

# **ACQUISITION AGREEMENT**

**THIS AGREEMENT** made effective as of the 30th day of November, 2021

**AMONG:**

**LOON ENERGY CORPORATION,**  
a corporation incorporated under the laws of Alberta

("Loon")

- and -

**OPTIMIND PHARMA INC.,**  
a corporation incorporated under the laws of the Province of Ontario

("Optimind")

- and -

**1000033135 ONTARIO INC.,**  
a corporation incorporated under the laws of the Province of Ontario

("Newco")

## **RECITALS**

- A. Loon is a company listed on the NEX Board of the TSXV under the symbol LNE; and
- B. Loon has identified Optimind as a target company with which to complete a reverse takeover transaction and wishes to acquire all of the issued and outstanding securities of Optimind in exchange for securities of Loon by way of an amalgamation between Optimind and Newco, upon the terms and conditions herein set forth such that upon completion of the Amalgamation, the amalgamated corporation shall be a wholly-owned subsidiary of Loon.

## **AGREEMENT**

**THIS AGREEMENT WITNESSES** that in consideration of the covenants, agreements, warranties and payments herein set forth and provided for, the parties hereto respectively covenant and agree as set forth below.

## **ARTICLE 1** **INTERPRETATION**

### **1.1 Definitions**

In this Agreement, including the recitals, unless otherwise stated or unless there is something in the subject matter or context inconsistent therewith:

- (a) "**Agreement**" means this agreement and includes any agreement amending this agreement or any agreement or instrument which is supplemental or ancillary thereof, and the expressions "above", "below", "herein", "hereto", "hereof" and similar expressions refer to this Agreement;
- (b) "**Amalco**" means the corporation resulting from the Amalgamation;
- (c) "**Amalgamation**" means the amalgamation of Optimind and Newco pursuant to the Amalgamation Agreement;
- (d) "**Amalgamation Agreement**" means the amalgamation agreement to be entered into between Optimind and Newco in the form attached hereto as Schedule "A";
- (e) "**Business**" means the business of Optimind;
- (f) "**Business Permits**" means all licenses, permits and similar rights and privileges that are required and necessary under applicable legislation, regulations, rules and orders for Optimind to own the Optimind Assets and operate the Business;
- (g) "**Closing**" means the closing of the Amalgamation;
- (h) "**Closing Date**" means the day that the Amalgamation closes, which shall not be prior to the date upon which all regulatory approvals have been obtained for the transactions described herein, and including specifically the approval of the Exchange for the listing of the Resulting Issuer Shares and all conditions contained in this Agreement shall be met or waived;
- (i) "**Consolidation**" means the consolidation of the Loon Shares on the basis of one (1) new share for such number of old shares which shall result in 7,500,000 Loon Shares being issued and outstanding following the consolidation, to be made effective prior to completion of the Transaction, however, in the event the Private Placement is completed at a price per security less than \$0.20, then the consolidation ratio will be adjusted so that Loon shareholders will hold the equivalent number of Resulting Issuer Shares equal to \$1,500,000 based on the price of the securities being sold in the Private Placement;
- (j) "**Continuation**" means the continuation of Loon from being governed under the *Business Corporations Act* (Alberta) to the *Business Corporations Act* (Ontario);
- (k) "**Encumbrances**" means any charge, mortgage, lien, pledge, claim, embargo, security interest, legal or conventional, moveable or immovable, specific or floating, whether created or arising by agreement, statute or otherwise, attaching to property, interests or rights, and shall be construed in the widest possible terms and principles known under the law;

- (l) **"Exchange"** or **"CSE"** means the Canadian Securities Exchange;
- (m) **"Governmental Authority"** means any government in Canada, or any foreign government and any agency, or department, tribunal, board, commission, court or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government, as well as any arbitrator, arbitration tribunal or other tribunal or other quasi-governmental or private body exercising any regulatory, expropriation or taxation authority under or for the account of any of the foregoing;
- (n) **"Governmental Charges"** means all fees, levies and charges imposed by a Governmental Authority;
- (o) **"IFRS"** means International Financial Reporting Standards applicable as at the date on which date such calculation is made or required to be made in accordance with generally accepted accounting principles applied on a basis consistent with preceding years;
- (p) **"Intellectual Property Assets"** means all right, title and interest of Optimind in and to any of the following:
  - (i) all trade secrets, confidential information and confidential know-how in which Optimind now has or hereafter may have an interest, whether patented or unpatented, published or unpublished;
  - (ii) all trade-marks (both registered and unregistered), design marks, logos, indicia, trade names, domain names, registrations and applications that have been or shall be made or filed at any trade-marks or similar office in any jurisdiction, and all records thereof and reissues, extensions or renewals thereof, and all common law and other rights in the foregoing;
  - (iii) all patents and patent applications which Optimind now owns or may hereafter own that have been or shall be made or filed in any patent or similar office of any jurisdiction; and
  - (iv) all copyrights that Optimind now owns or may hereafter own, including all registrations and applications that have been or shall be made or filed in the copyright or similar office of any jurisdiction, and all common law and other rights in the foregoing;
- (q) **"Listing Statement"** means the final filing statement of Loon prepared in accordance with Policy 2.4 of the CSE;
- (r) **"Loon"** means Loon Energy Corporation, a corporation incorporated under the *Business Corporations Act* (Alberta);
- (s) **"Loon Assets"** means all of Loon's right, title, estate and interest in and to its property and assets, real and personal, moveable and immovable, of whatsoever

nature and kind and wheresoever situate, including but without limitation, the assets as more particularly set forth and described in the Loon Financial Statements;

- (t) **"Loon Documents"** means all contracts, agreements, documents, permits, licenses, leases, appraisals, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, financial statements, budgets, market surveys, minute books, corporate records, and any other documents or information of whatsoever nature relating to Loon, the Loon Assets or its business and any and all rights in relation thereto;
- (u) **"Loon Financial Statements"** means the audited financial statements of Loon for the years ended December 31, 2020, 2019 and 2018 and the unaudited interim financial statements for the period ended September 30, 2021;
- (v) **"Loon Material Contracts"** means any contract, agreement (written or oral) commitment, indenture, or other instrument to which Loon is bound and which is material to Loon;
- (w) **"Loon Option Plan"** means the stock option plan of Loon;
- (x) **"Loon Shares"** means the common shares of Loon;
- (y) **"Manitari Joint Venture"** means the 40% interest that Optimind owns in Manitari Pharma Inc.;
- (z) **"Name Change"** means the change of the name of Loon to "Optimind Pharma Corp." or such other name as identified by Optimind;
- (aa) **"Newco"** means 100033135 Ontario Inc.;
- (bb) **"Optimind"** means Optimind Pharma Inc., a corporation incorporated under the laws of the Province of Ontario;
- (cc) **"Optimind Assets"** means all of the right, title, estate and interest Optimind has in and to its property and assets, real and personal, moveable and immoveable, of whatsoever nature and kind and wheresoever situate, including but without limitation, the assets as more particularly set forth and described in the Optimind Financial Statements and the Intellectual Property Assets;
- (dd) **"Optimind Documents"** means all contracts, agreements, documents, permits, licenses, leases, appraisals, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, financial statements, budgets, market surveys, minute books, corporate records and any other documents or information of whatsoever nature relating to Optimind, the Business or the Optimind Assets and any and all rights in relation thereto;
- (ee) **"Optimind Financial Statements"** means the audited financial statements for the fiscal year ended October 31, 2021 which will be prepared in accordance with

International Financial Reporting Standards, applied on a consistent basis throughout the periods involved;

- (ff) **"Optimind Material Contracts"** means any contract, agreement (written or oral) commitment, indenture, or other instrument to which Optimind is bound and which is material to the Business, including those entered into in the ordinary course of business, which could materially affect the Optimind Assets, or Business or financial condition of Optimind;
- (gg) **"Optimind Shareholders"** means the holders of Optimind Shares and **"Optimind Shareholder"** means any one of them;
- (hh) **"Optimind Shares"** means all of the shares in the capital of Optimind outstanding at the Time of Closing;
- (ii) **"Optimind Subscription Receipts"** means the subscriptions receipts of Optimind issued to the subscribers under the Private Placement, with each Subscription Receipt automatically converted into a Optimind Share immediately prior to the completion of the Amalgamation;
- (jj) **"Orders"** means all material applicable orders, decisions, binding directives, or the like rendered by any Governmental Authority;
- (kk) **"Person"** includes any individual, corporation, company, partnership, association or any individual;
- (ll) **"Private Placement"** means the private placement of Optimind Subscription Receipts for minimum gross proceeds of a minimum of \$1,000,000 at an issue price of \$0.25 per Subscription Receipt;
- (mm) **"Resulting Issuer"** means Loon upon completion of the Transaction;
- (nn) **"Resulting Issuer Shares"** means the common shares of the Resulting Issuer;
- (oo) **"Share Exchange Ratio"** shall mean one (1) Loon Share for each Optimind Share;
- (pp) **"Subsidiary"** means any corporation, partnership or trust of which more than 50% of the outstanding shares or interests of any class carrying voting rights are beneficially owned, directly or indirectly by a Person;
- (qq) **"Time of Closing"** means such time on the Closing Date as the parties hereto may agree;
- (rr) **"Transaction"** means the Amalgamation and the other transactions provided for herein; and
- (ss) **"TSXV"** means the TSX Venture Exchange.

## **1.2 Canadian Dollars**

All dollar amounts referred to in this Agreement are in Canadian funds, unless otherwise indicated herein.

## **1.3 Extended Meanings**

In this Agreement, words importing the singular number include the plural and vice versa; words importing the masculine gender include the feminine and neuter genders; and references to any statute shall extend to and include orders-in-council or regulations passed under and pursuant thereto, of any amendment or re-enactment of such statute, orders-in-council or regulations, or any statute, order-in-council or regulations substantially in replacement thereof.

## **1.4 Entire Agreement**

This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties, including the letter agreement dated November 15, 2021, between Loon and Optimind and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein. No amendment, supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby.

## **1.5 Headings**

Section headings are not to be considered part of this Agreement and are included solely for convenience of reference and are not intended to be full or accurate descriptions of the contents thereof.

## **1.6 Successors and Assigns**

All of the terms and provisions in this Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

# **ARTICLE 2** **AMALGAMATION**

## **2.1 Debt Settlement**

As part of the Transaction, immediately prior to the Closing Date, Loon will complete a debt settlement with its principal creditor in the amount of up to \$175,000 by way of issuance of an

aggregate of up to 1,842,105 Loon Shares at a price of \$0.095 per Loon Share (the “**Debt Settlement**”).

## **2.2 TSXV Delisting**

As part of the Transaction, prior to the Closing Date, the Loon Shares shall be delisted from trading on the TSXV (the “**Delisting**”).

## **2.3 Consolidation and Name Change**

Prior to the Amalgamation, Loon shall complete the Continuation and file articles of amendment to effect the Name Change and Consolidation.

## **2.4 Amalgamation**

Subject to the terms and conditions herein, on the Closing Date, Newco and Optimind shall complete the Amalgamation pursuant to the terms of the Amalgamation Agreement. Without limiting the foregoing, on closing of the Amalgamation, pursuant to the terms of the Amalgamation Agreement, Loon agrees to issue Loon Shares to Optimind Shareholders in exchange for the delivery to Loon of all of the issued and outstanding Optimind Shares, including the Optimind Shares issued on the automatic conversion of the Optimind Subscription Receipts. The aggregate number of Loon Shares to be issued in exchange for the issued and outstanding Optimind Shares shall be determined by multiplying the number of Optimind Shares issued and outstanding at the time of Closing by the Share Exchange Ratio. No fractional Loon Shares will be issued. To the extent any Optimind Shareholder would otherwise be entitled to receive a fractional number of Loon Shares on Closing of the Amalgamation, the number of Loon Shares to be issued to such Optimind Shareholder shall be rounded to the nearest whole Loon Share.

# **ARTICLE 3**

## **REPRESENTATIONS, WARRANTIES AND COVENANTS OF OPTIMIND**

### **3.1 Representations, Warranties and Covenants of Optimind**

Optimind hereby represents and warrants to Loon as follows, and Optimind confirms that Loon is relying upon the accuracy of each of such representations and warranties in connection with the completion of the transactions hereunder:

- (a) **Incorporation:** Optimind is incorporated, existing and in good standing under the *Business Corporations Act* (Ontario).
- (b) **Status, Constating Documents:** Optimind has all necessary corporate power to own its assets and to carry on its businesses as it is now being conducted. The articles, by laws and other constating documents of Optimind as made available to Loon are complete and accurate.
- (c) **Authority and Binding Obligation:** Optimind has good right, full corporate power and absolute authority to enter into this Agreement and to perform all of its obligations under this Agreement. Optimind, its board of directors and shareholders

have taken all necessary or desirable actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of this Agreement.

- (d) **Corporate Records:** As of the date hereof, the corporate records and minute books of Optimind, are materially complete and accurate. The share certificate books, registered of security holders, register of transfers and register of directors and any similar corporate records of Optimind are complete and accurate in all material respects.
- (e) **Authorized and Issued Capital:** As of the date hereof, the authorized capital of Optimind consists of an unlimited number of common shares. The issued capital of Optimind consists of 66,552,008 common shares, all of which have been duly issued and are outstanding as fully paid and non-assessable shares.
- (f) **No Options:** Other than Optimind Subscription Receipts, Optimind does not have any outstanding subscriptions, options, rights, warrants or other agreements or commitments obligating Optimind to sell or issue any additional shares or securities of any class of Optimind or any securities convertible into any shares of any class of Optimind.
- (g) **Subsidiaries and Other Interests:** Optimind has no subsidiaries and does not own any securities issued by, or any equity or ownership interest in, any other Persons, other than a 40% interest in Manitari Pharma Inc. Optimind is not subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons other than to Manitari Pharma Inc.
- (h) **Title to Optimind Assets by Optimind:** Optimind is the owner of and has good and marketable title to all of the Optimind Assets, including, without limitation, all Optimind Assets which will be reflected in the Optimind Financial Statements and all Optimind Assets acquired by Optimind after the date of the Optimind Financial Statements.
- (i) **No Orders:** There are no outstanding material orders, notices or similar requirements relating to Optimind or the Optimind Assets issued by any federal, state, provincial or municipal authority including, without limitation, occupational health and safety authorities and to the knowledge of Optimind there are no matters under discussion with any such authorities relating to orders, notices or similar requirements.
- (j) **Restrictions on Doing Business:** Optimind is not a party to or bound by any agreement which would restrict or limit its right to carry on any business or activity or to solicit business from any Person or in any geographical area or otherwise to conduct its business as Optimind may determine. Optimind is not subject to any legislation or any judgment, order or requirement of any court or governmental authority which is not of general application to Persons carrying on a business similar to the business of Optimind or the Business. To the knowledge of Optimind,



there are no facts or circumstances which could materially adversely affect the ability of Optimind to continue to operate the Business as presently conducted following the completion of the transactions contemplated by this Agreement.

- (k) **No Guarantees:** Optimind is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Persons.
- (l) **Optimind Material Contracts:** Optimind has provided or made available copies of all Optimind Material Contracts to Loon. Optimind is not in default or breach of any Optimind Material Contract.
- (m) **Partnerships or Joint Ventures:** Other than the Manitari Joint Venture, Optimind is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not party to any agreement under which Optimind agrees to carry on any activity in such manner or by which Optimind agrees to share any revenue or profit with any other Persons.
- (n) **Contractual and Regulatory Approvals:** Except those consents which will have been obtained on or before Closing and the approval of the Optimind Shareholders necessary to complete the Amalgamation, Optimind is under no obligation, contractual or otherwise, to request or obtain the consent of any Persons, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any federal, provincial, state, municipal or local government or governmental agency, board, commission or authority are required to be obtained by Optimind:
  - (i) in connection with the execution, delivery or performance by Optimind of this Agreement or the completion of the Amalgamation;
  - (ii) to avoid the loss of any permit, licence, certification or other authorization on or as a result of closing of the Amalgamation, or
  - (iii) in order that the authority of Optimind to carry on the Business in the ordinary course and in the same manner as presently conducted remains in good standing and in full force and effect as of and following the closing of the Amalgamation.
- (o) **Transaction Compliance with Constating Documents, Agreements and Laws:** The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by Optimind, and the completion of the transactions contemplated hereby, will not constitute or result in a violation or breach of or default under, or cause the acceleration of any obligations of Optimind under:
  - (i) any term or provision of any of the articles, by-laws or other constating documents of Optimind;

- (ii) the terms of any agreement (written or oral), indenture, instrument or understanding or other obligation or restriction to which Optimind is a party or by which it is bound; or
  - (iii) any term or provision of any of the Business Permits, Optimind Material Contracts or any order of any court, governmental authority or regulatory body made against Optimind or the Optimind Assets or any law or regulation of any jurisdiction in which the Business is carried on which is applicable to Optimind or the Optimind Assets.
- (p) **Shareholders' Agreements:** To the best of the knowledge of Optimind, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the shares of Optimind.
- (q) **Materially Accurate:** All information, records and data furnished by Optimind to Loon, its representatives and counsel by Optimind in connection with the negotiation of this Agreement and Loon's due diligence review of Optimind and the Business, were and are accurate in all material respects.
- (r) **Liabilities of Optimind:** There are no liabilities, contingent or otherwise, of Optimind of any kind whatsoever, including, without limitation, any bonds, debentures, mortgages, promissory notes, loan agreements, inter-company debt, or liabilities for Governmental Charges and there is no basis for assertion against Optimind of any liabilities of any kind, other than:
  - (i) liabilities which will be disclosed or reflected in or provided for in the Optimind Financial Statements; and
  - (ii) liabilities incurred since the date of the Optimind Financial Statements which were incurred in the ordinary course or in connection with the completion of the Amalgamation.
- (s) **Bankruptcy and Insolvency Matters:** No action or proceeding has been commenced or filed by or against Optimind or which seek or may lead to receivership, bankruptcy, a consumer proposal or any other similar proceeding in respect of Optimind, the adjustment, compromise or composition of claims against Optimind or the appointment of a trustee, receiver, liquidator, custodian, or other similar officer for Optimind of any portion of the Optimind Assets. No such action or proceeding has been authorized or is being considered by or on behalf of Optimind and no creditor or equity security holder of Optimind has threatened to commence or advise that it may commence, any such action or proceeding. Optimind has not made nor is considering making an assignment for the benefit of its creditors, and it has not requested nor is considering requesting a meeting of its creditors to seek a reduction, compromise, composition, or other accommodation with respect to its indebtedness.
- (t) **Financial Statements:**

- (i) The Optimind Financial Statements will be prepared in accordance with IFRS and will be true, correct and complete in all material respects and present fairly the financial condition of Optimind, on a consolidated basis, as of their respective dates;
- (ii) There has been no material adverse change in the financial condition of Optimind since the date of the Optimind Financial Statements; and
- (iii) Liabilities of Optimind: There are no material liabilities, contingent or otherwise, of Optimind of any kind whatsoever, including, without limitation, any bonds, debentures, mortgages, promissory notes, loan agreements, inter-company debt, or liabilities for Governmental Charges and there is no basis for assertion against Optimind of any liabilities of any kind, other than:
  - (A) liabilities to be disclosed or reflected in or provided for in the Optimind Financial Statements or this Agreement; and
  - (B) liabilities incurred since the date of the Optimind Financial Statements which were incurred in the ordinary course or in connection with the completion of the Amalgamation.
- (u) **Absence of Certain Changes or Events:** Since the date of the Optimind Financial Statements and except for costs incurred and actions taken in connection with the Amalgamation or as otherwise disclosed in writing to Loon, Optimind has not:
  - (i) incurred any obligation or liability, fixed or contingent, except normal trade or business obligations incurred in the ordinary course of the Business, none of which is materially adverse to Optimind;
  - (ii) paid or satisfied any obligation or liability, fixed or contingent, except:
    - (A) current liabilities included in the Optimind Financial Statements,
    - (B) current liabilities incurred since the date of the Optimind Financial Statements in the ordinary course of the Business,
    - (C) re-scheduled payments pursuant to obligations under loan agreements or other contracts or commitments described in the Optimind Financial Statements; and
    - (D) as specifically contemplated by this Agreement;
  - (iii) created any material Encumbrance upon any of its properties or the Optimind Assets;
  - (iv) sold, assigned, transferred, leased or otherwise disposed of any of its material properties or the Optimind Assets;

- (v) purchased, leased or otherwise acquired any material properties or assets;
  - (vi) waived, cancelled or written-off any material rights, claims, accounts receivable, or amounts payable to Optimind;
  - (vii) entered into any transaction, contract, agreement or commitment, except in the ordinary course of the Business or as contemplated by this Agreement or in connection with the Private Placement;
  - (viii) made any material change with respect to any method of management, operation or accounting in respect of the Business;
  - (ix) suffered any damage, destruction or loss (whether or not covered by insurance) which has materially adversely affected or could materially adversely affect the Business or the condition of Optimind;
  - (x) increased any form of compensation or other benefits payable or to become payable to any of the employees of Optimind, except increases made in the ordinary course of the Business;
  - (xi) made a declaration of force majeure with respect to its Business; or
  - (xii) authorized, agreed or otherwise become committed to do any of the foregoing.
- (v) **Dividends and Distributions:** Since the date of the Optimind Financial Statements, Optimind has not declared or paid any dividend or made any other distribution on any of its shares of any class, or redeemed or purchased or otherwise acquired any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to any of the foregoing.
- (w) **Tax Matters:**
- (i) Optimind has duly and on a timely basis prepared and filed all tax returns and other documents required to be filed by them in respect of all Governmental Charges and such returns and documents are complete and correct and clearly and fairly represents the information and tax status of Optimind for the relevant period.
  - (ii) Optimind has paid all Governmental Charges which are due and payable by it on or before the date hereof. Adequate provision was made in the Optimind Financial Statements for all Governmental Charges for the periods covered by the Optimind Financial Statements. Optimind has no liability for Governmental Charges other than those provided for in the Optimind Financial Statements and those arising in the ordinary course since the date of the Optimind Financial Statements and for which adequate provisions have been made on the books of Optimind.

- (iii) All Governmental Charges, assessments, levies and source deductions, if any, which Optimind is required by law to withhold or to collect, including, without limitation, unemployment insurance, employment benefits, pension plan payments and non-resident withholding tax, have been, to the best of its knowledge, duly withheld or collected, and paid over to the proper governmental authorities, or held by Optimind or on behalf of it as required, and such withholdings and collections and all other payments due in connection therewith are duly reflected in the Optimind Financial Statements to the date as of which they were prepared and since that date will be duly entered in the accounts of Optimind.
- (iv) There are no agreements, waivers or other arrangements providing for any extension of time with respect to the filing of any tax return or other document or the payment of any Governmental Charges by Optimind or the period for any assessment or reassessment of Governmental Charges.
- (v) On or before the Closing Date, all returns of Optimind for capital, excise, sales or use tax required to be filed by Optimind before the Closing Date shall be fully prepared and filed before the Closing Date.
- (x) **Litigation:** There are no judgments unsatisfied, consent decrees or injunctions or embargos to which Optimind is subject to or bound, and there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Optimind) pending or, to the knowledge of Optimind, threatened, by or against or affecting Optimind, at law or in equity, or before or by any court or any federal, provincial, municipal, state or other governmental department, commission, board, bureau, agency or instrumentality which will or may have a material adverse effect upon Optimind. To the knowledge of Optimind, there are no grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success, including, without limitation, on the basis of a breach of privacy legislation. Optimind is not subject to any judgment, order, writ, injunction or decree of any court or government body which would prevent the discharge of the obligations arising pursuant to this Agreement or the consummation of the transactions herein contemplated.
- (y) **Listing Statement.** The Listing Statement, as and when filed on SEDAR, will contain disclosure of all facts relating to Optimind as are required to be disclosed therein pursuant to the policies of the Exchange. All information about Optimind in the Listing Statement will be true and correct.
- (z) **No Misrepresentation.** The covenants, representations and warranties of Optimind contained in Section 3.1 hereof and elsewhere in this Agreement, and in any Certificate executed by Optimind or other material delivered by Optimind under this Agreement, do not contain any untrue statement of a material fact or, considered in the context in which presented, omit to state a material fact necessary in order to make the statements and information contained herein or therein not misleading.

**ARTICLE 4**  
**REPRESENTATIONS, WARRANTIES AND COVENANTS OF LOON**

**4.1 Representations, Warranties and Covenants of Loon**

Loon hereby represents and warrants to Optimind as follows, and Loon confirms that Optimind is relying upon the accuracy of each of such representations and warranties in connection with the completion of the transactions hereunder:

- (a) **Incorporation:** Loon is incorporated, existing and in good standing under the *Business Corporations Act* (Alberta). Newco is incorporated, existing and in good standing under the *Business Corporations Act* (Ontario).
- (b) **Status, Constatng Documents:** Loon has all necessary corporate power to own its assets and to carry on its businesses as it is now being conducted. The articles, by laws and other constating documents of each of Loon and Newco as made available to Optimind are complete and accurate.
- (c) **Authority and Binding Obligation:** Each of Loon and Newco has good right, full corporate power and absolute authority to enter into this Agreement and to perform all of its obligations under this Agreement. Each of Loon and Newco and their respective boards of directors have taken all necessary or desirable actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of this Agreement.
- (d) **Corporate Records:** As of the date hereof, the corporate records and minute books of Loon and Newco, are materially complete and accurate. The share certificate books, registered of security holders, register of transfers and register of directors and any similar corporate records of Loon and Newco are complete and accurate in all material respects.
- (e) **Authorized and Issued Capital:** As of the date hereof, the authorized capital of Loon consists of an unlimited number of common shares. The issued capital of Loon consists of 10,250,270 common shares, all of which have been duly issued and are outstanding as fully paid and non-assessable shares. As of the date hereof, the authorized capital of Newco consists of an unlimited number of common shares. The issued capital of Newco consists of 100 common shares which is legally and beneficially owned by Loon and which has been duly issued and is outstanding as a fully paid and non- assessable share.
- (f) **No Options:** Other than in respect of the Debt Settlement, neither of Loon nor Newco has any outstanding subscriptions, options, rights, warrants or other agreements or commitments obligating Loon or Newco to sell or issue any additional shares or securities of any class of Loon or Newco or any securities convertible into any shares of any class of Loon or Newco other than options to purchase up to 600,000 Loon Shares at \$0.13 per Loon Share issued pursuant to the Loon Option Plan.

- (g) **Subsidiaries and Other Interests:** Loon has no subsidiaries other than Newco and does not own any securities issued by, or any equity or ownership interest in, any other Persons. Newco has no subsidiaries and does not own any securities issued by, or any equity or ownership interest in, any other Persons. Neither of Loon nor Newco is subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.
- (h) **Title to Loon Assets by Loon:** Loon is the owner of and has good and marketable title to all of the Loon Assets, including, without limitation, all Loon Assets reflected in the Loon Financial Statements and all Loon Assets acquired by Loon after the date of the Loon Financial Statements.
- (i) **No Orders:** There are no outstanding material orders, notices or similar requirements relating to Loon, Newco or the Loon Assets issued by any federal, state, provincial or municipal authority including, without limitation, occupational health and safety authorities and to the knowledge of Loon there are no matters under discussion with any such authorities relating to orders, notices or similar requirements.
- (j) **Restrictions on Doing Business:** Loon is not a party to or bound by any agreement which would restrict or limit its right to carry on any business or activity or to solicit business from any Person or in any geographical area or otherwise to conduct its business as Loon may determine. Loon is not subject to any legislation or any judgment, order or requirement of any court or governmental authority which is not of general application to Persons carrying on a business similar to the business of Loon or the Business. To the knowledge of Loon, there are no facts or circumstances which could materially adversely affect the ability of Loon to continue to operate the Business as presently conducted following the completion of the transactions contemplated by this Agreement.
- (k) **No Guarantees:** Loon is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Persons.
- (l) **Loon Material Contracts:** Loon has provided or made available copies of all Loon Material Contracts to Optimind. Loon is not in default or breach of any Loon Material Contract.
- (m) **Newco:** Other than this Agreement, Newco is not party to any agreement or contract of any kind and has no assets or liabilities. Newco was incorporated for the sole purpose of executing this Agreement and completing the Amalgamation.
- (n) **Partnerships or Joint Ventures:** Loon is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not party to any agreement under which Loon agrees to carry on any activity in such manner or by which Loon agrees to share any revenue or profit with any other Persons.

- (o) **Contractual and Regulatory Approvals:** Other than Exchange approval and TSXV approval of the Delisting, Loon is not under any obligation, contractual or otherwise, to request or obtain the consent of any Persons, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any federal, provincial, state, municipal or local government or governmental agency, board, commission or authority are required to be obtained by Loon in connection with the execution, delivery or performance by Loon of this Agreement or the completion of the Amalgamation.
- (p) **Transaction Compliance with Constatng Documents, Agreements and Laws:** The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by Loon, and the completion of the transactions contemplated hereby, will not constitute or result in a violation or breach of or default under, or cause the acceleration of any obligations of Loon under:
  - (i) any term or provision of any of the articles, by-laws or other constating documents of Loon;
  - (ii) the terms of any agreement (written or oral), indenture, instrument or understanding or other obligation or restriction to which Loon is a party or by which it is bound; or
  - (iii) subject to obtaining the regulatory consents from the Exchange, any term or provision of any of the Loon Material Contracts or any order of any court, Governmental Authority or regulatory body or any law or regulation to which Loon is subject.
- (q) **Shareholders' Agreements:** To the best of the knowledge of Loon, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the shares of Loon.
- (r) **Materially Accurate:** All information, records and data furnished to Optimind or its representatives and counsel pursuant to this Agreement, are accurate in all material respects.
- (s) **Loon Financial Statements:**
  - (i) the Loon Financial Statements have been prepared in accordance with IFRS, are true, correct and complete in all material respects and present fairly the financial condition of Loon as of the respective dates thereof; and
  - (ii) there has been no material adverse change to the financial condition of Loon since the date of the Loon Financial Statements.
- (t) **Liabilities of Loon:** There are no liabilities, contingent or otherwise, of Loon of any kind whatsoever, including, without limitation, any bonds, debentures, mortgages, promissory notes, loan agreements, inter-company debt, or liabilities



for Governmental Charges and there is no basis for assertion against Loon of any liabilities of any kind, other than:

- (i) liabilities disclosed or reflected in or provided for in the Loon Financial Statements; and
  - (ii) liabilities incurred since the date of the Loon Financial Statements which were incurred in the ordinary course or in connection with the completion of the Amalgamation.
- (u) **Bankruptcy and Insolvency Matters:** No action or proceeding has been commenced or filed by or against Loon or which seek or may lead to receivership, bankruptcy, a consumer proposal or any other similar proceeding in respect of Loon, the adjustment, compromise or composition of claims against Loon or the appointment of a trustee, receiver, liquidator, custodian, or other similar officer for Loon of any portion of the Loon Assets. No such action or proceeding has been authorized or is being considered by or on behalf of Loon and no creditor or equity security holder of Loon has threatened to commence or advise that it may commence, any such action or proceeding. Loon has not made nor is considering making an assignment for the benefit of its creditors, and it has not requested nor is considering requesting a meeting of its creditors to seek a reduction, compromise, composition, or other accommodation with respect to its indebtedness.
- (v) **Broker's Fees:** Loon has not incurred any obligation or liability, contingent or otherwise for broker's or finder's fees in respect of the Transaction except as otherwise provided for herein.
- (w) **Absence of Certain Changes or Events:** Other than in contemplation of the Amalgamation, since the date of the Loon Financial Statements, Loon has not:
- (i) incurred any obligation or liability, fixed or contingent, except normal trade or business obligations incurred in the ordinary course none of which is materially adverse to Loon;
  - (ii) paid or satisfied any obligation or liability, fixed or contingent, except:
    - (A) current liabilities included in the Loon Financial Statements;
    - (B) current liabilities incurred since the date of the Loon Financial Statements in the ordinary course, and
    - (C) re-scheduled payments pursuant to obligations under loan agreements or other contracts or commitments described in the Loon Financial Statements;
  - (iii) created any Encumbrance upon any of the Loon Assets;
  - (iv) purchased, leased or otherwise acquired any properties or assets;

- (v) waived, cancelled or written-off any material rights, claims, accounts receivable or any amounts payable to Loon;
  - (vi) entered into any transaction, contract, agreement or commitment, except in the ordinary course, except for the creation of Newco as a wholly owned subsidiary;
  - (vii) suffered any extraordinary loss relating to the Loon Assets;
  - (viii) made or incurred any material change in, or become aware of any event or condition which is likely to result in a material change in the condition of Loon, or
  - (ix) authorized, agreed or otherwise become committed to do any of the foregoing.
- (x) **Dividends and Distributions:** Loon has never declared or paid any dividend or made any other distribution on any of its shares of any class, or redeemed or purchased or otherwise acquired any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to any of the foregoing.
- (y) **Tax Matters:**
- (i) Loon has duly and on a timely basis prepared and filed all tax returns and other documents required to be filed by them in respect of all Governmental Charges and such returns and documents are complete and correct and clearly and fairly represents the information and tax status of Loon for the relevant period.
  - (ii) Loon has paid all Governmental Charges which are due and payable by it on or before the date hereof. Adequate provision was made in the Loon Financial Statements for all Governmental Charges for the periods covered by the Loon Financial Statements. Loon has no liability for Governmental Charges other than those provided for in the Loon Financial Statements and those arising in the ordinary course since the date of the Loon Financial Statements and for which adequate provisions have been made on the books of Loon.
  - (iii) All Governmental Charges, assessments, levies and source deductions, if any, which Loon is required by law to withhold or to collect, including, without limitation, unemployment insurance, employment benefits, pension plan payments and non-resident withholding tax, have been, to the best of its knowledge, duly withheld or collected, and paid over to the proper governmental authorities, or held by Loon or on behalf of it as required, and such withholdings and collections and all other payments due in connection therewith are duly reflected in the Loon Financial Statements to the date as of which they were prepared and since that date will be duly entered in the accounts of Loon.

- (iv) There are no agreements, waivers or other arrangements providing for any extension of time with respect to the filing of any tax return or other document or the payment of any Governmental Charges by Loon or the period for any assessment or reassessment of Governmental Charges.
- (v) On or before the Closing Date, all returns of Loon for capital, excise, sales or use tax required to be filed by Loon before the Closing Date shall be fully prepared and filed before the Closing Date.
- (z) **Litigation:** There are no judgments unsatisfied, consent decrees or injunctions or embargos to which Loon is subject to or bound, and there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Loon) pending or, to the knowledge of Loon, threatened, by or against or affecting it, at law or in equity, or before or by any court or any federal, provincial, municipal, state or other governmental department, commission, board, bureau, agency or instrumentality. To the knowledge of Loon, there are no grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success. Loon is not subject to any judgment, order, writ, injunction or decree of any court or government body which would prevent the discharge of the obligations arising pursuant to this Agreement or the consummation of the transactions herein contemplated.
- (aa) **Reporting Issuer Status:**
  - (i) Loon is a reporting issuer in the Provinces of Ontario, British Columbia and Alberta and no material change relating to Loon has occurred with respect to which the requisite material change report has not been filed under applicable securities laws in such provinces and no such disclosure is currently on file with any securities commissions of such provinces on a confidential basis;
  - (ii) All press releases, material change reports, financial statements and other documents filed by, or on behalf of, Loon with the securities commissions in the Provinces of Ontario, British Columbia and Alberta were, at the respective dates of such filings, true and correct in all material respects and collectively provide disclosure of all material facts relating to Loon required to be disclosed in accordance with applicable securities laws in such provinces and each such document did not contain any misrepresentation as of the respective dates of such filings;
  - (iii) The outstanding Loon Shares are listed for trading on the NEX board of the TSXV;
  - (iv) Except for a trading halt required by the TSXV for this transaction, there are no current orders ceasing or suspending trading in the securities of Loon nor prohibiting the sale of such securities has been issued to Loon or its directors, officers or promoters and, to the best of the knowledge of Loon,

no investigations or proceedings for such purposes are pending or threatened; and

- (v) Loon is not in material default of any applicable securities legislation of the Provinces of Canada or of its listing agreement with the TSXV or any policies of the TSXV.
- (bb) **Duly Authorized.** The Loon Shares to be issued in exchange for Optimind Shares in connection with the Amalgamation will be, at the Time of Closing, duly authorized, validly allotted and issued as fully paid, non-assessable shares in the share capital of Loon and in compliance with applicable Canadian corporate and securities laws.
- (cc) **Listing Statement.** The Listing Statement, as and when filed on SEDAR, will contain disclosure of all facts relating to Loon as are required to be disclosed therein pursuant to the policies of the Exchange. All information about Loon in the Listing Statement will be true and correct.
- (dd) **Special Meeting.** Loon shall convene a special meeting of shareholders of Loon as soon as possible to approve the following: (i) the Continuation; (ii) the Consolidation; (iii) the Name Change; and (iv) the Delisting.
- (ee) **No Misrepresentation.** The covenants, representations and warranties of Loon contained in Section 4.1 hereof and elsewhere in this Agreement, and in any Certificate executed by Loon or other material delivered by Loon under this Agreement, do not contain any untrue statement of a material fact or, considered in the context in which presented, omit to state a material fact necessary in order to make the statements and information contained herein or therein not misleading.

## **ARTICLE 5**

### **COMPLETION OF ACQUISITION**

#### **5.1 Mutual Conditions**

The obligation of each of Loon, Newco and Optimind to complete the transactions contemplated by this Agreement, is subject to the fulfillment of each of the following conditions precedent, unless waived in writing by Loon, Newco or Optimind, as applicable:

- (a) **Private Placement.** Optimind shall have completed the Private Placement.
- (b) **Approvals.** At the Time of Closing, there shall have been obtained the written consents or approvals, in form and substance satisfactory to each of Loon, Newco and Optimind, acting reasonably, of any governmental or regulatory agency or Persons whose consent, waivers, forbearance or other approval to the transactions contemplated hereby is required (including pursuant to any contract), and all conditions imposed upon such consents, waivers, forbearance or other approvals shall have been satisfied, including without limitation, the Exchange;

- (c) **Listing of Securities.** The Resulting Issuer Shares, including the Resulting Issuer Shares issuable in connection with the Transaction and the Private Placement, shall have been approved for listing and trading on the Exchange;
- (d) **No Prohibition at Law.** At the Time of Closing, no prohibition at law against the completion of the transactions contemplated by this Agreement shall be in existence;
- (e) **Closing.** The Closing shall occur on or prior to March 31, 2022 unless Optimind and Loon mutually agree in writing to a later date; and
- (f) **Escrow.** Any Person who will be a post-Closing shareholder of the Resulting Issuer which is required by the Exchange to sign an escrow agreement in accordance with the policies of the Exchange shall have signed and delivered such agreement.

## 5.2 Loon's Conditions

The obligation of Loon to complete the transactions contemplated by this Agreement, is subject to the fulfillment of each of the following conditions precedent, unless waived in writing by Loon:

- (a) **Optimind's Representations, Warranties and Covenants.** At the Time of Closing, Optimind shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties contained in Section 3.1 shall be true and correct at the Time of Closing, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of Optimind shall have been delivered to Loon as of the Time of Closing;
- (b) **No Material Change.** At the Time of Closing, there shall not have been any material adverse change in the condition (financial or otherwise), of the Optimind Assets, liabilities, capitalization, or Business from that described in this Agreement and a certificate to that effect signed by a duly authorized officer of Optimind shall have been delivered to Loon as of the Time of Closing;
- (c) **Corporate Proceedings.** At the Time of Closing, all necessary steps and corporate proceedings shall have been taken by Optimind, its board of directors and shareholders to permit the closing of the Amalgamation;
- (d) **Inspection of Financial Books and Records.** Until and including the Time of Closing, Optimind shall make available to Loon all material books, accounts, records and other financial and accounting data of Optimind (including all available unaudited financial statements) in order to enable such representatives to make an examination of the same and shall cause the accountants of Optimind to give all such material information concerning the affairs of same to such representatives as such representatives may reasonably request;
- (e) **Inspection of Non-Financial Books and Records.** Until and including the Time of Closing, Optimind shall make available to Loon all Optimind Documents,

minute books and other corporate records and all documents of title and related records and other material data of Optimind in order to enable Loon to make an examination of the same and without limiting the generality of the foregoing, including such technical and market information as Loon considers appropriate;

- (f) **No Investigations.** At the Time of Closing, there shall be no inquiry or investigation (either formal or informal), in relation to Optimind or any of their respective directors or officers, commenced or threatened by any officer or official of the Exchange, any Securities Commission, or any similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on Optimind, Loon or the Resulting Issuer upon Closing; and
- (g) **Closing Documents.** Optimind shall have executed and delivered to Loon all documents as Loon may reasonably request for the purposes of completing the Amalgamation in accordance with the terms of this Agreement.

If any such conditions shall not be fulfilled or waived in writing by Loon at or prior to the Time of Closing, Loon may rescind this Agreement by written notice to Optimind and, in such event, Loon and Optimind shall be released from all obligations hereunder.

### 5.3 Optimind's Conditions

The obligations of Optimind to complete the transactions contemplated herein, are subject to the fulfillment of the following conditions precedent, unless waived in writing by Optimind:

- (a) **Loon's Representations, Warranties and Covenants.** At the Time of Closing, Loon shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties contained in Section 4.1 shall be true and correct at the Time of Closing, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of Loon shall have been delivered to Optimind as of the Time of Closing;
- (b) **No Material Change.** At the Time of Closing, there shall not have been any material adverse change in the condition (financial or otherwise), of the Loon Assets, liabilities or capitalization from that described in this Agreement and a certificate to that effect signed by a duly authorized officer of Loon shall have been delivered to Optimind as of the Time of Closing;
- (c) **Corporate Proceedings.** At the Time of Closing, all necessary steps and corporate proceedings, as approved by Optimind, shall have been taken to permit the Resulting Issuer Shares to be duly and regularly issued by the Resulting Issuer as contemplated in this Agreement;
- (d) **Inspection of Financial Books and Records.** Until and including the Time of Closing, Loon shall make available to Optimind all material books, accounts, records and other financial and accounting data of Loon and Newco (including all available unaudited financial statements) in order to enable such representatives to

make an examination of the same and shall cause the accountants of Loon to give all such material information concerning the affairs of same to such representatives as such representatives may reasonably request;

- (e) **Inspection of Non-Financial Books and Records.** Until and including the Time of Closing, Loon shall make available to Optimind all Loon Documents and Newco documents, minute books and other corporate records and all documents of title and related records and other material data of Loon and Newco in order to enable Optimind to make an examination of the same;
- (f) **No Investigations.** At the Time of Closing, there shall be no inquiry or investigation (either formal or informal), in relation to Loon, Newco or any of their directors or officers, commenced or threatened by any officer or official of the Exchange, any Securities Commission, or any similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on Loon or Newco;
- (g) **Closing Documents.** Loon and Newco shall have executed and delivered to Optimind all documents as Optimind may reasonably request for the purposes of completing the Amalgamation in accordance with the terms of this Agreement;
- (h) **Name Change and Consolidation.** Loon shall have filed articles of amendment implementing the Name Change and Consolidation; and
- (i) **Resignation and Appointment of Officers and Directors.** Loon shall have delivered:
  - (i) resignation by of all current officers of Loon to take effect on Closing; and
  - (ii) resignation of all current directors of Loon to take effect on Closing;

which resignations shall be staged in such a manner that new directors as directed by Optimind can be appointed by the remaining board members to fill each vacancy and the board members of Loon shall have signed such resolutions as may be necessary to give effect to this reorganization of the Loon board on Closing.

If any such conditions shall not be fulfilled or waived in writing by Optimind at or prior to the Time of Closing, Optimind may rescind this Agreement by written notice to Loon and, in such event, Loon and Optimind shall be released from all obligations hereunder.

## **ARTICLE 6**

### **INTERIM OPERATIONS**

#### **6.1 Optimind Carrying on Business to Closing**

- (a) Up to the Time of Closing, Optimind shall (1) carry on the Business in the normal and ordinary course; (2) preserve the ongoing goodwill of Optimind; and (3) ensure that key employees, if any, and key independent contractors continue their

association with Optimind and Optimind undertakes to notify Loon of any event or occurrence during such period which might reasonably be considered to have a materially adverse effect on the Optimind Assets or the Business.

- (b) Unless otherwise contemplated herein or approved by Loon in writing, which approval shall not be unreasonably withheld, during the period from the date hereof until the earlier of the Closing Date or termination of this Agreement, Optimind shall not:
  - (i) purchase, cancel, retire, redeem or otherwise acquire any outstanding securities, rights, options, warrants or other securities of Optimind other than as contemplated herein;
  - (ii) change, amend or modify the charter documents or by-laws of Optimind;
  - (iii) merge or amalgamate with or agree to merge or amalgamate with, or purchase substantially all of the assets of, or otherwise acquire any business; or sell or lease or agree to sell or lease, any material properties or assets or approve or undertake any other material transaction or furnish or cause to be furnished any information concerning the business, properties or assets of any Persons (other than to Loon) which is interested in any such transactions;
  - (iv) except as required by law, not to initiate, propose, assist or participate in any activities in opposition to or in competition with this Agreement, and without limiting the generality of the foregoing, to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Amalgamation and not to take actions of any kind which may reduce the likelihood of success of the Amalgamation; or
  - (v) do anything that would cause any of the representations and warranties of Optimind contained in this Agreement to be false or misleading.
- (c) Optimind shall provide to Loon upon request such information as may be necessary for Loon to include in the Listing Statement or to satisfy any other requirements of the Exchange or applicable securities laws.

## **6.2 Cooperation**

Loon and Optimind shall use their best efforts to assist and cooperate in obtaining all necessary consents, assignments, waivers, amendments or terminations to any instruments or take such other measures as may be appropriate to fulfill their obligations and carry out the transactions contemplated hereunder.



**ARTICLE 7**  
**TERMINATION AND WAIVER**

**7.1 Termination**

- (a) The parties hereto may terminate this Agreement at any time prior to Closing upon written agreement of all the parties. In addition, this agreement shall terminate automatically if the Amalgamation is not closed by 5:00pm (Toronto time) on March 31, 2022 or such later date as Loon and Optimind may agree upon in writing.
- (b) If, at any time prior to Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by Optimind in this Agreement is not, in the case of a representation and warranty true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant, is not being complied with or fulfilled in all material respects and if such representation and warranty or covenant is not made true and correct or complied with or fulfilled in all material respects by action of Optimind within 20 days of Optimind receiving notice to that effect from Loon, then Loon, at the expiry of such period, by giving notice to Optimind, may terminate this Agreement and its obligations hereunder.
- (c) If, at any time prior to Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by Loon in this Agreement is not, in the case of a representation and warranty true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant, is not being complied with or fulfilled in all material respects and if such representation and warranty or covenant is not made true and correct or complied with or fulfilled in all material respects by action of Loon within 20 days of Loon receiving notice to that effect from Optimind, then Optimind, at the expiry of such period, by giving notice to Loon, may terminate this Agreement and its obligations hereunder.
- (d) If this Agreement is terminated, this Agreement will forthwith have no further force or effect and there will be no obligation on the part of Optimind or Loon hereunder.
- (e) Nothing in this Section 7.1 will relieve any party from liability for any breach of this Agreement.

**7.2 Amendment**

This Agreement may be amended by mutual agreement between the parties hereto. This Agreement may not amended except by an instrument in writing signed by the appropriate officers on behalf of each of the parties hereto.

**7.3 Waiver**

Either of Loon or Optimind may:

- (a) extend the time for the performance of any of the obligations or other acts of the other;
- (b) waive compliance with any of the other's agreement or the fulfilment of any conditions to its own obligations contained herein; or
- (c) waive inaccuracies in any of the other's representations or warranties contained herein or in any document delivered by the other party hereto;

provided, however, that any such extension or waiver will be valid only if set forth in an instrument in writing signed on behalf of such party.

## **ARTICLE 8**

### **GENERAL**

#### **8.1 Expenses**

Optimind agrees that it will be responsible for: (i) its own costs and charges incurred with respect to the Transaction; (ii) the costs and fees payable to the Exchange regarding their review of the Transaction and TSXV in respect of the Delisting; (iii) all listing fees in connection with any securities issued pursuant to the Transaction; (iv) all transfer agent, printing and mailing costs in connection with the Loon shareholders' meeting; (iv) the costs of sponsorship (if required); and (v) legal costs of Loon in respect of the Transaction in an amount of up to \$30,000 (Loon shall be responsible for any additional legal expenses of Loon). If the Transaction is not completed for any reason, other than as a result of a material breach of this Agreement by Loon, Optimind agrees that the expenses set forth in this section will be immediately paid to Loon.

#### **8.2 Time of the Essence**

Time shall be of the essence of this Agreement.

#### **8.3 Governing Law**

This Agreement shall be construed in accordance with the laws of the Province of Ontario.

#### **8.4 Counterparts and Delivery**

This Agreement may be executed in several counterparts and delivered by a facsimile copy of an original execution page bearing the signature of each party hereto, each of which when so executed shall be deemed to be an original, and such counterparts or facsimile copies thereof together shall comprise one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear the date as of the date above written.

#### **8.5 Notices**

Any notice required or permitted to be given by a party hereto to the other shall be given in writing and addressed:

- (a) if to Loon at:

Loon Energy Corporation  
66 Wellington Street West, Suite 4100  
Toronto, Ontario M5K 1B7

Attention: Timothy Elliott  
Email: [elliottuae@gmail.com](mailto:elliottuae@gmail.com)

- if to Optimind at:

Optimind Corp.  
77 King Street West, Suite 3000  
Toronto, Ontario  
M5K 1G8  
Attention: Tom Sipos  
Email: [tdsipos@gmail.com](mailto:tdsipos@gmail.com)

Any such notice shall be delivered by hand or by prepared courier or mailed by prepaid registered post. Any notice delivered as aforesaid shall be deemed to have been received by the party hereto to which it is so delivered at the time on the date of its being so delivered. Any notice mailed as aforesaid shall be deemed to have been received by the party hereto to which it is so mailed on the fifth business day next following the time on the date of it being so mailed. Any party may change its address for notice by giving notice to that effect.

## **8.6 Enurement**

This Agreement shall enure to the benefit of the parties, their respective heirs, successors and permitted assigns.

## **8.7 Further Assurances**

The parties hereto will from time to time, on and after the Closing Date, at the request and expense of the other parties hereto, execute and deliver all such other additional instruments, notices, releases, acquaintances and other documents and shall do all such other acts and things as may be reasonably necessary to carry out the terms and conditions of this Agreement in accordance with their true intent.

## **8.8 Public Announcement**

- (a) No news release or public announcement with respect the subject matter of this Agreement shall be made by either party, without the prior approval of the other parties.
- (b) Notwithstanding the foregoing, the parties may disclose any information required to be disclosed to any federal, provincial, state or local government or governmental

agency or regulatory body, branch, board, agency or necessary to comply with applicable law.

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

**OPTIMIND PHARMA INC.**

*“Tom Sipos”*

---

Name: Tom Sipos  
Title: CEO

**LOON ENERGY CORPORATION**

*“Timothy Elliott”*

---

Name: Timothy Elliott  
Title: Interim Chief Executive  
Officer

**1000033135 ONTARIO INC.**

*“Timothy Elliott”*

---

Name: Timothy Elliott  
Title: Director

**SCHEDULE "A"**  
**AMALGAMATION AGREEMENT**

**THIS AMALGAMATION AGREEMENT** is made as of the ► day of ►, 2022 by and among Loon Energy Corporation ("**Loon**"), 1000033135 Ontario Inc. ("**Newco**") and Optimind Pharma Inc. ("**Optimind**").

**WHEREAS** Newco and Optimind are each incorporated under the OBCA (as hereinafter defined);

**AND WHEREAS** Newco is a wholly owned subsidiary of Loon;

**AND WHEREAS** Newco and Optimind propose to amalgamate and continue as one corporation pursuant to the OBCA upon the terms and subject to the conditions hereinafter set out; and

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT**, in consideration of the mutual covenants and agreements hereinafter set out, the parties hereto covenant and agree as follows:

**1. Definitions.**

In this Agreement, including the recitals hereto, the following words and expressions shall have the respective meanings ascribed to them below:

"**Acquisition Agreement**" means the Acquisition Agreement dated November \_\_, 2021 between the parties hereto;

"**Agreement**" means this agreement as the same may be amended, modified or supplemented from time to time;

"**Amalco Shares**" means the common shares in the capital of the Amalgamated Corporation;

"**Amalgamated Corporation**" means the corporation resulting from the Amalgamation;

"**Amalgamation**" means the amalgamation of Newco and Optimind contemplated by this Agreement;

"**Certificate of Amalgamation**" means the articles of amalgamation endorsed with a certificate by the Director in respect of the Amalgamation;

"**Director**" means the Director appointed under Section 278 of the OBCA;

"**Exchange**" means the CSE;

"**Meeting**" means the meeting of shareholders of Optimind held on \_\_\_\_\_, 2022 to, among other things, consider and approve the Amalgamation;

"**Newco Shares**" means the common shares in the capital of Newco;

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended;

**"Optimind Shares"** means all of the shares in the capital of Optimind outstanding at the Time of Closing;

**"Optimind Subscription Receipts"** means the subscriptions receipts of Optimind issued to the subscribers under the Private Placement, with each Subscription Receipt automatically converted into a Optimind Share immediately prior to the completion of the Amalgamation;

**"Private Placement"** means the private placement of Optimind Subscription Receipts for minimum gross proceeds of a minimum of \$1,000,000 at an issue price of \$0.25 per Subscription Receipt;

**"Registrar and Transfer Agent"** means Computershare Trust Company of Canada, and any other Person which may be appointed as registrar and transfer agent of Loon as applicable, from time to time;

**"Resulting Issuer"** means Loon as it exists upon completion of the Amalgamation to be known as "Optimind Pharma Corp.", or such other name determined by the board of directors of the Resulting Issuer;

**"Resulting Issuer Shares"** means the common shares of the Resulting Issuer including those issued upon the Amalgamation;

**"Share Exchange Ratio"** means one (1) Loon common share for each Optimind Share;

**"Transaction"** means the Amalgamation and the other transactions provided for herein;

**"U.S. Person"** means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and

**"U.S. Securities Act"** means the United States Securities Act of 1933, as amended.

## **2. Amalgamation.**

Newco and Optimind hereby agree to amalgamate and continue as one corporation under the provisions of the OBCA on the date first above written upon the terms and subject to the conditions hereinafter set out.

## **3. Name.**

The name of the Amalgamated Corporation shall be "Optimind Pharma Inc."

## **4. Registered Office.**

The registered office of the Amalgamated Corporation shall be located at 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8.

## **5. Authorized Capital.**

The authorized capital of the Amalgamated Corporation shall consist of an unlimited number of Amalco Common Shares. The rights, privileges, restrictions and conditions attaching to the Amalco Shares are set forth in Schedule 1 to this Agreement.

## **6. Restrictions on Shares.**

There are no restrictions on the issue, transfer or ownership of Amalco Shares set out in the Certificate of Amalgamation.

## **7. Directors.**

The board of directors of the Amalgamated Corporation shall consist of a minimum of one director and a maximum of ten directors. The number of directors of the Amalgamated Corporation and the number of directors to be elected at the annual meeting of the shareholders of the Amalgamated Corporation or by the signing of a resolution in lieu thereof, until changed in accordance with the OBCA, shall be one (1).

## **8. First Directors.**

The name and address of each of the first directors of the Amalgamated Corporation shall be as follows:

<b>Name</b>	<b>Address</b>
Tom Sipos	[to be inserted]

Each of the said first directors shall hold office until the first annual meeting of the shareholders of the Amalgamated Corporation, or until a successor is elected or appointed. The subsequent directors shall be elected in accordance with the provisions of the OBCA. The affairs and business of the Amalgamated Corporation shall be under the management of the board of directors of the Amalgamated Corporation from time to time, subject to the provisions of the OBCA.

## **9. Business.**

There shall be no restrictions on the business which the Amalgamated Corporation is authorized to carry on or on the powers which the Amalgamated Corporation may exercise.

## **10. Entitlements on Amalgamation.**

Upon the terms and subject to the conditions set forth herein, at the time of the Amalgamation,

- (a) Resulting Issuer Shares shall be issued to Optimind Shareholders in exchange for the delivery to Loon of all of the issued and outstanding Optimind Shares, including the Optimind Shares to be issued on conversion of the Optimind Subscription



Receipts (except for Optimind Shares held by holders that have validly exercised their dissent rights in connection with the Meeting). The aggregate number of Resulting Issuer Shares to be issued in exchange for the issued and outstanding Optimind Shares shall be determined by multiplying the number of Optimind Shares issued and outstanding at the time of Closing by the Share Exchange Ratio. No fractional Resulting Issuer Shares will be issued. To the extent any Optimind Shareholder would otherwise be entitled to receive a fractional number of Resulting Issuer Shares on Closing of the Amalgamation, the number of Resulting Issuer Shares to be issued to such Optimind Shareholder shall be rounded to the nearest whole Resulting Issuer Share; and

- (b) each issued and outstanding Newco Share will be converted into one (1) Amalco Common Share and each Newco Share will be cancelled without reimbursement of the capital in respect thereof.

Optimind Shares held by holders who have validly exercised their dissent rights in connection with the applicable shareholder resolution to approve the Amalgamation in accordance with the OBCA will not be exchanged pursuant to this Section 10. However, if any such dissenting holder fails to perfect or effectively withdraws its claim pursuant to the OBCA or forfeits its right to make a claim under the OBCA or if its rights as a shareholder of Optimind are otherwise reinstated, the Optimind Shares held by such holders shall thereupon be deemed to have been exchanged as of the time of the Amalgamation in accordance with this Section.

## **11. Certificates**

At the time of Amalgamation:

- (a) the registered holders of Optimind Shares shall cease to be holders Optimind Shares, and shall be deemed to be registered holders of Resulting Issuer Shares to which they are entitled in accordance with Section 10 hereof, all certificates evidencing Optimind Shares shall be null and void, and on or after the effective time of the Amalgamation, subject to the provisions of any escrow requirement, if applicable, the Resulting Issuer shall provide instructions to the Resulting Issuer Registrar and Transfer Agent to deliver such certificates or other evidence of ownership representing the number of Resulting Issuer Shares to which they are so entitled and/or register the holders thereof and
- (b) notwithstanding the foregoing, all certificates representing Optimind Shares held by persons who have validly exercised their dissent rights in connection with the Meeting shall represent only the right to receive fair value of the Optimind Shares formerly represented by such certificates in accordance with the OBCA.

## **12. Stated Capital.**

The stated capital in respect of the Amalco Common Shares will be equal to the aggregate stated capital of the Newco Shares and the Optimind Shares immediately prior to the Amalgamation.

**13. By-laws.**

The by-laws of Optimind shall be the by-laws of the Amalgamated Corporation with such amendments thereto as may be necessary to give effect to this Agreement until repealed, amended, altered or added to.

**14. Articles of Amalgamation.**

Upon the shareholders of Optimind and the shareholder of Newco approving, by special resolution, the Amalgamation, this Agreement and any variations thereof, and provided that the conditions to the completion of the Amalgamation specified herein and in the Acquisition Agreement have then been satisfied or waived, Newco and Optimind shall jointly file, in duplicate, with the Director, articles of amalgamation in prescribed form providing for the Amalgamation and such other documents as may be required pursuant to the OBCA.

**15. Amendment.**

This Agreement may at any time and from time to time before or after the holding of the Meeting be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation, change the time for performance of any of the obligations or acts of the parties hereto or waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties hereto; provided that no such amendment shall change the provisions hereof regarding the consideration to be received by shareholders of Optimind in exchange for their Optimind Shares without approval by the Optimind shareholders given in the same manner as required for the approval of the Amalgamation.

**16. Termination.**

Subject to the terms of the Acquisition Agreement, this Agreement may be terminated by a resolution passed by the directors of Newco, Loon or Optimind at any time before the issue of the Certificate of Amalgamation, notwithstanding the approval of this Agreement by the shareholders of either or both of Newco and Optimind. If this Agreement is terminated pursuant to this section, this Agreement shall forthwith become void and of no further force and effect.

**17. Further Assurances.**

Each of the parties hereto agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.

**18. Time of Essence.**

Time shall be of the essence of this Agreement.

**19. Binding Effect.**

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their successors and assigns.

**20. Assignment.**

No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties.

**21. Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

**100003135 ONTARIO INC.**

Per: \_\_\_\_\_

Name: ►

Title: ►

*I have authority to bind the Corporation*

**LOON ENERGY CORPORATION**

Per: \_\_\_\_\_

Name: ►

Title: ►

*I have authority to bind the Corporation*

**OPTIMIND PHARMA INC.**

Per: \_\_\_\_\_

Name: ►

Title: ►

*I have authority to bind the Corporation*

## **Schedule 1**

The Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

### **1. Voting**

The holders of the Common Shares shall be entitled to receive notice of and to attend and shall be entitled to one (1) vote at any meeting of the shareholders of the Corporation for each Common Share held.

### **2. Dividends**

The holders of the Common Shares shall be entitled to receive dividends as and when the directors shall in their discretion declare dividends on the Common Shares and pay the same.

### **3. Dissolution**

The holders of the Common Shares shall be entitled to receive the remaining property of the Corporation in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.