribunal.

3.4.15 Tax Matters

- (a) Except as disclosed in the Disclosure Letter, each of the Holdcos has duly filed in the prescribed manner and within the prescribed time all material Tax Returns required to be filed by it and such Tax Returns are true and correct in all material respects.
- (b) The Financial Statements fairly reflect accrued liabilities for all material Taxes which are not yet due and payable and for which Tax Returns are not yet required to be filed. There is no Legal Proceeding, assessment or reassessment outstanding or, to the knowledge of Tony and Francis, threatened against the Holdcos with respect to Taxes, and no Governmental Authority has asserted in writing or, to the knowledge of Tony and Francis, threatened to assert any deficiency or claim against the Holdcos with respect to Taxes.
- (c) There are no agreements, waivers or other arrangements providing for an extension of time with respect to any assessment or reassessment of Tax, the filing of any Tax Return or the payment of any Tax by the Holdcos.
- (d) Each of the Holdcos has complied in all respects with all registration, reporting, collection and remittance requirements in respect of all federal and provincial Tax Legislation in respect of sales tax.

**ARTICLE 4
COVENANTS OF THE PARTIES**

4.1 Interim Period Covenants of the Vendors and the Corporation

The Vendors and the Corporation, as the case may be, hereby covenant as set out in this Section 4.1:

4.1.1 Consents

Commencing immediately after the date of this Agreement, the Corporation shall make all commercially reasonable efforts to obtain, at or prior to the Closing Time, all Consents listed in the Disclosure Letter.

4.1.2 Conduct of the Business

During the Interim Period, the Corporation shall conduct the Business in the ordinary course, consistent with past practice, unless otherwise contemplated by the provisions of this Agreement or with the written consent of the Purchaser.

4.1.3 Actions to Satisfy Closing Conditions

During the Interim Period, the Vendors shall take all such actions as are within its power to control, and make all commercially reasonable efforts to cause other actions to be taken which are not within its power to control, to ensure compliance with all of the conditions set out in Section 5.1, including ensuring that during the Interim Period and at the Closing Time, there is no incorrectness in or breach of any of its representations and warranties.

4.1.4 Notice of Untrue Representation and Warranty

During the Interim Period, the Vendors shall promptly notify the Purchaser in writing upon, to the knowledge of the Corporation, any representation or warranty made by it contained in this Agreement or any Closing Document becoming untrue or incorrect. Any such notice will set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by the Vendors or the Corporation to rectify the matter. Notifying the Purchaser will not relieve the Vendors of its obligations under Subsection 4.1.3. However, if the Closing occurs, (i) this Agreement is deemed to be amended to qualify the representations and warranties of which the Vendors have notified the Purchaser in accordance with this Subsection 4.1.4; and (ii) the Purchaser is deemed to have waived in full any incorrectness in or breach of those representations and warranties, and any breach of Subsection 4.1.3 relating thereto or arising therefrom.

4.2 Interim Period Covenants of the Purchaser

The Purchaser hereby covenants as set out in this Section 4.2:

4.2.1 Actions to Satisfy Closing Conditions

During the Interim Period, the Purchaser shall take all such actions as are within its power to control, and make all commercially reasonable efforts to cause other actions to be taken which are not within its power to control, to ensure compliance with all of the conditions set out in Section 5.2, including ensuring that during the Interim Period and at the Closing Time, there is no incorrectness in or breach of any of its representations and warranties.

4.2.2 Notice of Untrue Representation and Warranty

During the Interim Period, the Purchaser shall promptly notify the Vendors in writing upon any representation or warranty made by it contained in this Agreement or any Closing Document becoming untrue or incorrect. Any such notification will set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by the Purchaser to rectify the matter. Notifying the Vendors will not relieve the Purchaser of its obligations under Subsection 4.2.1. However, if the Closing occurs, (i) this Agreement is deemed to be amended to qualify the representations and warranties of which the Purchaser has notified the Vendors in accordance with this Subsection 4.2.2; and (ii) the Vendors are deemed to have waived in full any incorrectness in or breach of those representations and warranties and any breach of Subsection 4.2.1 relating thereto or arising therefrom.

4.2.3 Confidentiality

The Purchaser acknowledges having signed a confidentiality agreement dated April 16, 2021 between the Purchaser and the Corporation (the “**Confidentiality Agreement**”), and that its obligations under to the Confidentiality Agreement remain in full force and effect, notwithstanding the execution of this Agreement and the other Closing Documents.

4.2.4 Contact with Customers, Suppliers, Employees and Other Business Relations

During the Interim Period, the Purchaser shall not contact any customers, suppliers, employees, Governmental Authorities or any other business relations of the Corporation without the prior written consent of the Corporation.

4.3 Additional Interim Period Covenants of the Parties

Each Party hereby covenants as set out in this Section 4.3:

4.3.1 Regulatory Clearances

Each Party, as promptly as practicable after the date of this Agreement, shall make all reasonable efforts to obtain, at or prior to the Closing Time, all Regulatory Clearances and shall, in the prescribed manner and within the prescribed time, make all other filings with and give all other notices to any Governmental Authority that are required in connection with the lawful completion of the transactions contemplated by this Agreement or to maintain all rights and benefits of the Corporation under any Contract, Order or License after Closing. The Parties shall co-operate fully in good faith with each other and their respective Representatives for the purposes of those Regulatory Clearances, filings and

notifications, and the Purchaser shall bear all filing fees incurred in connection therewith. A Party shall not make any filing or submission without first providing to the other Party with a copy of that filing or submission in draft form and giving the other Party a reasonable opportunity to discuss its content before it is provided to the relevant Governmental Authority. The Party seeking to make a filing or submission shall then consider and take into account any and all reasonable comments timely made by the other Party and revise the draft filing or submission accordingly.

4.3.2 Cooperation

The Parties shall co-operate fully in good faith with each other and their respective Representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement.

4.3.3 R&W Insurance

In the event Purchaser elects to obtain a representations and warranties insurance policy in respect of the representations and warranties contained in this Agreement or in any certificate or other instrument contemplated by or delivered in connection with this Agreement (such policy, an “**R&W Policy**”), (a) all premiums, underwriting fees, brokers’ commissions and other costs and expenses related to such R&W Policy shall be borne solely by Purchaser, (b) such R&W Policy shall not provide for any “seller retention” (as such phrase is commonly used in the representations and warranties policy industry), (c) such R&W Policy shall expressly waive any claims of subrogation against the Vendors and its Non-Recourse Parties (other than in the event of actual and intentional fraud), and (d) Purchaser shall ensure that Vendors and their Non-Recourse Parties shall be express third-party beneficiaries of the provisions and limitations described in the foregoing clause (c). Without the prior written consent of the Vendors, Purchaser shall not terminate, amend, modify or supplement, or waive any right or provision under any R&W Policy in respect of subrogation provisions described in this Section 4.3.3 in any manner that is adverse to the Vendors.

4.4 Post-Closing Covenants of the Parties

Each Party hereby covenants as set out in this Section 4.4:

4.4.1 Tax Matters

- (a) The Vendors shall cause each of the Holdcos and the Corporation to prepare and file in a timely fashion all Tax Returns required under any applicable Tax Legislation to be filed by it on or before the Closing Date (including as a consequence of the Closing). For the avoidance of doubt, the Purchaser shall be responsible for the preparation and filing of any Tax Returns required to be filed by the Corporation or the Subsidiary after the Closing Date.
- (b) From and after the Closing Date, the Purchaser shall cause each of the Holdcos, the Corporation and the Subsidiary to retain, until the expiration of any applicable limitation period under any applicable Tax Legislation, all Books and Records

relating to any period ending on or before the Closing Date (including as a consequence of the Closing). The Vendors shall be entitled to inspect such Books and Records during normal business hours and upon reasonable notice.

- (c) After Closing, the Purchaser shall cause each of the Corporation and the Subsidiary to co-operate in a reasonable manner with each of the Vendors and its Representatives for the purposes of the preparation of each of the Vendors' accounts and Tax Returns and in providing any information in the possession of the Corporation or a Subsidiary that is reasonably requested for such purposes.

4.4.2 Holdback

- (a) The Holdback shall remain in trust with the Escrow Agent until eighteen (18) months after the Closing Date and allocated and paid as follows:
 - (i) 58.75% of the Holdback held in trust in favour of Tony;
 - (ii) 35.00% of the Holdback held in trust in favour of Francis; and
 - (iii) 6.25% of the Holdback held in trust in favour of the Roger Begrand and Diane Begrand.
- (b) On the date that is eighteen (18) months after the Closing Date, if the Vendors have not been notified by the Purchaser of any Damages against the Vendors in accordance with any provision of this Agreement, the balance of the Holdback, together with any interest earned thereon (if any) shall be paid to the Vendors on the date that is eighteen (18) months after the Closing Date in accordance with their respective entitlements as outlined in Section 4.4.2(a).
- (c) If the Vendors have been notified of any Damages by the Purchaser no later than of the date that is eighteen (18) months after the Closing Date, then the balance of the Holdback shall be held until the 30th day following the date that is eighteen (18) months after the Closing Date. On such date, the amount of the Damages shall be deducted from the Holdback as follows:
 - (i) claims made against the Vendors under Section 8.2 shall be deducted from the amount allocated under Section 4.4.2(a); and
 - (ii) the deductions shall be refunded to the Purchaser and the balance of the Holdback (including any interests earned thereon), if any, shall be paid to the Vendors in accordance with their respective entitlements under this Agreement no later than the 30th day following the date that is eighteen (18) months after the Closing Date.

ARTICLE 5 CONDITIONS OF CLOSING

5.1 Conditions for the Benefit of the Purchaser

The transactions contemplated by this Agreement, including the sale and purchase of the Purchased Shares, are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the conditions in this Section 5.1, each of which is for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion.

5.1.1 Representations, Warranties and Covenants of the Vendors and the Corporation

- (a) The Fundamental Representations will be true and correct in all respects as of the Closing Date, except to the extent of any *de minimis* inaccuracy.
- (b) The representations and warranties of the Vendors and the Corporation contained in this Agreement, other than the Fundamental Representations will be true and correct at the Closing Time, in all cases, except where the failure of such representations and warranties to be true and correct would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect; provided, however, that (i) if any such representation and warranty is qualified by a materiality or Material Adverse Effect qualification, such qualification shall be disregarded for the purposes of this paragraph Section 5.1.1(b); and (ii) if any such representation and warranty speaks only as of a specific date, it only needs to be true and correct as of that date.
- (c) Each of the Vendor and the Corporation will have performed or complied with all obligations and covenants contained in this Agreement to be performed or complied with by it at or prior to the Closing Time.

5.1.2 Deliveries of the Vendors and the Corporation

At the Closing Time, the Vendors will have delivered to the Purchaser the following in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) the Vendors shall deliver to the Purchaser the minute books and original corporate records of each of the Corporation, the Subsidiary and any predecessor corporations thereof, including the original articles, all other corporate records, documents and instruments, any corporate seals of the Corporation, the Subsidiaries and any predecessor corporations and all books of account of the Corporation, the Subsidiary and any predecessor corporations;
- (b) certified copies of (i) the articles and extracts from the by-laws of the Purchaser relating to the execution of documents, and (ii) resolutions of the board of directors and/or shareholders of the Purchaser (as applicable) authorizing the entering into and completion of the transactions contemplated by this;

- (c) a certificate of status, compliance, good standing or like certificate with respect to each of the Vendor, if the Vendor is not an individual, and the Corporation, issued by the appropriate Governmental Authority in their respective jurisdictions of incorporation;
- (d) executed copies of non-competition and non-solicitation agreements between the Corporation, the Purchaser and each of the Vendors, Tony Gaudet and Francis Gaudet, which agreements shall have a term of the later of five years from the date thereof or 18 months following any such Vendor's, Tony Gaudet's or Francis Gaudet's termination of employment by the Corporation;
- (e) executed copies of employment agreements between the Corporation and each of Tony Gaudet and Francis Gaudet in a form satisfactory to the Purchaser; and
- (f) a certification (without personal liability) of an officer of the Corporation to the effect that each of the conditions specified in paragraphs 5.1.1(a) to Section 5.1.1(c) is satisfied in all respects.

5.1.3 Regulatory Clearances

All filings, notifications and Regulatory Clearances described in Section 3.2.7, excluding any Regulatory Clearances that are the subject of the condition precedent in Section 5.4, will have been made, given or obtained on terms satisfactory to the Purchaser acting reasonably.

5.1.1 Repayment of ACU Credit Facilities, Discharge of Related Security and Availability of Cortland Debt Financing

All Indebtedness under the ACU Credit Facilities shall have been repaid in full and all security related to it shall have been discharged.

5.1.2 No Legal Proceedings

No Order will have been made, and no Legal Proceeding will be pending, which is likely to result in a decision or ruling imposing any limitations or conditions which could reasonably be expected to have a material adverse effect on the completion of the transactions contemplated by this Agreement, or on the right of the Purchaser to own the Purchased Shares.

5.2 Conditions for the Benefit of the Vendors

The transactions contemplated by this Agreement, including the sale and purchase of the Purchased Shares, are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the conditions in this Section 5.2, each of which is for the exclusive benefit of the Vendors and may be waived, in whole or in part, by the Vendors in their sole discretion.

5.2.1 Representations, Warranties and Covenants of the Purchaser

- (a) All representations and warranties of the Purchaser contained in this Agreement will be true and correct in all respects at the Closing Time, except to the extent of any *de minimis* inaccuracy.
- (b) The Purchaser will have performed or complied with, in all material respects, all obligations and covenants contained in this Agreement to be performed or complied with by it at or prior to the Closing Time.

5.2.2 Deliveries of the Purchaser

At the Closing Time, the Purchaser will have delivered to the Vendors the following in form and substance satisfactory to the Vendors acting reasonably:

- (i) certified copies of (i) the articles and extracts from the by-laws of the Purchaser relating to the execution of documents, and (ii) resolutions of the board of directors and/or shareholders of the Purchaser (as applicable) authorizing the entering into and completion of the transactions contemplated by this;
- (ii) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser, issued by the appropriate Governmental Authority in its jurisdiction of incorporation; and
- (iii) a certification (without personal liability) of an officer of the Purchaser to the effect that each of the conditions specified in paragraphs Section 5.2.1(a) and Section 5.2.1(b) is satisfied in all respects.

5.2.3 Regulatory Clearances

All filings, notifications and Regulatory Clearances described in the Disclosure Letter, excluding any Regulatory Clearances that are the subject of the condition precedent in Section 5.4.1, will have been made, given or obtained on terms satisfactory to the Vendors acting reasonably.

5.2.4 No Legal Proceedings

No Order will have been made, and no Legal Proceeding will be pending, which is likely to result in a decision or ruling imposing any limitations or conditions which could reasonably be expected to have a material adverse effect on the completion of the transactions contemplated by this Agreement, on the title of the Vendors to the Purchased Shares or on the ability of the Vendors to sell the Purchased Shares.

5.2.5 Credit Line

The Purchaser will arrange to have a secured line of credit available to the Corporation in an amount from time to time which, as of the Closing Date, will be \$2,000,000, on terms customary for a line of credit of such nature.

5.2.6 Repayment of ACU Credit Facilities and Discharge of Related Security

All Indebtedness under the ACU Credit Facilities shall have been repaid in full and all security related to it shall have been discharged (including, without limitation, any and all personal guarantees provided by the Vendors, Tony, or Francis).

5.3 Waiver of Conditions

Either Party may waive, in whole or in part, at any time by notice in writing to the other Party, any condition in Section 5.1 or Section 5.2 which is for its benefit, and such waiver shall be for all purposes and not only for purposes of closing the transactions contemplated by this Agreement and any condition so waived will not serve as a basis for indemnification under Article 8. No waiver by a Party of any condition, in whole or in part, will operate as a waiver of any other condition or of that Party's rights of termination in the event of non-fulfilment of any other condition, in whole or in part.

5.4 Conditions Precedent

The transactions contemplated by this Agreement, including the sale and purchase of the Purchased Shares, are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the conditions in this Section 5.4, which are true condition precedents to the Closing.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Date, Place and Time of Closing

The Closing will take place at the Closing Time at the offices of Dentons Canada LLP, 15th Floor, 850 2nd Street SW, Calgary, Alberta T2 0R8, or at such other place, on such other date and at such other time, or solely by way of electronic means, as may be agreed upon in writing by the Vendors and the Purchaser.

6.2 Deliveries at the Closing

At the Closing Time, subject to satisfaction of all the conditions in Article 5 that have not been waived in writing by the Purchaser or the Corporation, as applicable,

- (i) each of the Vendors shall deliver to the Purchaser share certificates representing the Purchased Shares, duly endorsed in blank for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank;
- (ii) the Vendors shall deliver to the Purchaser a certified copy of the register of shareholders of the Corporation and the Holdcos showing the Purchaser as the registered owner of the Purchased Shares;

- (iii) the written resignations, effective as and from the Closing, of the directors and officers of the Holdcos and the Corporation, as required by the Purchaser;
- (iv) each of the Vendors shall deliver those Closing Documents as are required to be delivered by such Vendor or Vendor's counsel under this Agreement;
- (v) the Corporation shall deliver those Closing Documents as are required to be delivered by the Corporation under this Agreement;
- (vi) the Purchaser shall deliver those Closing Documents as are required to be delivered by the Purchaser or Purchaser's counsel under this Agreement; and
- (vii) the Purchaser shall pay or direct to be paid the Purchase Price in the manner provided in Section 2.6.

ARTICLE 7 TERMINATION

7.1 Termination Rights

Subject to Section 7.2, this Agreement may be terminated by notice in writing given to the other Parties at or prior to the Closing Time:

- (a) by mutual written consent of the Vendors and the Purchaser;
- (b) by the Purchaser if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of a Vendor or the Corporation set forth in this Agreement shall have occurred that would cause a condition set forth in Section 5.1.1 not to be satisfied and such breach is incapable of being cured prior to the earlier of (i) the Business Day prior to the Outside Date and (ii) the date that is thirty (30) days from the date that such Vendor is notified in writing by the Purchaser of such breach or failure to perform; provided that Purchaser shall not have the right to terminate this Agreement pursuant to this Section 7.1(b) if the Purchaser is then in material breach or violation of its representations, warranties or covenants contained in this Agreement;
- (c) by the Vendors if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser set forth in this Agreement shall have occurred that would cause a condition set forth in Section 5.2.1 not to be satisfied and such breach is incapable of being cured prior to the earlier of (i) the Business Day prior to the Outside Date and (ii) the date that is thirty (30) days from the date that the Purchaser is notified in writing by the Vendors of such breach or failure to perform; provided that Vendors shall not have the right to terminate this Agreement pursuant to this Section 7.1(c) if the Vendors or the Corporation is then in material breach or violation of its representations, warranties or covenants contained in this Agreement;

- (d) by either the Vendors or the Purchaser, if the Closing shall not have been consummated on or prior to August 31, 2021 (the “**Outside Date**”), provided that the right to terminate pursuant to this Section 7.1(d) shall not be available to any Party whose breach of any provision of this Agreement results in the failure of the Closing to be consummated by such time; or
- (e) by either the Vendors or the Purchaser, if (i) there shall be any Applicable Law that makes completion of the transactions contemplated hereby illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued an Order or taken any other action permanently enjoining, restraining or otherwise prohibiting the completion of the transactions contemplated hereby and such Order or other action shall have become final and nonappealable; provided that the Party seeking to terminate this Agreement pursuant to this Section 7.1(e) shall have used reasonable best efforts to remove such order, decree, ruling, judgment or injunction.

7.2 Effect of Exercise of Termination Rights

- (a) If a Party exercises its right of termination under Section 7.1(a), immediately upon the Party giving notice as required under Section 7.1(a) the Parties will be discharged from any further obligations under this Agreement, except that:
 - (i) each Party’s respective obligations under Section 9.2 and Section 9.4 will continue indefinitely; and
 - (ii) if a Party exercises its right of termination under Section 7.1 because a condition for the benefit of the terminating Party has not been satisfied because the other Party failed to perform any of its obligations or covenants under this Agreement, any rights, remedies or causes of action the terminating Party may have based upon the other Party’s breach will continue unimpaired.

ARTICLE 8 SURVIVAL AND INDEMNITIES

8.1 Survival, Notice by the Purchaser

- (a) No Damages may be recovered for a breach of a representation or warranty pursuant to Section 8.2 or Section 8.3, unless a Claim Notice is delivered by the Party making such a claim on or before the last day of the survival period for the applicable representation pursuant to this Section 8.1 as follows:
 - (i) Fundamental Representations and claims based on intentional fraud or misconduct shall survive indefinitely following the Closing Date;
 - (ii) with respect to Tax Representations, at any time on or before the date that is thirty (30) days after the expiration of the last of the limitation periods applicable thereto contained in the Tax Act and any other Applicable Law subsequent to the expiration of which an assessment or reassessment or other form or recognized document assessing liability for Tax under the Tax

Act or other Applicable Law, as the case may be, for the period ended on the Closing Date cannot be issued to the Corporation (such period to include any period extended by any agreement, waiver or arrangement with any Governmental Authority); and

- (iii) all other representations and warranties shall survive for a period of 18 months following the Closing Date.

8.2 Indemnification of Purchaser

- (a) Subject to Section 8.5, Section 8.6 and Section 8.7, each of the Vendors, on its own behalf, and not on the behalf of any other Vendors, severally (and for greater certainty, not jointly, with any other Vendors) covenants and agrees with the Purchaser to indemnify the Purchaser's Indemnified Persons and save them fully harmless, against, and will reimburse them for, any Damages arising from, in connection with or related in any manner whatever to:
 - (i) any incorrectness in or breach of any representation or warranty of the Vendors and the Corporation contained in this Agreement;
 - (ii) any breach or any non-fulfilment of any covenant or agreement on the part of the Corporation or the Vendors contained in this Agreement;
 - (iii) any Taxes of the Corporation relating to periods or any portion thereof on or prior to the Closing Date that are not reflected on the Closing Balance Sheet; and
 - (iv) any agreements, loans, funding arrangements, grants, relief, assistance programs, or benefits received by the Corporation from, or owed by the Corporation to, any Governmental Authority prior to the Closing (collectively, "**Government Assistance Program**"), in each case, whether or not the Corporation has otherwise complied in all respects with the terms and provisions of such Government Assistance Program.

8.3 Indemnification of Vendors

- (a) The Purchaser covenants and agrees with each of the Vendors and the Corporation to indemnify each of the Vendors' Indemnified Persons and the Corporation and save them fully harmless, against, and will reimburse them for, any Damages arising from, in connection with or related in any manner whatever to:
 - (i) any incorrectness in or breach of any representation or warranty of the Purchaser contained in this Agreement; and
 - (ii) any breach or non-fulfilment of any covenant or agreement on the part of the Purchaser contained in this Agreement.

8.4 Claim Notice

- (a) If an Indemnified Person becomes aware of any act, omission or state of facts that may give rise to Damages in respect of which a right of indemnification is provided for under this Article 8, the Indemnified Person shall within five (5) Business Days of becoming so aware give written notice thereof (a “**Claim Notice**”) to the Indemnifying Person. The Claim Notice shall specify whether the potential Damages arise as a result of a claim by a Person against the Indemnified Person (a “**Third Party Claim**”) or whether the potential Damages arise as a result of a claim directly by the Indemnified Person against the Indemnifying Person (a “**Direct Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available):
- (i) the factual basis for the Direct Claim or Third Party Claim, as the case may be;
 - (ii) the specific sections of this Agreement pursuant to which indemnification is being sought;
 - (iii) the estimated amount of the potential Damages arising therefrom; and
 - (iv) such other information as is reasonably necessary to enable the Indemnifying Person to assess the merits of the potential claim.
 - (v) Nothing in this Section 8.4 shall be construed to affect the time within which a Claim Notice must be delivered pursuant to Section 8.1(a) in order to permit recovery pursuant to Section 8.2(a)(i), Section 8.2(a)(ii), Section 8.2(a)(iii), Section 8.2(a)(iv), Section 8.3(a)(i) or Section 8.3(a)(ii), as the case may be.

8.5 Monetary Limitations.

- (a) **Damages from Vendors.** Notwithstanding anything contained in this Agreement to the contrary, from and after Closing, the Vendors shall not be liable for any amounts for which the Purchaser’s Indemnified Persons are otherwise entitled to indemnification pursuant to Section 8.2(a)(i) unless the aggregate amount of all Damages for which the Purchaser’s Indemnified Persons are entitled to indemnification pursuant to Section 8.2(a)(i) exceeds \$100,000 (the “**Aggregate Claim Threshold**”), in which event the accumulated aggregate amount of all Damages from the first dollar may be recovered from the Vendors, subject to the Indemnity Cap. Notwithstanding the foregoing, the limitations set out in this Section 8.5(a) shall not apply to Damages based upon, arising out of, with respect to, or by reason of any inaccuracy in or breach of any Fundamental Representation, and Damages based upon, arising out of, or with respect to Section 8.2(a)(ii) or any actual or intentional fraud or misconduct with respect to the making of any representations and warranties contained in this Agreement.

- (b) The maximum aggregate liability of the Vendors for Damages under Section 8.2(a) shall be limited to the Purchase Price, in the case of a breach of a Fundamental Representation, or \$2,000,000 in the case of any other Damages (except for any Damages based upon, arising out of, or with respect to any actual or intentional fraud or misconduct with respect to the making of any representations and warranties contained in this Agreement) (the “**Indemnity Cap**”). Provided however, the limitations in this Section 8.5(b) shall not apply to intentional fraud or misconduct, for which the maximum aggregate liability shall be unlimited.
- (c) **Damages from Purchaser.** Notwithstanding anything contained in this Agreement to the contrary, from and after Closing, the Purchaser shall not be liable for any amounts for which the Vendors’ Indemnified Persons are otherwise entitled to indemnification pursuant to Section 8.3(a)(i) unless the aggregate amount of all Damages for which Vendors’ Indemnified Persons are entitled to indemnification pursuant to Section 8.3(a)(i) exceeds, on a cumulative basis, the Aggregate Claim Threshold in which event the accumulated aggregate amount of all Damages from the first dollar may be recovered from the Purchaser.
- (d) The maximum aggregate liability of the Purchaser for Damages under Section 8.3(a)(i) shall be \$1,500,000; provided, however, the limitations in this Section 8.5(d) shall not apply to intentional fraud or misconduct, for which the maximum aggregate liability shall be the entire Purchase Price.

8.6 Mitigation

- (a) Each Indemnified Person shall use reasonable efforts to mitigate any claim or liability that such Indemnified Person asserts or is reasonably likely to assert under this Article 8. In the event that any Indemnified Person shall fail to make such reasonable efforts to mitigate any such claim or liability, then notwithstanding anything contained in this Agreement to the contrary, the Indemnifying Person shall not be required to indemnify the Indemnified Person for that portion of any Damages that could reasonably be expected to have been avoided if the Indemnified Person had made such efforts.
- (b) Damages will not include any insurance proceeds actually recovered and any indemnity, contribution or other similar payment actually received by an Indemnified Person with respect to such claim (such proceeds or payments to be paid over to the Indemnifying Person up to the amount paid by the Indemnifying Person hereunder if received after payment of Damages by the Indemnifying Person); provided, however, that in each case such amounts actually received by the Indemnified Person shall, for the purposes of determining the amount of Damages, be reduced by the amount of the fees, expenses and other out-of-pocket costs incurred by the Indemnified Person to collect such amounts.
- (c) Notwithstanding anything herein to the contrary, no Person shall be entitled to indemnification or reimbursement under any provision of this Agreement for any amount to the extent such Person has been indemnified or reimbursed for such amount under any other provision of this Agreement, any other transaction

document or otherwise. An Indemnifying Person shall not be liable for any losses, liabilities, damages and expenses to the extent that they are attributable to the Indemnified Person's gross negligence or intentional misconduct.

- (d) Notwithstanding anything herein to the contrary, the Vendors shall not be liable under this Article 8 for any Damages based upon or arising out of any inaccuracy in or breach of any of the representations and warranties of the Vendors set out in this Agreement if the Purchaser had knowledge of such inaccuracy or breach before the Closing. For the purposes of this Section 8.6(d), the Purchaser shall be deemed to have knowledge of all matters set out in the Disclosure Letter or disclosed in the Data Room as at July 27, 2021.

8.7 Direct Claims.

In the case of a Direct Claim, the Indemnifying Person shall have sixty (60) days from receipt of a Claim Notice in respect thereof within which to make investigation of the matter for which the Indemnified Person is seeking indemnification hereunder. For the purpose of such investigation, the Indemnified Person shall make available to the Indemnifying Person or any of its Representatives the information relied upon by the Indemnified Person to substantiate its right to be indemnified under this Article 8, together with all such other information as the Indemnifying Person may reasonably request. If the Parties fail to agree at or before the expiration of such sixty (60)-day period (or any mutually agreed upon extension thereof), the Indemnified Person shall be free to pursue such remedies as may be available to it subject to the terms and conditions hereof.

8.8 Third Party Claims

- (a) **Rights of Indemnifying Person.** In the case of a Third Party Claim, the Indemnifying Person shall have sixty (60) days from receipt of a Claim Notice to elect, at its option, to exercise its right to assume and control the defense of, at its own expense and by counsel of its own choosing, any such Third Party Claim, and shall be entitled to assert any and all defences available to the Indemnified Person to the fullest extent permitted by Applicable Law.
- (b) **Respective Rights on Indemnifying Person's Assumption of Control.** If the Indemnifying Person elects to assume control of any such Third Party Claim as contemplated by Section 8.8(a) the Indemnified Person shall cooperate fully with the Indemnifying Person and its counsel in the defence of such Third Party Claim. Such cooperation shall include (i) allowing the Indemnifying Person and its representatives to investigate the fact, matter, event or circumstance alleged to give rise to the Third Party Claim and using commercially reasonable efforts to make available to the Indemnifying Person, its then current officers, directors and employees to act as witnesses (including interviews, the preparation and submission of witness statements and the giving of evidence at any related hearing); (ii) promptly furnishing all material and information relating to the Third Party Claim; (iii) preserving all material evidence relating to the Third Party Claim; and (iv) providing reasonable access to any representatives of the Parties as reasonably needed; provided that, in each case, such cooperation shall not unduly interfere with

the operation of the Indemnified Person's business. The Indemnifying Person shall not consent to the settlement or discharge of such Third Party Claim without the prior written consent of the Indemnified Person (which consent shall not be unreasonably withheld, conditioned or delayed), unless the relief consists solely of money Damages to be paid by the Indemnifying Person and unless the settlement or discharge does not involve any finding or admission of any violation of Applicable Law or admission of any wrongdoing of the Indemnified Person. Notwithstanding the Indemnifying Person's election to assume the defense of such Third Party Claim, the Indemnified Person shall have the right to employ separate counsel and to monitor the defence of such Third Party Claim, and the Indemnified Person shall bear the reasonable fees, costs and expenses of such separate counsel, that shall not exceed \$50,000, which fees and expenses shall be included in the calculation of Damages for purposes of determining whether the Indemnity Cap has been exceeded.

- (c) **No Assumption of Control by Indemnifying Person.** If the Indemnifying Person, after receiving a Claim Notice with respect to a Third Party Claim, does not elect to assume control of such Third Party Claim within sixty (60) days after receipt thereof or if the Indemnifying Person fails to conduct the defence with reasonable diligence, the Indemnified Person shall have the right to assume control of such Third Party Claim (upon providing further written notice thereof to the Indemnifying Person), subject to the right of the Indemnifying Person to (i) assume the control of such Third Party Claim at any time prior to the settlement or final determination thereof; and (ii) approve the counsel selected by the Indemnified Person (which approval shall not be unreasonably withheld, conditioned or delayed). The Indemnified Person shall not agree to the settlement or discharge of, or admit any liability with respect to, any such Third Party Claim without the prior written consent of the Indemnifying Person (which consent shall not be unreasonably withheld, conditioned or delayed). Notwithstanding anything to the contrary contained in this Article 8, no Indemnifying Person shall have any liability under this Article 8 for any Damages arising out of or in connection with any Third Party Claim that is settled or discharged by an Indemnified Person without the prior, written consent of such Indemnifying Person.

8.9 Characterization of Indemnification Payments.

Unless otherwise required by Applicable Law, any payment made pursuant to this Article 8 shall be treated for all Tax purposes as an adjustment to the Purchase Price.

8.10 Materiality Scrape.

For purposes of determining the amount of any Damages subject to this Article 8 (but not for purposes of determining any inaccuracy or breach of any representation or warranty) the amount of any such Damages shall be determined without regard to any materiality, Material Adverse Effect of other similar qualification contained in or otherwise applicable to such representation or warranty, except for the representations and warranties set out in Sections 3.2.12 and 3.2.25, which shall continue to be qualified by such materiality, Material Adverse Effect or similar qualifications.

**ARTICLE 9
MISCELLANEOUS**

9.1 Notices

(a) Any notice, direction or other communication (in this Section 9.1, a “notice”) regarding the matters contemplated by this Agreement must be in writing and delivered personally, sent by courier or transmitted by e-mail (with confirmation of receipt requested), as follows:

(i) in the case of the Vendors, to:

Belle Pulses Ltd.
P.O. Box 65
St. Isidore De Bellevue
Saskatchewan S0K 3Y0

Attention: Tony Gaudet, President
E-mail: [Redacted - Personal Contact Information]

with a copy to:

McKercher LLP
374 Third Avenue South
Saskatoon, Saskatchewan, S7K 1M5
Attention: Michael T. Petrescue/ James T. Sproule
E-mail: [Redacted - Personal Contact Information] / [Redacted - Personal Contact Information]

(ii) in the case of the Purchaser, to:

Novel Agri-Technologies Inc.
c/o 16027 Ventura Blvd, Suite 301
Encino, CA 91436

Attention: Patrick Dunn
E-mail: [Redacted - Personal Contact Information]

with a copy to:

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

Attention: Rick Skeith
E-mail: [Redacted - Personal Contact Information]

Rockshield Capital Corp.
1305-1090 West Georgia Street

Vancouver, BC
V6E 3V7

Attention: **Danny Brody**
E-mail: [Redacted - Personal Contact Information]

and to:

McMillan LLP
Suite 1700, 421 – 7th Avenue SW
Calgary, AB
T2P 4K7

Attention: **Paul Barbeau**
E-mail: [Redacted - Personal Contact Information]

- (b) A notice is deemed to be delivered and received (i) if delivered personally, on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; (ii) if sent by same-day courier, on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; (iii) if sent by overnight courier, on the next Business Day; or (iv) if transmitted by e-mail, on the Business Day following the date of confirmation of transmission.
- (c) A Party may change its address for service from time to time by notice given in accordance with the foregoing provisions.

9.2 Public Announcements

No press release, public statement or announcement or other public disclosure regarding this Agreement or the transactions contemplated by this Agreement may be made prior to Closing without the prior written consent and joint approval of the Vendors and the Purchaser, except (a) if required by Applicable Laws or a Governmental Authority; provided that if disclosure is required by Applicable Laws or a Governmental Authority, the Party that is required (or whose Affiliate may be required) to make the disclosure shall, without unreasonable delay, notify the other Party of the request or requirement before any disclosure is made and make all reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of the disclosure; (b) if required to obtain consents and approvals, and to provide such notices, necessary to consummate the transactions contemplated by this Agreement; or (c) to any of Vendors' Affiliates and their respective auditors, attorneys, investors, potential investors or other agents or any other Person to whom Vendors or their Affiliates disclose such information in the ordinary course of business.

9.3 Further Assurances

Each Party shall from time to time, before or after the Closing Time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all further acts,

documents and instruments as may be reasonably necessary or desirable in order to give full effect to this Agreement or any provision of it.

9.4 Costs and Expenses

Unless otherwise specified, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the transactions contemplated by it.

9.5 Waiver of Rights

Any waiver of any of the provisions of this Agreement will be binding only if it is in writing and signed by the Party to be bound by it, and only in the specific instance and for the specific purpose for which it has been given. The failure or delay of any Party in exercising any right under this Agreement will not operate as a waiver of that right. No single or partial exercise of any right will preclude any other or further exercise of that right or the exercise of any other right, and no waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar).

9.6 Remedies Cumulative

Unless otherwise specified, the rights and remedies of a Party under this Agreement are cumulative and in addition to and without prejudice to any other rights or remedies available to that Party at law or otherwise, and unless otherwise specified, no single or partial exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled.

9.7 Severability

If any provision of this Agreement or its application to any Party or circumstance is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be ineffective only to the extent of its illegality, invalidity or unenforceability without affecting the validity or the enforceability of the remaining provisions of this Agreement and without affecting its application to other parties or circumstances.

9.8 Assignment

- (a) Except as provided in this Section 9.8, neither this Agreement nor any of the rights, benefits or obligations under this Agreement are assignable or transferable by either Party without the prior written consent of the other Party except by the Purchaser to Rockshield, or a subsidiary of Rockshield.
- (b) Notwithstanding Section 9.8(a), the Purchaser may assign this Agreement or any of its rights, benefits or obligations under this Agreement to an Affiliate of the Purchaser prior to the Closing Date, subject to the following conditions:
 - (i) the Purchaser will not be relieved of its liability under this Agreement and the assignee will become jointly and severally liable with the Purchaser, as

a principal and not as surety, with respect to all of the obligations of the Purchaser, including the representations, warranties, covenants, indemnities and agreements of the Purchaser; and

- (ii) the assignee shall execute an agreement in form and substance satisfactory to the Vendors confirming the assignment and the assumption by the assignee of all obligations of the Purchaser under this Agreement.

9.9 Successors and Assigns

This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

9.10 Third Parties

Unless otherwise specified in Section 9.8, this Agreement does not and is not intended to confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. Except for the Indemnified Persons, no Person other than the Parties will be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. The Parties reserve their right to vary or rescind, at any time and in any way whatsoever, the rights, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person, including any Indemnified Person.

9.11 Entire Agreement

This Agreement, together with the Closing Documents, constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all other understandings, agreements, representations (including misrepresentations, negligent or otherwise), negotiations, communications and discussions, written or oral, made by the Parties with respect thereto (including LOI). There are no representations, warranties, terms, conditions, covenants or other understandings, express or implied, collateral, statutory or otherwise, between the Parties, except as expressly stated in this Agreement or any Closing Document. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement and the Closing Documents.

9.12 Amendment

This Agreement may not be amended, supplemented or otherwise modified in any respect except by written agreement signed by the Parties.

9.13 Governing Law; Attornment

This Agreement will be construed, interpreted and enforced in accordance with the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein. Each Party irrevocably attorns and submits to the exclusive jurisdiction of the courts of

Saskatchewan and irrevocably waives objection to the venue of any proceeding in those courts or that those courts provide an inconvenient forum.

9.14 Tender

Any tender of documents or money under this Agreement may be made upon the Parties or their respective counsel and money must be tendered by official bank draft drawn upon a Canadian chartered bank or by negotiable cheque payable in Canadian funds and certified by a Canadian bank listed in Schedule 1 to the *Bank Act* (Canada).

9.15 Counterparts and Delivery by Facsimile

This Agreement may be executed in any number of counterparts (including counterparts by facsimile, email or other electronic transmission), each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument. Delivery by facsimile or by electronic transmission of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile or by electronic transmission shall also deliver an originally executed counterpart of this Agreement, but the failure to deliver an originally executed copy does not affect the validity, enforceability or binding effect of this Agreement.

9.16 English Language

The parties confirm that it is their wish that this Agreement and any other documents delivered or given under this Agreement, including notices, have been and will be in the English language only. *Les parties aux présentes confirment leur volonté que cette convention ainsi que tous les documents s'y rattachant, y compris les avis, soient rédigés dans la langue anglaise seulement.*

9.17 Remedies

Each Party acknowledges and agrees that the other Parties would be damaged irreparably in the event that any provision of this Agreement is not performed in accordance with its specific terms or otherwise breached, so that, in addition to any other remedy that a Party may have under law or equity, a Party shall be entitled to injunctive relief to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof. Each Party acknowledges and agrees that monetary damages would be inadequate in the event of any such failure to perform or breach, and waives any equitable defense to the granting of specific performance or other injunctive relief available to such Party. In the event that a court of competent jurisdiction fails to grant specific performance or other injunctive relief to a Party as a remedy for such failure to perform or breach, the Parties hereby acknowledge and agree that such Party shall be entitled to receive benefit of the bargain and lost profits damages as redress for such failure to perform or breach. If any Party brings any claim to enforce specifically the performance of the terms and provisions of this Agreement, in accordance with the terms of this Agreement, then, notwithstanding anything to the contrary contained herein, the Outside Date shall automatically be extended by the period of time between the commencement of

such claim and the date on which such claim is fully and finally resolved. Notwithstanding anything to the contrary in this Agreement, the Parties hereby irrevocably waive any right of rescission they may otherwise have or to which they may become entitled.

9.18 Release

Effective as of the Closing, each of the Purchaser and the Corporation agrees (and, from and after the Closing, shall cause their respective Subsidiaries and each of its and their respective successors and assigns (collectively, the “**Releasing Parties**”)) to irrevocably and unconditionally release and forever discharge Vendors and their Non-Recourse Parties (collectively, the “**Released Parties**”) of and from any and all actions, causes of action, suits, proceedings, executions, judgments, duties, debts, dues, accounts, bonds, contracts and covenants (whether express or implied), and claims and demands whatsoever whether in contract or tort (collectively, the “**Released Claims**”), in law or equity, which the Releasing Parties may have against each of the Released Parties, now or in the future, in each case in respect of any cause, matter or thing (a) arising out of, or relating to, the organization, management or operation of the businesses of the Corporation and its Subsidiaries relating to any matter, occurrence, action or activity on or prior to the Closing Date, (b) relating to this Agreement and the transactions contemplated hereby, except to the extent expressly contemplated by Article 8, (c) arising out of or due to any inaccuracy or breach of any representation or warranty or the breach of any covenant, undertaking or other agreement contained in this Agreement, or in any certificate contemplated hereby and delivered in connection herewith, except to the extent expressly contemplated by Article 8, or (iv) relating to any information (whether written or oral), documents or materials furnished by or on behalf of Vendor, the Corporation or any of its Subsidiaries; provided that the Released Claims shall not include any matter arising in the ordinary course of business between a Releasing Party and a Released Party that is unrelated to both the transactions contemplated by this Agreement and the ownership of the Corporation and its Subsidiaries by such Released Party, any of its Affiliates, any of its current or former directors, officers, employees, incorporators, members, partners, equityholders, agents, attorneys, advisors, representatives, successors or assigns or any Person of which such Released Party is or was a director, officer, employee, incorporator, member, partner, equityholder, agent, attorney, advisor or representative.

9.19 Conflicts; Privilege

- (a) Purchaser and the Corporation acknowledge that McKercher LLP (together, the “**Counsel**”) have each acted as legal counsel to the Corporation and the Vendors and certain of their respective Affiliates in respect of the transactions contemplated hereby, and in respect of certain other matters prior to the date hereof.
- (b) Purchaser agrees, on behalf of itself, the Corporation and its Subsidiaries, that (i) all communications involving attorney-client confidences between any of the Vendors, the Corporation and its Subsidiaries and any of their respective Affiliates, on the one hand, and any Counsel, on the other hand, relating to the negotiation, documentation and consummation of the transactions contemplated hereby, including in respect of Persons other than Purchaser (collectively, “**Privileged Communications**”), shall be deemed to be attorney-client confidences that belong

solely to the Vendors and not to any of the Corporation or its Subsidiaries, (ii) to the extent that files of a Counsel in respect of such engagement constitute property of its client, only Vendors (and not Purchaser, the Corporation or any of its Subsidiaries) shall hold such property rights and (iii) no Counsel shall have any duty to reveal or disclose any Privileged Communications or any such files to any of Purchaser, the Corporation or any of its Subsidiaries by reason of any attorney-client relationship between such Counsel and the Corporation or otherwise. Purchaser agrees that the foregoing attorney-client privilege of the Vendors shall be controlled by, and may only be waived by, Vendors.

- (c) Purchaser (i) shall not, and shall cause the Corporation not to, use any Privileged Communications for the purpose of asserting, prosecuting or litigating any claims against Vendors or its Affiliates relating to this Agreement or the transactions contemplated hereby or thereby, and (ii) shall, and shall cause the Corporation and its Subsidiaries to return to Vendors or destroy any Privileged Communications held by such Person after the Closing and to certify compliance with such request.
- (d) Purchaser shall not, and shall cause the Corporation and its Subsidiaries not to, disclose any Privileged Communications to any Person following the Closing, unless compelled to disclose such Privileged Communications by judicial or administrative process or by other Applicable Law. Purchaser shall, promptly upon receipt by Purchaser, the Corporation or any of its Subsidiaries of any subpoena, discovery or other request that calls for the production or disclosure of any Privileged Communications, promptly notify Vendors of the existence of such subpoena, discovery or other request and provide Vendors a reasonable opportunity to assert any rights it may have to prevent the production or disclosure of such Privileged Communications.
- (e) This Section 9.19 will be irrevocable and no term of this Section 9.19 may be amended, waived or modified, without the prior written consent of the applicable Counsel with respect to paragraph (a) hereof, or Vendors, with respect to paragraphs (b), (c) or (d) or hereof.

[Signature page follows]

THIS AGREEMENT has been executed by the Parties on the date first hereinabove mentioned.

BELLE PULSES LTD.

By: (Signed) "Tony Gaudet"

Name: Tony Gaudet

Title: Director

NOVEL AGRI-TECHNOLOGIES INC.

By: (Signed) "Patrick W. Dunn"

Name: Patrick W. Dunn

Title: CFO

101114404 SASKATCHEWAN LTD.

By: (Signed) "Tony Gaudet"

Name: Tony Gaudet

Title: Director

101114406 SASKATCHEWAN LTD.

By: (Signed) "Francis Gaudet"

Name: Francis Gaudet

Title: Director

TONY GAUDET FAMILY TRUST

By: (Signed) "Tony Gaudet"

Name: Tony Gaudet

Title: Trustee

FRANCIS GAUDET FAMILY TRUST

By: (Signed) "Francis Gaudet"

Name: Francis Gaudet

Title: Trustee

Jonathan Rich
Name of Witness [Please Print]

ROGER BEGRAND

(Signed) "*Jonathan Rich*"
Signature of Witness

(Signed) "*Roger Begrand*"
Signature of Shareholder

Jonathan Rich
Name of Witness [Please Print]

DIANE BEGRAND

(Signed) "*Jonathan Rich*"
Signature of Witness

(Signed) "*Diane Begrand*"
Signature of Shareholder