

**ASSET PURCHASE AGREEMENT**

THIS AGREEMENT made as of the 23<sup>rd</sup> day of January, 2019.

BETWEEN:

**LOOPSHARE LTD.**, a corporation continued under the laws of the Province of British Columbia and having an address at 131 Water Street, Suite 106, Vancouver, BC V6B 4M3 (email: [REDACTED: contact information])

(the “Purchaser”)

AND:

**RAYTRONIKS CORPORATION**, a corporation incorporated under the laws of California and having an address at [REDACTED: contact information]

(the “Vendor”)

WHEREAS:

- A. The Vendor carries on an electric scooter branding, marketing, manufacturing, distribution and sales business under the name ‘Scoot-E’ or ‘Scoot-E-Bike’; and
- B. The Purchaser wishes to purchase, and the Vendor wishes to sell, the Purchased Assets (as defined herein) on the terms and conditions herein contained.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and of the covenants, agreements, representations and warranties set out below, the parties covenant and agree as follows:

**ARTICLE 1 – INTERPRETATION**

**1.1 Definitions**

In this Agreement and in the schedules, unless there is something in the subject matter or context inconsistent therewith or unless otherwise specifically provided, the following terms and expressions will have the following meanings:

- (a) “**Affiliate**” has the meaning ascribed to that term in the *Business Corporations Act* (British Columbia);
- (b) “**Agreement**” means this asset purchase agreement and all instruments amending it; “hereof”, “hereto” and “hereunder” and similar expressions mean and refer to this Agreement and not to any particular Article, Section, or other subdivision; “Article”, “Section” or other subdivisions of this Agreement followed by a number means and refers to the specified Article, Section or other subdivision of this Agreement;

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- (c) **“Books and Records”** means all title documents, files, ledgers and correspondence, equipment lists, parts lists, price and supplier lists, customer lists, manuals, reports, texts, notes, engineering, environmental and feasibility studies, data, specifications, memoranda, invoices, receipts, accounts, accounting books and records and books, financial statements, financial working papers (including monthly, quarterly and annual financial results, to the extent applicable), benefit plan documents, permit documents, vehicle and machinery inspection books and records, driver and vehicle log books and records, operating data, files, correspondence, books and records of past sales, inventory data, and all other books and records and documents of any nature or kind whatsoever, including, without limitation, those recorded, stored, maintained, operated, held or otherwise wholly or partly dependent on discs, tapes and other means of storage including, without limitation, any electronic, magnetic, mechanical, photographic or optical process, whether computerized or not (and all software, passwords and other information and means of or for access thereto), that are in the possession or control of the Vendor and relating to the Purchased Assets, provided that the corporate books and records of the Vendor shall be specifically excluded and provided further that where the Vendor is required by law to maintain original accounting books and records and books, financial statements and financial working papers (including monthly, quarterly and annual financial results), **“Books and Records”** shall refer to true copies of such documents;
- (d) **“Business”** means the electric scooter branding, marketing, manufacturing, distribution and sales business carried on by the Vendor at the Closing Date and all operations related thereto under the name **“Scoot-E”** or **“Scoot-E-Bike”**;
- (e) **“Business Day”** means any day other than a Saturday, a Sunday or a statutory holiday in the Province of British Columbia or any other day on which the principal chartered banks located in the City of Vancouver are not open for business during normal banking hours;
- (f) **“Cause”** means (i) Norwood’s conviction of a felony; (ii) Norwood’s conviction of embezzlement, theft or fraud in connection with the business of the Purchaser; (iii) Norwood files a voluntary petition in bankruptcy, or is adjudicated as bankrupt or insolvent; or (iv) Norwood breaches any material term of the Consultant Agreement and Norwood fails to cure such material breach within 20 days after notice of such material breach is given to Norwood by the Purchaser;
- (g) **“Change of Control”** means the happening of any of the following events: (A) any transaction pursuant to which the Purchaser goes out of existence;; (B) any transaction pursuant to which any person or any associate or affiliate of such person and any person acting jointly or in concert with such person (within the meaning of the *Securities Act* (British Columbia)) (other than the Purchaser or a subsidiary of the Purchaser), hereafter acquires the direct or indirect **“beneficial ownership”** (as such term is defined in the *Business Corporations Act* (British Columbia)) of securities of the Purchaser representing 50% or more of the aggregate votes of all of the Purchaser’s then issued and outstanding securities; (C) the sale of all or substantially all of the Purchaser’s assets to a person other than a person that is an affiliated entity; (D) the dissolution or liquidation of the Purchaser except in connection with the distribution of assets of the Purchaser to one or more persons which were affiliated entities prior to such event; (E) the occurrence of a

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transaction requiring approval of the Purchaser's shareholders involving the acquisition of the Purchaser by an entity through purchase of assets, by amalgamation, reverse takeover or otherwise; or (F) if Purchaser purports to transfer control over the Purchased Assets or its control over the Purchased Assets to any third party that is not an Affiliate of the Purchaser; (G) any bankruptcy, insolvency, assignment of the company for the benefit of creditors, or if a receiver or trustee of the Company shall be appointed pursuant to any proceeding commenced by or against the Company under any provisions of any law relating to bankruptcy, liquidation or insolvency;

- (h) **"Claim"** has the meaning ascribed in Section 8.2;
- (i) **"Closing"** means the completion of the Transactions pursuant to this Agreement;
- (j) **"Closing Date"** means February 15, 2019 or such other date as the Parties may mutually agree upon;
- (k) **"Closing Time"** means 10:00 a.m. in the City of Vancouver on the Closing Date or such other time on the Closing Date as the Parties may agree upon as the time at which the Closing shall take place;
- (l) **"Consent"** means a license, permit, approval, consent, certificate, registration or authorization (including, without limitation, those made or issued by a Regulatory Authority, in respect of a Contract, permit or otherwise);
- (m) **"Consideration Shares"** means the 18,240,000 fully paid and non-assessable Purchaser Shares to be issued to the Vendor at the Closing, and **"Consideration Share"** means any one of them;
- (n) **"Contract"** means all contracts, agreements, instruments, leases, indentures, engagements, transactions, warranties, commitments and any other benefits or rights, whether written or oral, relating to the Purchased Assets to which the Vendor is bound or any of the Purchased Assets are subject, or under which the Vendor is entitled to any benefits or is subject to any obligations or liabilities;
- (o) **"Customer"** shall have the meaning set forth in Section 4.1(t);
- (p) **"Customer Information"** means all lists and information in respect of current Customers and past customers of the Vendor relating to the Business or Purchased Assets which are in the possession or control of the Vendor, including correspondence, meeting notes, records, names, addresses, telephone and fax numbers, e-mail addresses, purchase orders, invoices, receipts, any other information setting out the details of sales (which includes, without limitation, the particular customer, quantity sold and price in connection with each sale), and other relevant information relating thereto, in the possession or control of the Vendor;
- (q) **"Effective Time"** means 11:59 p.m. (Pacific Time) on the day immediately prior to the Closing Date;

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- (r) **“Encumbrances”** means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising, any and all mortgages, charges, pledges, security interests, liens, encumbrances, actions, claims, demands and equities of any nature whatsoever or howsoever arising and any rights or privileges capable of becoming any of the foregoing;
  - (s) **“ETA”** means the *Excise Tax Act* (Canada);
  - (t) **“Excluded Assets”** means:
    - (i) account receivables; and
    - (ii) all those things specifically excluded from the definitions of those terms set out in the list of included items in the definition of Purchased Assets, which will not form part of the purchase and sale contemplated herein;
  - (u) **“Excluded Liabilities”** means all the debts, liabilities (whether accrued, absolute or contingent or whether liquidated or unliquidated) and obligations of the Vendor relating to the Business or the Purchased Assets existing as at the Closing Date;
  - (v) **“Exchange”** means the TSX Venture Exchange;
  - (w) **“Governmental Body”** means: (i) any governing body of any nation, state, province, county, city, town, village, district or other jurisdiction of any nature, (ii) federal, state, provincial, local, municipal, foreign or other government, (iii) any governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal), (iv) any multi-national organization or body, (v) any body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature, including any arbitrator, or (vi) the Exchange;
  - (x) **“GAAP”** means United States generally accepted accounting principles, applied on a consistent basis with prior periods;
  - (y) **“Indemnified Party”** has the meaning ascribed in Section 8.2;
  - (z) **“Indemnifying Party”** has the meaning ascribed in Section 8.2;
  - (aa) **“Intellectual Property”** means all intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, pursuant to the applicable Laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (i) trademarks, service marks, trade names, brand names, logos, slogans, trade dress, design rights and other similar designations of source, sponsorship, association or origin, together with the goodwill connected with the use of, and symbolized by, and all registrations, applications and renewals for, any of the foregoing, (ii) internet domain names, whether or not trademarks, web addresses, web pages, websites and related content, URLs and accounts with Twitter, Facebook and other

social media companies, and the content found thereon and related thereto, (iii) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer, moral and neighboring rights, and all registrations, applications for registration and renewals of such copyrights, (iv) inventions, discoveries, trade secrets, software source code, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein, (v) patents (including all reissues, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications, and other patent rights and any other Governmental Body-issued indicia of invention ownership (including inventor's certificates, petty patents and patent utility models), (vi) all licenses for listed intellectual property granted to third parties, (vii) all future income and proceeds from any of the listed intellectual property and from the licenses listed in (vi) above, and (viii) all rights to damages, royalties and profits by reason of the past, present or future infringement or other misuse of any of the listed intellectual property;

- (bb) **"Interim Period"** means the period from and including the date of this Agreement to and including the Closing Date;
- (cc) **"ITA"** means the *Income Tax Act* (Canada);
- (dd) **"Law"** or **"Laws"** means all requirements imposed by domestic and international statutes, regulations, rules, ordinances, by-laws, decrees, codes, policies, judgments, orders, rulings, decisions, approvals, notices, permits, guidelines or directives of any Regulatory Authority;
- (ee) **"Loss"** or **"Losses"** means any loss, cost, damage, liability, claim, demand, prosecution, fine, penalty, assessment, damages available at law or in equity or expense (including reasonable costs, fees and expenses of legal counsel);
- (ff) **"Option Release Date"** means the date that is 4 month and two days after the Closing Date
- (gg) **"Order"** means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made or rendered by any Governmental Body;
- (hh) **"Parties"** means the Vendor and the Purchaser, and any other person that may become a party to this Agreement, and Party means any one of them;
- (ii) **"Permits"** means permits, licences, registrations, consents, authorizations, approvals, privileges, waivers, exemptions, orders, certificates, rulings, agreements and other concessions from, of or with any government or Regulatory Authority required to carry on the Business as now being carried on, and to hold, operate and use the Purchased Assets as now being held, operated and used, by the Vendor;
- (jj) **"Person"** is to be construed broadly and includes an individual, sole proprietor, corporation, body corporate, partnership, joint venture, association, trust, unincorporated organization or any other entity, or any trustee, executor, administrator or other legal representative thereof;

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- (kk) **“Privacy Law”** means Laws relating to privacy and the collection, use and disclosure of personal information including Canada’s Anti-Spam Legislation, the Personal Information Protection and *Electronic Documents Act* (Canada), the *Personal Information Protection Act* (British Columbia), and any comparable Laws of any other province or territory of Canada or of the United States or any State of the United States;
- (ll) **“Proceeding”** means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted, heard by or before, or otherwise involving, any Governmental Body;
- (mm) **“Purchased Assets”** means the following personal property of the Vendor relating to the Business:
- (i) Contracts - all rights, titles, benefits and interests under Contracts relating to Customer Information and Supplier Information, including those set out in Schedule A;
  - (ii) Customer Information and Supplier Information;
  - (iii) Vendor Intellectual Property;
  - (iv) Computer Hardware and Software - all computer hardware and software, including all rights under licenses and other agreements or instruments relating to Vendor Intellectual Property, Customer Information and Supplier Information; and
  - (v) Books and Records relating to Vendor Intellectual Property, Customer Information and Supplier Information.
- (nn) **“Purchase Price”** has the meaning ascribed in Section 2.3;
- (oo) **“Purchaser Shares”** means the class A common shares in the capital of the Purchaser;
- (pp) **“Regulatory Authority”** means any government, regulatory or administrative authority, agency, commission, utility or board (federal, provincial, municipal or local, domestic or foreign) having jurisdiction in the relevant circumstances and any person acting under the authority of any of the foregoing and any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances;
- (qq) **“Suppliers”** shall have the meaning set forth in Section 4.1(t);
- (rr) **“Supplier Information”** means all lists and information in respect of suppliers, current or past, of the Vendor relating to the Business or Purchased Assets in the possession or control of the Vendor, including correspondence, meeting notes, records, names, addresses, telephone and fax numbers, e-mail addresses, purchase orders, invoices, receipts, any other information setting out the details of purchases (which includes, without limitation, the particular supplier, quantity purchased and price in connection with each purchase), and other relevant information relating thereto;

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- (ss) **“Tax”** and **“Taxes”** means all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any governmental authority or Regulatory Authority, together with all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof, including those levied on, or measured by, or referred to as income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, ad valorem, use, value-added, excise, stamp, withholding, business, franchising, property (both real and personal), payroll, employee withholding, employment, occupation, health, social service, environmental, alternative, add-on, minimum, education, and social security taxes, all surtaxes, all customs duties and import and export taxes, all license, franchise and registration fees and taxes, all unemployment or employment insurance, workers’ compensation, health insurance, Canada and other government pension plan premiums, and other obligations of the same or of a similar nature of any of the foregoing;
  - (tt) **“Tax Return”** shall mean any return, declaration, report, estimate, information return or statement, or claim for refund relating to, or required to be filed in connection with any Taxes, including information returns or reports with respect to withholding at source or payments to third parties, and any schedules or attachments thereto or amendments of any of the foregoing;
  - (uu) **“Transactions”** means the purchase and sale of the Purchased Assets and all other transactions contemplated by this Agreement;
  - (vv) **“Transferred Information”** means all personal information, as that term is defined in the applicable Privacy Law to be disclosed or conveyed to the Purchaser or any of its agents or representatives by or on behalf of the Vendor as a result of or in conjunction with compliance with the terms of this Agreement, and includes all such personal information disclosed to the Purchaser during the period leading up to and including the Closing;
  - (ww) **“United States”** means the United States of America and its territories and possessions;
  - (xx) **“U.S. Securities Act”** means the United States *Securities Act of 1933*, as amended;
  - (yy) **“Vendor Intellectual Property”** means the Vendor Licensed Intellectual Property and the Vendor Owned Intellectual Property;
  - (zz) **“Vendor Licensed Intellectual Property”** means all Contracts whereby the Vendor licenses Intellectual Property from any other Person (other than off-the-shelf licenses) as set forth in Schedule C; and
  - (aaa) **“Vendor Owned Intellectual Property”** means: (a) any item of Intellectual Property solely owned by the Vendor, and (b) any item of Intellectual Property in which the Vendor has or purports to have a joint ownership interest.

## 1.2 Best Knowledge

Any reference herein to “the best of the knowledge” or “to the knowledge” of a Party or words to like effect will be deemed to mean the current, actual knowledge of such Party and the knowledge that such Party should or would have had if it had conducted a reasonably diligent inquiry into the relevant subject

matter and, for certainty, in the case of a Person who is a corporation will mean the current, actual knowledge of all the directors and officers of such Person and the knowledge such directors and officers should or would have had after reasonably diligent inquiry into the relevant subject matter.

### **1.3 Currency**

Unless otherwise indicated, all references to dollar amounts in this Agreement are expressed in Canadian currency.

### **1.4 Governing Law**

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Vendor reserves the right to bring an action before the courts of Vendor's domicile or any other court of competent jurisdiction.

### **1.5 Interpretation Not Affected by Headings**

The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

### **1.6 Number and Gender**

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders, "or" is not exclusive and "including" is not limiting, whether or not non-limiting language (such as "without limitation") is used with reference thereto.

### **1.7 Time of Essence**

Time shall be of the essence of every provision of this Agreement.

### **1.8 Severability**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

### **1.9 Accounting Terms**

All accounting terms not specifically defined in this Agreement shall be construed in accordance with GAAP.

### **1.10 Calculation of Time Periods**

Where a time period is expressed to begin or end at, on or with a specified day, or to continue to or until a specified day, the time period includes that day. Where a time period is expressed to begin after or to be from a specified day, the time period does not include that day. Where anything is to be done within a time period expressed after, from or before a specified day, the time period does not include that day. If the last day of a time period is not a Business Day, the time period shall end on the next Business Day.



**1.11 No Strict Construction**

The language used in this Agreement shall be deemed to be the language chosen by the Parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Person.

**1.12 Statutory Instruments**

Unless otherwise specifically provided in this Agreement, any reference in this Agreement to any Law shall be construed as a reference to such Law as amended or re-enacted from time to time or as a reference to any successor thereto.

**1.13 References to Whole Agreement**

Except where otherwise expressly provided, the words “herein”, “hereof”, “hereby” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Section, subsection, paragraph or other subdivision or Schedule.

**1.14 Incorporation of Schedules**

The following are the schedules attached to and incorporated by reference into to form a part of this Agreement:

Schedule A	Intellectual Property
Schedule B	Contracts
Schedule C	Customers and Suppliers
Schedule D	Consultant Agreement
Schedule E	Escrow Agreement
Schedule F	Section 4(1) Representations and Warranties

**ARTICLE 2 – PURCHASE AND SALE**

**2.1 Purchased Assets**

The Vendor agrees to sell, assign and transfer to the Purchaser, and based on the representations and warranties contained in this Agreement, the Purchaser agrees to purchase from the Vendor on the Closing Date and effective as of the Effective Time, all of the Vendor’s right, title and interest in and to the Purchased Assets, free and clear of all Encumbrances, for the Purchase Price and in accordance with and subject to the terms and conditions set out in this Agreement.

**2.2 Assumed Obligations**

At the Closing, the Purchaser will not assume and is not responsible for any liabilities, debts or obligations of the Vendor, whether current, future, absolute or contingent, and whether or not relating to the Purchased Assets and they will all be Excluded Liabilities.

### **2.3 Purchase Price**

The aggregate purchase price (the “**Purchase Price**”) payable by the Purchaser to the Vendor for the Purchased Assets shall be the issuance of the Consideration Shares.

### **2.4 Payment of Purchase Price**

Subject to the terms hereof, the Purchase Price shall be paid and satisfied by the Purchaser by issuing the Purchaser Shares to the Vendor on the Closing Date and the fulfilment of all obligations hereunder acquired prior to or in connection with the Option Release Date.

### **2.5 Tax Consequences.**

No Party makes any representations or warranties to any other party regarding the Tax treatment of the Transaction, or any of the Tax consequences to the other Party or to the other Party’s shareholders, under this Agreement or any of the other transactions or agreements contemplated hereby. Each Party acknowledges that it is relying solely on its own Tax advisors in connection with this Agreement and the other transactions and agreements contemplated hereby.

## **ARTICLE 3 - SECURITIES LAWS AND EXCHANGE POLICIES**

### **3.1 Prospectus Exemption**

The Parties hereto acknowledge that the issuance of the Consideration Shares by the Purchaser to the Vendor as contemplated herein is being made pursuant to an exemption from the prospectus requirements of applicable securities laws pursuant to Section 2.12 of National Instrument 45-106 – *Prospectus Exemptions*.

### **3.2 Securities Laws Compliance**

The Vendor confirms to and covenants with the Purchaser that:

- (a) it will comply with all requirements of applicable securities laws in connection with the issuance to it of the Consideration Shares and the resale of any of the Consideration Shares; and
- (b) the Consideration Shares have not been registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Purchaser does not intend to register the Consideration Shares under the U.S. Securities Act, or the securities laws of any State of the United States and has no obligation to do so.

### **3.3 Legending**

Upon the issuance of the Consideration Shares to the Vendor, and until such time as is no longer required under applicable securities laws, the certificate(s) representing the Consideration Shares will bear the following legend required under National Instrument 45-102 – *Resale of Securities*, in substantially the following form:

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

and if required by the policies of the Exchange, will bear the following legend in substantially the following form:

WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE CLOSING DATE].

and if applicable, will bear the following legend in substantially the following form:

NONE OF THE SECURITIES REPRESENTED HEREBY HAVE BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY U.S. STATE SECURITIES LAWS, AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY BY A PERSON WHO IS NOT A U.S. PERSON, IN THE UNITED STATES (AS DEFINED HEREIN) OR TO U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE 1933 ACT, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND IN EACH CASE ONLY IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE 1933 ACT.

### **3.4 TSX Venture Exchange Escrow**

If any of the Consideration Shares are required to be escrowed pursuant to the policies of the Exchange, the Vendor agrees to sign, and agrees to cause any of its nominees, as applicable, to sign, any such escrow agreement (each, an "**Exchange Escrow Agreement**") and abide by any such restrictions as may be so imposed by the Exchange.

### **3.5 Voluntary Escrow**

The Vendor agrees that, notwithstanding any requirements which may be imposed by the Exchange and in addition to any escrow requirements which may apply pursuant to Section 3.4, at the Closing, the certificates representing its Consideration Shares (except for the Consideration Shares issued on the First Vesting, which shall not be subject to any voluntary escrow agreement), and executed stock powers in favour of the Purchaser with respect thereto, will be delivered to a mutually agreed upon escrow agent (the "**Escrow Agent**") and held in escrow by the Escrow Agent pursuant to the terms and conditions of a voluntary escrow agreement (a "**Voluntary Escrow Agreement**"), in the form set out in Schedule "E", to

be executed by the Vendor prior to the Closing. The Voluntary Escrow Agreement will provide, among other things, that:

- (a) the Consideration Shares issued on the Second Vesting shall be immediately released from escrow (the “**First Release**”). For purposes herein, the Consideration Shares which are still not released immediately after the First Release may be defined in the aggregate as the “**Unreleased Consideration Shares**”;
- (b) an additional percentage of Consideration Shares will be released from escrow on the date that is 6 months following the Closing Date in an amount that results in one sixth (1/6) of the Unreleased Consideration Shares being released from escrow (the “**Second Release**”). For the avoidance of doubt, immediately after the Second Release, five sixths (5/6) of the Unreleased Consideration Shares shall remain unreleased;
- (c) an additional percentage of Consideration Shares will be released from escrow on the date that is 12 months following the Closing Date in an amount that results in an additional one sixth (1/6) of the Unreleased Consideration Shares being released from escrow after taking into consideration the First Release and the Second Release (the “**Third Release**”). For the avoidance of doubt, immediately after the Third Release, four sixths (4/6) of the Unreleased Consideration Shares shall remain unreleased;
- (d) an additional percentage of Consideration Shares will be released from escrow on the date that is 18 months following the Closing Date in an amount that results in an additional one sixth (1/6) of the Unreleased Consideration Shares being released from escrow after taking into consideration the First Release, the Second Release and the Third Release (the “**Fourth Release**”). For the avoidance of doubt, immediately after the Fourth Release, three sixths (3/6) of the Unreleased Consideration Shares shall remain unreleased;
- (e) an additional percentage of Consideration Shares will be released from escrow on the date that is 24 months following the Closing Date in an amount that results in an additional one sixth (1/6) of the Unreleased Consideration Shares being released from escrow after taking into consideration the First Release, the Second Release, the Third Release and the Fourth Release (the “**Fifth Release**”). For the avoidance of doubt, immediately after the Fifth Release, two sixths (2/6) of the Unreleased Consideration Shares shall remain unreleased;
- (f) an additional percentage of Consideration Shares will be released from escrow on the date that is 30 months following the Closing Date in an amount that results in an additional one sixth (1/6) of the Unreleased Consideration Shares being released from escrow after taking into consideration the First Release, the Second Release, the Third Release, the Fourth Release and the Fifth Release (the “**Sixth Release**”) For the avoidance of doubt, immediately after the Sixth Release, one sixth (1/6) of the Unreleased Consideration Shares shall remain unreleased; and
- (g) an additional percentage of Consideration Shares will be released from escrow on the date that is 36 months following the Closing Date in an amount that results in an aggregate total of 100% of the Consideration Shares being released from escrow after

taking into consideration the First Release, the Second Release, the Third Release, the Fourth Release, the Fifth Release and Sixth Release.

The Voluntary Escrow Agreement will further provide that the Vendor will be entitled to vote any of the Consideration Shares that are held in escrow, but will not be entitled to transfer, option or otherwise encumber any of such Consideration Shares without the prior written consent of the Purchaser except as provided herein.

### 3.6 Vesting of Consideration Shares

For the purposes of Section **Error! Reference source not found.**, the Consideration Shares shall vest on the following schedule:

- (a) 15% of the Consideration Shares will vest on the Closing Date (the “**First Vesting**”);
- (b) an additional amount of Consideration Shares will vest on the date that is four months and one day after the Closing Date, in an amount equal to US\$189,228.68 plus interest accrued on such amount after the date of this Agreement (converted to Canadian dollars at the average exchange rate posted by the Bank of Canada on the day prior to the release date) divided by the closing market price of the Purchaser Shares on the Exchange on the day prior to the release date (the “**Second Vesting**”). For purposes herein, the Consideration Shares which are still unvested immediately after the Second Vesting may be defined in the aggregate as the “**Unvested Consideration Shares**”;
- (c) an additional percentage of Consideration Shares will vest on the date that is 6 months following the Closing Date in an amount that results in one quarter (1/4) of the Unvested Consideration Shares being vested (the “**Third Vesting**”). For the avoidance of doubt, immediately after the Third Vesting, three quarters (3/4) of the Unvested Consideration Shares shall remain unvested;
- (d) an additional percentage of Consideration Shares will vest on the date that is 12 months following the Closing Date in an amount that results in an additional one quarter (1/4) of the Unvested Consideration Shares being vested (the “**Fourth Vesting**”). For the avoidance of doubt, immediately after the Fourth Vesting, two quarters (2/4) of the Unvested Consideration Shares shall remain unvested;
- (e) an additional percentage of Consideration Shares will vest on the date that is 18 months following the Closing Date in an amount that results in an additional one quarter (1/4) of the Unvested Consideration Shares being vested after taking into consideration the First Vesting, the Second Vesting, the Third Vesting and the Fourth Vesting (the “**Fifth Vesting**”). For the avoidance of doubt, immediately after the Fifth Vesting, one quarter (1/4) of the Unvested Consideration Shares shall remain unvested; and
- (f) an additional percentage of Consideration Shares will vest on the date that is 24 months following the Closing Date in an amount that results in an aggregate total of 100% of the Consideration Shares being vested after taking into consideration the First Vesting, the Second Vesting, the Third Vesting, the Fourth Vesting and the Fifth Vesting.

3.7 [REDACTED: confidential and commercially sensitive information]

3.8 [REDACTED: confidential and commercially sensitive information]

#### ARTICLE 4– REPRESENTATIONS AND WARRANTIES

##### 4.1 Representations and Warranties of the Vendor

The Vendor hereby represents and warrants to and in favour of the Purchaser as follows and acknowledges that the Purchaser has conducted its own due diligence investigation of the Purchased Assets and is relying on such representations and warranties in entering into this Agreement and completing the Transactions:

- (a) **Incorporation and Existence of the Vendor.** The Vendor is a company duly incorporated, organized and existing under the laws of California, and is in good standing in respect of filing annual returns or reports under such laws, and has never been struck from the register maintained under the legislation under which it is incorporated or been dissolved or liquidated.
- (b) **Corporate Power.** The Vendor has the corporate power and authority to own or lease its property, including without limitation the Purchased Assets and to carry on the Business as now being conducted by it to enter into, carry out the transactions contemplated by and duly observe and perform all its obligations contained in this Agreement.
- (c) **Qualification.** The Vendor is duly qualified, licensed or registered to carry on business and is in good standing in the jurisdictions in which it does business.
- (d) **Subsidiaries.** The Vendor does not own nor has it agreed to acquire, directly or indirectly, (i) any of the outstanding shares or securities convertible into shares of any other corporation, or (ii) any participating interest in any person.
- (e) **Options.** Except for the Purchaser’s right in this Agreement, no person has any option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an option, commitment, conversion right, right of exchange or other agreement for the purchase from the Vendor of any of the Purchased Assets or the Business as a going concern;
- (f) **Validity of Agreement.**
  - (i) The Vendor has all necessary corporate power to own the Purchased Assets and to enter into and perform its obligations under this Agreement, and the Vendor has all necessary corporate power to enter into and perform its obligations under any other agreements or instruments to be delivered or given by it pursuant to this Agreement.
  - (ii) The Vendor’s execution and delivery of, and performance of its obligations under this Agreement and the consummation of the Transactions have been duly authorized by all necessary corporate action on the part of the Vendor.

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- (iii) This Agreement or any other agreements entered into pursuant to this Agreement to which the Vendor is a party constitute legal, valid and binding obligations of the Vendor and are 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.
  - (g) **No Violation.** The execution and delivery of this Agreement by the Vendor, the consummation of the Transactions and the fulfilment by the Vendor of the terms, conditions and provisions hereof will not:
    - (i) contravene or violate or result in a breach or a default under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligations of the Vendor under:
      - (A) any applicable Law;
      - (B) any judgment, order, writ, injunction or decree of any Regulatory Authority having jurisdiction over the Vendor;
      - (C) the articles, by-laws or any resolutions of the board of directors or shareholders of the Vendor;
      - (D) any Consent or Permit held by the Vendor or necessary to the ownership of the Purchased Assets; or
      - (E) the provisions of any Contract to which the Vendor is a party or by which it, or any of its properties or assets are, bound; or
    - (ii) result in the creation or imposition of any Encumbrance on any of the Purchased Assets.
  - (h) **Title to Personal and Other Property.** The Purchased Assets are owned by the Vendor as the legal and beneficial owner with a good and marketable title, free and clear of all Encumbrances. None of the Purchased Assets are in the possession of or under the control of any other Person. No person has a lien on, claim to or interest in any of the Purchased Assets. The Vendor has the exclusive right to possess, use, occupy, rent and dispose of the Purchased Assets.
  - (i) **Litigation.** There are no actions, suits or proceedings, judicial or administrative, (whether or not purportedly on behalf of the Vendor) pending or threatened, by or against or affecting the Vendor, at law or in equity, or before or by any Regulatory Authority. There are no grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success. There is not presently outstanding against the Vendor any judgment, injunction or other order of any Regulatory Authority. No appropriation, condemnation, expropriation or seizure of any of the Purchased Assets is pending or has been threatened.

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- (j) **Regulatory and Contractual Consents.** There is no requirement to make any filing with, give any notice to or obtain any Consent from any Regulatory Authority as a condition to the lawful consummation of the Transactions. There is no requirement under any Contract relating to the Purchased Assets or to which the Vendor is a party or by which the Vendor is bound to make any filing with, give any notice to, or to obtain the Consent of, any party to such Contract relating to the Transactions.
  - (k) **Books and Records.** The Books and Records have been duly maintained in accordance with all applicable legal requirements and contain full and accurate Books and Records of all material matters relating to the Business. No Books and Records are in the possession of, recorded, stored, maintained by, or otherwise dependent on, any other person.
  - (l) **No Material Adverse Change.** Since January 1, 2018, no Material Adverse Change has occurred in any of the assets, business, financial condition, earnings, results of operations or prospects of the Business, including without limitation the Purchased Assets.
  - (m) **Absence of Undisclosed Liabilities.** There are no debts or liabilities of the Vendor owed to any Person which might, by operation of law or otherwise, now or hereafter constitute or be capable of resulting in or forming an Encumbrance upon any of the Purchased Assets, or which gives any Person any right to challenge the validity, enforceability or binding effect of this Agreement, whether by ownership or use of any of the Purchased Assets.
  - (n) **Compliance with Laws.** To the knowledge of Vendor, the Vendor has complied, and the Business is now being conducted in compliance, with all Laws applicable to the Business or the Purchased Assets.
  - (o) **Solvency.** The Vendor is not insolvent and has not ever: (i) committed an act of bankruptcy; (ii) proposed a compromise or arrangement to their creditors generally; (iii) had any petition for a receiving order in bankruptcy filed against them; (iv) taken any proceeding with respect to a compromise or arrangement; (v) taken any proceeding to have it declared bankrupt or wound-up; (vi) taken any proceeding to have a receiver appointed over any part of its assets; (vii) had any holder of an Encumbrance exercise its security to take possession of any of its property; or (viii) had any execution or distress become enforceable or become levied upon any of its property.
  - (p) **No Liabilities Resulting in Encumbrances.** There is no indebtedness or liability of any Person which might, by operation of Law or otherwise, now or hereafter constitute or be capable of resulting in or forming an Encumbrance upon any of the Purchased Assets, and there is no indebtedness or liability of any kind whatsoever relating to the Purchased Assets in respect of which the Purchaser may become liable on or after the Effective Time.
  - (q) **Intellectual Property**
    - (i) Schedule A lists all: (A) registered Vendor Intellectual Property, and (B) Vendor Intellectual Property that is not registered but that is used in the Business. All required filings and fees related to the Vendor Intellectual Property have been timely filed with, and paid to, the relevant Governmental Bodies, and all Vendor Intellectual Property is otherwise in good standing. The Vendor has provided the



Purchaser with true and complete copies of file histories, documents, certificates, office actions, correspondence and other materials related to all Vendor Intellectual Property.

- (ii) The Vendor Intellectual Property is subsisting, valid and enforceable, and the Vendor has not received notice of any Proceeding challenging the extent, validity or enforceability of, or the Vendor's ownership of, any Vendor Intellectual Property, in whole or in part, and in the case of pending applications for Vendor Intellectual Property, the Vendor has not received notice of any Proceeding seeking to oppose any such application, or have any such application canceled, re-examined or found invalid, in whole or in part.
- (iii) Schedule B lists all Contracts regarding, or related to, the Vendor Intellectual Property. The Vendor has provided the Purchaser with true and complete copies of all such Contracts, including all modifications, amendments and supplements thereto and waivers thereunder. Each of such Contracts is valid and binding on the Vendor in accordance with its terms and is in full force and effect. Neither the Vendor nor any other party to any such Contract is in breach of, or default under (or is alleged to be in breach of or default under), or has provided or received any notice of breach or default of, or any intention to terminate, any such Contract. The Vendor has not permitted or licensed any Person to use any of the Vendor Owned Intellectual Property. Except pursuant to the terms of the Contracts, the Vendor has not agreed to indemnify any Person against any charge of infringement or other violation with respect to Intellectual Property.
- (iv) The Vendor is the sole and exclusive legal and beneficial owner, and with respect to the Vendor Owned Intellectual Property, registered owner, of all right, title and interest in and to the Vendor Intellectual Property, and has the valid right to use all other Intellectual Property used in or necessary for the conduct of the Business, in each case, free and clear of encumbrances. Without limiting the generality of the foregoing, the Vendor has entered into binding, written Contracts with every current and former employee of the Vendor, and with every current and former independent contractor or consultant to the Vendor, whereby such employee(s), contractor(s) and consultant(s) have: (A) assigned to the Vendor any ownership interest and right they may have in any Vendor Intellectual Property and have waived any moral rights or any rights to similar effect in any country or at common law they may have therein for the benefit of the Vendor; (B) acknowledged the Vendor's exclusive ownership of all Vendor Intellectual Property, and (C) entered into nondisclosure agreements pursuant to which they have agreed to maintain the confidentiality of the Vendor Intellectual Property. The Vendor has provided the Purchaser with true and complete copies of all such Contracts.
- (v) Except as otherwise disclosed in this Agreement, the consummation of the transactions contemplated in this Agreement will not result in the loss or impairment of, or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, the Vendor's right to own, use or

hold for use any Intellectual Property as owned, used or held for use in the conduct of the Business.

- (vi) The Vendor's rights in the Vendor Intellectual Property are valid, subsisting and enforceable. The Vendor has taken all reasonable steps to maintain the Vendor Intellectual Property and to protect and preserve the confidentiality of all trade secrets included in the Vendor Intellectual Property, including requiring all Persons having access thereto to execute written non-disclosure Contracts.
- (vii) The conduct of the Business as currently and formerly conducted, and the products, processes and services of the Vendor, have not infringed, misappropriated, diluted or otherwise violated, and do not and will not infringe, dilute, misappropriate or otherwise violate, the Intellectual Property or other rights of any Person. No Person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Vendor Intellectual Property.
- (viii) All of the Vendor Intellectual Property is either: (A) owned solely by the Vendor, free and clear of any encumbrances; or (B) rightfully used and authorized for use by the Vendor pursuant to a valid and enforceable written license. The Vendor Intellectual Property constitutes all of the Intellectual Property necessary to carry on the business of the Vendor by the Purchaser following the Closing, consistent with the manner in which it was conducted prior to the Closing, and the Vendor is not obligated to provide any consideration (whether financial or otherwise) to any other Person nor is any other Person otherwise entitled to any consideration, with respect to any exercise of rights by the Vendor or the Purchaser in the Vendor Intellectual Property (other than with respect to maintenance costs associated with the Vendor Owned Intellectual Property and license fees and other payments associated with the Vendor Licensed Intellectual Property).
- (ix) There is no Proceeding (including any oppositions, interferences or re-examinations) settled, pending or threatened (including in the form of offers to obtain a license): (A) alleging any infringement, misappropriation, dilution or violation of the Intellectual Property of any Person by the Vendor; (B) challenging the validity, enforceability, registrability or ownership of any Vendor Intellectual Property or the Vendor's rights with respect to any Vendor Intellectual Property; or (C) by the Vendor or any other Person alleging any infringement, misappropriation, dilution or other violation by any Person of the Vendor Intellectual Property, and the Vendor is not party to any other Proceeding with respect to any Vendor Intellectual Property or any other rights arising with respect to any Intellectual Property.
- (x) The Vendor is not subject to any outstanding or prospective Order (including any motion or petition therefor) that does or would restrict or impair the use of any Vendor Intellectual Property.
- (xi) The consummation of the Transactions will not alter, impair or otherwise adversely affect any rights or obligations of the Vendor in any of the Vendor

Intellectual Property, and, from and after the Closing, the Purchaser will be able to maintain all of the Vendor's rights thereto as they existed at the Closing, without modification or impairment.

- (xii) No third-party licensed Vendor Licensed Intellectual Property is subject to revocation or termination upon a Change of Control of the Vendor. Except for in respect of the Vendor Licensed Intellectual Property, the Vendor is not required to pay any royalty or other fees to any other Person.

(r) **Material Contracts.**

The contracts listed in Schedule A constitute all the Contracts of the Vendor relating to the Purchased Assets.

The Vendor has performed all of its obligations required to be performed by it and is entitled to all of the benefits under any Contract relating to the Purchased Assets to which any of them is a party or by which any of them is bound. The Contracts listed in Schedule B are all in full force and effect unamended and no default exists on the part of any of the parties thereto. The Vendor is not in default or in breach of any Contract to which it is a party and there exists no condition, event or act which, with the giving of notice or lapse of time or both would constitute such a default or breach and all such Contracts are in good standing and in full force and effect unamended and the Vendor is entitled to all benefits thereunder. The Vendor has provided to the Purchaser a true and complete copy of each Contract listed in Schedule Band all amendments, and all of which are attached to Schedule B

There is no authorization, approval, consent or order from any Person or registration, declaration, filing or notice with any Person, other than as set forth in Schedule Bthat is required under or pursuant to any of the Contracts in respect of the execution or delivery by the Vendor of this Agreement, or the completion or performance by the Vendor of any of the transactions contemplated by this Agreement, or the validity or enforceability of this Agreement.

The Vendor is not a party to or bound by any Contract 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 the Business as currently conducted, and, to the knowledge of the Vendor, is not subject to any Law or requirement of any governmental entity or Regulatory Authority that is not of general application to Persons carrying on a business similar to the Business.

- (s) **Brokers.** The Vendor has not engaged any broker or other agent in connection with the Transactions and, accordingly, there is no commission, fee or other remuneration payable to any broker or agent who purports or may purport to act or have acted for the Vendor.

- (t) **Customers and Suppliers.** Schedule C sets out a complete and accurate list of all of the customers ("Customers") and suppliers ("Suppliers") of the Business as of the Closing Date. The benefits of all relationships with the customers or suppliers of the Business will continue after the Closing Date in the same manner as prior to the date of this Agreement. There has been no:

- (i) termination or cancellation of, and no modification or change in, the Vendor's business relationship with any of these Customers, Suppliers or group of Customers or Suppliers;
  - (ii) threats or notice or other indications that, any Customer or Supplier intends to adversely change its business relationship with the Vendor or terminate its relationship; and
  - (iii) material disputes in connection with the Business between any Vendor and any Customer or Supplier which have not otherwise been resolved in the ordinary course of business.
- (u) **Tax Matters.**
- (i) The Vendor has filed on a timely basis all Tax Returns required to be filed. All such Tax Returns are complete and accurate in all respects. All Taxes due from or payable by the Vendor for periods (or portions thereof) ending on or prior to the date hereof and the Closing Date, as applicable, have been paid. All instalments or other payments on account of Taxes that relate to periods for which Tax Returns are not yet due have been paid on a timely basis. There are no actions, objections, appeals, suits or other proceedings or claims in progress, pending or threatened by or against the Vendor in respect of any Taxes, and in particular there are no currently outstanding assessments or written enquiries which have been issued or raised by any Regulatory Authority relating to any such Taxes. There are no Encumbrances pending on or with respect to any of the assets of the Vendor that arose in connection with any failure (or alleged failure) to pay any Tax.
  - (ii) The Vendor has withheld, collected and paid to the proper Regulatory Authorities all Taxes required to have been withheld, collected and paid in connection with (i) amounts paid, credited or owing to any employee, independent or dependent contractor, creditor, shareholder, non-resident of Canada or other third party, and (ii) goods and services received from or provided to any person.
  - (iii) There are no liens for Taxes upon the Vendor or any of the Purchased Assets except liens for current Taxes not yet due and payable. None of the Purchased Assets are the subject of any trust arising under any Tax Laws.
  - (iv) The taxation year-end of the Vendor for income tax purposes is December 31 of each year.
- (v) **Privacy Matters.** The Vendor has conducted and is conducting the Business in compliance with all Laws applicable to privacy and the protection of personal information including the Privacy Law.
- (w) **Partnerships or Joint Ventures.** The Vendor is not a partner or participant in any partnership, joint venture, profit sharing arrangement or other association of any kind and are not a party to any agreement not disclosed herein under which it agrees to carry

on any part of the Business or any other activity in such manner or by which it agrees to share any revenue or profit with any other Person.

- (x) **No Adverse Information.** There are no circumstances or facts relating to the Purchased Assets or the transactions contemplated hereby, which, if known to the Purchaser, might reasonably be expected to deter the Purchaser from completing the transactions contemplated herein.

#### 4.2 Representations and Warranties of the Purchaser

The Purchaser hereby makes the following representations and warranties to the Vendor and acknowledges that the Vendor is relying on such representations and warranties in entering into this Agreement and completing the Transactions:

- (a) **Incorporation and Existence.** The Purchaser is a corporation continued and existing under the laws of British Columbia.
- (b) **Validity of Agreement.**
  - (i) The Purchaser has all necessary corporate power to own the Purchased Assets. The Purchaser has all necessary corporate power to enter into and perform its obligations under this Agreement and any other agreements or instruments to be delivered or given by it pursuant to this Agreement.
  - (ii) The execution, delivery and performance by the Purchaser of this Agreement and the consummation of the Transactions have been duly authorized by all necessary corporate action on the part of the Purchaser.
  - (iii) This Agreement or any other agreements entered into pursuant to this Agreement to which the Purchaser is a party constitute legal, valid and binding obligations of the Purchaser, enforceable against the Purchaser 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.
- (c) **No Violation.** The execution and delivery of this Agreement by the Purchaser, the consummation of the Transactions and the fulfilment by the Purchaser of the terms, conditions and provisions hereof will not (with or without the giving of notice or lapse of time, or both) contravene or violate or result in a breach or a default under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligations of the Purchaser, under the articles, by-laws or any resolutions of the board of directors or shareholders of the Purchaser; and
- (d) **GST Registration.** The Purchaser is a registrant for the purposes of the ETA under registration number [REDACTED: tax registration number]. .
- (e) **Duly Issued.** The Consideration Shares to be issued to the Vendor pursuant to this Agreement will, upon issuance, have been duly and validly authorized and when so issued

in accordance with the terms of this Agreement, will be duly and validly issued, fully-paid and non-assessable.

#### **4.3 Survival of Covenants, Representations and Warranties of the Vendor**

To the extent that they have not been fully performed at or prior to the Closing Time, and unless otherwise provided, the covenants, representations and warranties of the Vendor contained in this Agreement and any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement shall survive the Closing and shall continue for the benefit of the Purchaser in full force and effect without limitation of time notwithstanding such Closing, nor any investigation made by or on behalf of the Purchaser or any knowledge of the Purchaser.

#### **4.4 Survival of Covenants, Representations and Warranties of the Purchaser**

To the extent that they have not been fully performed at or prior to the Closing Time, and unless otherwise provided, the covenants, representations and warranties of the Purchaser contained in this Agreement and any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement shall survive the Closing and shall continue for the benefit of the Vendor in full force and effect without limitation of time notwithstanding such Closing, nor any investigation made by or on behalf of the Vendor or any knowledge of the Vendor.

### **ARTICLE 5— COVENANTS OF THE VENDOR AND PURCHASER**

#### **5.1 Conduct During Interim Period**

During the Interim Period, without in any way limiting any other obligations of the Vendor in this Agreement:

- (a) **Transfer Assets.** The Vendor shall conduct the Business only in the ordinary course of the Business consistent with past practice, and the Vendor shall not, without the prior written consent of the Purchaser, enter into any transaction or refrain from doing any action that would constitute a breach of any representation, warranty, covenant or other obligation of the Vendor contained herein.
- (b) **Preserve Goodwill.** The Vendor shall use commercially reasonable efforts to preserve intact the Business and the Purchased Assets and to carry on the Business as currently conducted, and to promote and preserve for the Purchaser the goodwill of suppliers, customers and others having business relations with the Vendor.
- (c) **Discharge Liabilities.** The Vendor shall pay and discharge the liabilities of the Vendor relating to the Business in the ordinary course in accordance and consistent with the past practice of the Vendor, except those contested in good faith by the Vendor.
- (d) **Corporate Action.** The Vendor shall take all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution and delivery of this Agreement and the other agreements and documents contemplated by this Agreement and to complete the transfer of the Purchased Assets to the Purchaser free and clear of all Encumbrances and to cause all necessary meetings of directors and shareholders of the Vendor to be held for such purpose.

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- (e) **Exclusive Dealing.** The Vendor shall not take any action, directly or indirectly, to encourage, initiate or engage in discussions or negotiations with, or provide any information to any person, other than the Purchaser, concerning any merger, sale of substantial assets or similar transaction involving the Business.
  - (f) **Access to Information.** The Vendor shall at all times during the Interim Period make available to the Purchaser and its representatives and advisers for examination all of the Records in the Vendor's possession or under its control. The Vendor shall provide the Purchaser and its representatives and advisers at all times during the Interim Period with an opportunity to meet with the auditors and any employees, advisers or personnel of the Vendor. The foregoing, provided that any examination and auditing costs and expenses shall be borne solely by the Purchaser.

## 5.2 Consent Not Received by Closing

If a consent or approval of a third party required to permit the transfer or assignment to the Purchaser of the Vendor's interest in any of the Purchased Assets is not received on or before the Closing ("**Unassigned Asset**") and if, notwithstanding such non-receipt, the Vendor and the Purchaser proceed to complete the sale and the purchase of the Purchased Assets contemplated by this Agreement, the transfer or assignment of those Purchased Assets will not be effective in each case until the applicable consent or approval has been received and such Unassigned Asset will be held by the Vendor following the Closing in trust (to the extent not illegal) for the benefit and exclusive use of the Purchaser. The Vendor shall continue to use commercially reasonable efforts to obtain the required consents and approvals and shall only make use of any Unassigned Assets in accordance with the lawful directions of the Purchaser that do not conflict with the terms of such Unassigned Assets.

## 5.3 Privacy

- (a) The Vendor covenants and agrees to:
  - (i) advise the Purchaser of all purposes for which Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates and all additional purposes where the Vendor has notified the individual of such additional purpose, and where required by law, obtained the consent of such individual to such use or disclosure, unless such use or disclosure is permitted or authorized by law, without notice to, or consent from, such individual; and
  - (ii) where the purposes described by paragraph (a) do not include a purpose for which Transferred Information is currently collected, used or disclosed by the Vendor, and where required by law, notify, in a manner and form approved by the Purchaser, the individual to whom such Transferred Information relates of such additional purpose, and where required by law, obtain the consent of such individual to such additional purpose, unless the use or disclosure contemplated by such additional purpose is permitted.
- (b) The Purchaser covenants and agrees to that it will only use and disclose the Transferred Information disclosed to it by the Vendor as required to evaluate, complete or otherwise perform the transactions contemplated by this Agreement or as otherwise required or

permitted by applicable Privacy Law. The Purchaser further agrees that, (x) if the transactions contemplated by this Agreement do not proceed or are not completed, or (y) if the Purchaser shall transfer the Purchased Assets back to Vendor pursuant to this Agreement, the Purchaser will, if the Transferred Information supplied to it is still in the custody of or under the control of the Purchaser, either (only upon written request by the Vendor) destroy the Transferred Information or forthwith return it to the Vendor.

#### **5.4 Risk of Loss and Damage Prior to Closing Time**

All risk of loss or damage to or destruction of the Purchased Assets shall pass to the Purchaser at the Effective Time. The Vendor shall bear all risk of loss or damage to, or destruction of, the Purchased Assets until the Effective Time and the Purchaser shall bear all such risk of damage, destruction or loss after the Effective Time.

#### **5.5 Reliance**

The Vendor and Purchaser acknowledge that Purchaser has conducted, and Vendor has cooperated and assisted in, its own due diligence and investigation of the Purchased Assets and Vendor and Purchaser agree that although the Purchaser is relying on the representations, warranties, covenants and obligations of the Vendor contained in this Agreement; any investigations that have been or may be made by or on behalf of the Purchaser and information which is disclosed herein, now known or should be known, or which before the Closing Time becomes known to the Purchaser, or its employees, representatives or agents, may limit or extinguish the rights of the Purchaser with respect to any unintentional misrepresentation or non-material breach of any representation, warranty, covenant or obligation of the Vendor.

### **ARTICLE 6**

#### **6.1 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the Transactions will be subject to the fulfilment of the following conditions at or prior to the Closing Time:

- (a) **Representations, Warranties and Covenants.** The representations and warranties of the Vendor made in or pursuant to this Agreement shall be true and accurate at the Closing Time with the same force and effect as though such representations and warranties had been made as of the Closing Time. The Vendor shall have complied with all covenants and agreements in this Agreement to be performed or caused to be performed by them at or prior to the Closing Time. In addition, the Vendor shall have delivered to the Purchaser a certificate confirming the foregoing. The receipt of such certificate and the completion of the Transactions shall not be deemed to constitute a waiver of any of the representations, warranties or covenants of the Vendor contained in this Agreement.
- (b) **TSX Venture Exchange.** The Purchaser will have received the approval of the Exchange for the Transactions.
- (c) **No Material Adverse Change.** Except as has been specifically permitted in this Agreement, since the date of this Agreement there shall not have been:



- (i) any material adverse change in any of the assets, financial condition, earnings, results of operations affecting the Purchased Assets that has, or threatens to have, a material adverse effect on the assets, financial condition, earnings, results of operations of the Purchased Assets or which might materially adversely affect the ability of the Purchaser to carry on the Business relating to the Purchased Assets after the Closing substantially as the Business relating to the Purchased Assets is being conducted upon the date of this Agreement; or
  - (ii) any damage, destruction or loss, or other event, development or condition of any character (whether or not covered by insurance) which would have a material adverse effect on the Purchased Assets (together with the events described in (i), a “**Material Adverse Change**”).
- (d) **No Action to Restrain/No Adverse Law.** No Law shall have been made, and no action or proceeding shall be pending or threatened, which is likely to result in an order, decision or ruling imposing any limitations or conditions which may have a material adverse effect on the Transactions or the right of the Purchaser to own the Purchased Assets.
- (e) **Consents.** All filings, notifications and Consents with, to or from Regulatory Authorities and third parties required to permit the change of ownership of the Purchased Assets contemplated hereby without resulting in the violation of or a default under or any termination, amendment or acceleration of any obligation under any licence, permit, lease, or material Contract affecting the Purchased Assets or otherwise adversely affecting the Purchased Assets, shall have been made, given or obtained on terms acceptable to the Purchaser acting reasonably.
- (f) **Deliveries.** The Vendor shall have delivered to the Purchaser the documents listed in Section 7.2 in form and substance satisfactory to the Purchaser.

## **6.2 Waiver or Termination by the Purchaser**

The conditions contained in Section 6.1 are inserted for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser at any time without prejudice to any of its rights of termination in the event of non-performance of any other condition in whole or in part. If any of the conditions contained in Section 6.1 are not fulfilled or complied with by the time provided for, the Purchaser may, at or prior to the Closing Time, terminate this Agreement by notice in writing after such time required to the Vendor; provided that Vendor shall have ten Business Days to cure such breach. In such event the Purchaser shall be released from all obligations in this Agreement and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Vendor, then the Vendor shall also be released from all obligations in this Agreement.

## **6.3 Conditions for the Benefit of the Vendor**

The obligations of the Vendor to complete the Transactions will be subject to the fulfilment of the following conditions at or prior to the Closing Time:

- (a) **Representations, Warranties and Covenants.** The representations and warranties of the Purchaser in or pursuant to this Agreement shall be true and accurate at the Closing Time with the same force and effect as though such representations and warranties had been

made as of the Closing Time. The Purchaser shall have complied with all covenants and agreements in this Agreement to be performed or caused to be performed by it at or prior to the Closing Time.

- (b) **Deliveries.** The Purchaser shall have delivered to the Vendor the documents listed in Section 7.3 in form and substance satisfactory to the Vendor.
- (c) **No Action to Restrain/No Adverse Law.** No Law shall have been made, and no action or proceeding shall be pending or threatened, which is likely to result in an order, decision or ruling imposing any limitations or conditions which may have a material adverse effect on the Transactions or the right of the Vendor to transfer the Purchased Assets.
- (d) **Consents.** All filings, notifications and Consents with, to or from Regulatory Authorities and third parties required to permit the Transactions shall have been made, given or obtained on terms acceptable to the Vendor acting reasonably.

#### **6.4 Waiver or Termination by the Vendor**

The conditions contained in Section 6.3 are inserted for the exclusive benefit of the Vendor and may be waived in whole or in part by the Vendor at any time without prejudice to any of its rights of termination in the event of non-performance of any other condition in whole or in part. If any of the conditions contained in Section 6.3 are not fulfilled or complied with by the time provided for, the Vendor may, at or prior to the Closing Time, terminate this Agreement by notice in writing after such time required to the Purchaser; provided that Purchaser shall have ten Business Days to cure such breach. In such event the Vendor shall be released from all obligations in this Agreement and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Purchaser, then the Purchaser shall also be released from all obligations in this Agreement.

### **ARTICLE 7– CLOSING ARRANGEMENTS**

#### **7.1 Place of Closing**

The Closing shall take place at the Closing Time at the offices of Clark Wilson LLP or such other time or place as agreed to by the Parties. Notwithstanding the foregoing and in lieu of a physical closing, the parties agree that the Closing may take place from separate locations under terms and conditions (including without limitation escrow conditions and the exchange of solicitors' undertakings) satisfactory to the Parties.

## **7.2 Vendor's Closing Deliveries**

At or prior to the Closing Time the Vendor shall deliver the following in form and substance satisfactory to the Purchaser:

**[REDACTED – confidential and commercially sensitive information]**

## **7.3 Purchaser's Closing Deliveries**

At the Closing the Purchaser shall deliver the following to the Vendor:

**[REDACTED – confidential and commercially sensitive information]**

## **7.4 Concurrent Delivery**

**[REDACTED – confidential and commercially sensitive information]**

# **ARTICLE 8 – INDEMNIFICATION**

## **8.1 Indemnification**

Each Party shall indemnify, save harmless and defend the non-breaching Party and their Affiliates, officers, directors and employees for and from and against Claim or Loss suffered or incurred by the non-breaching Party as a result of or arising directly or indirectly from, out of, with respect to or in connection with any of the following:

- (a) any warranties or representations or covenants made on the part of the breaching Party contained in this Agreement or any documents or instruments delivered pursuant to this Agreement and as restated in any certificates delivered by or on behalf of the breaching Party at the Closing being breached or untrue;
- (b) a breach or non-fulfillment of any agreement, term or covenant on the part of the breaching Party made or to be observed or performed under this Agreement or any other agreement or document delivered pursuant hereto; and
- (c) all claims, demands, costs and expenses, including reasonable legal fees, in respect of the foregoing incurred by the non-breaching party, subject to a final non-appealable decision of a court of competent jurisdiction.

The non-breaching Party's Losses are not limited to matters asserted by third parties against the non-breaching Party but include Losses incurred or sustained by the Purchaser in the absence of third party claims. Payments by the non-breaching party of amounts for which the non-breaching is indemnified, shall not be a condition precedent to recovery.

## **8.2 Notice of Claim**

The Purchaser entitled to and seeking indemnification pursuant to the terms of this Agreement (the "**Indemnified Party**") shall promptly give written notice to the Party or Parties, as applicable, responsible for indemnifying the Indemnified Party (the "**Indemnifying Party**") of any claim for indemnification

pursuant to Section 8.1 (a “**Claim**”, which term shall include more than one Claim). Such notice shall specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a “**Third Party Claim**”) or whether the Claim does not so arise (a “**Direct Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Claim; and
- (b) the amount of the Claim, or, if any amount is not then determinable, an approximate and reasonable estimate of the likely amount of the Claim.

### **8.3 Procedure for Indemnification**

- (a) **Direct Claims.** With respect to Direct Claims, following receipt of notice from the Indemnified Party of a Claim, the Indemnifying Party shall have 30 days to make such investigation of the Claim as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such 30 day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim.

If the Indemnified Party and the Indemnifying Party do not agree within such period (or any mutually agreed upon extension), the Indemnified Party and the Indemnifying Party agree that the dispute shall be submitted to arbitration pursuant to the *Arbitration Act* (British Columbia). Such dispute shall not be made the subject matter of an action in a court by either the Indemnified Party or the Indemnifying Party unless the dispute has first been submitted to arbitration and finally determined in accordance with the provisions of the *Arbitration Act* (British Columbia). Any such action commenced thereafter shall only be for judgment in accordance with the decision of the arbitrators and the costs incidental to the action. In any such action the decision of the arbitrators shall be conclusively deemed to determine the rights and liabilities as between the Parties to the arbitration in respect of the matter in dispute.

- (b) **Third Party Claims.** With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the negotiation, settlement or defence of such Third Party Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party’s out-of-pocket expenses incurred as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall cooperate with the Indemnifying Party, shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim at its own expense and shall have the right to disagree on reasonable grounds with the selection and retention of counsel, in which case counsel satisfactory to the Indemnifying Party and the Indemnified Party shall be retained by the Indemnifying Party. If the Indemnifying Party, having elected to assume such control, thereafter fails to defend any such Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control and the Indemnifying Party

shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

#### **8.4 General Indemnification Rules**

The obligations of the Indemnifying Party to indemnify the Indemnified Party in respect of Claims shall also be subject to the following:

- (a) If any Third Party Claim is of a nature such that the Indemnified Party is required by applicable law to make a payment to any person (a “**Third Party**”) with respect to such Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for any such payment. If the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such a payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party;
- (b) Except in the circumstance contemplated by Section 8.4(c), and whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnified Party shall not negotiate, settle, compromise or pay any Third Party Claim except with the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld);
- (c) The Indemnified Party shall not permit any right of appeal in respect of any Third Party Claim to terminate without giving the Indemnifying Party notice and an opportunity to contest such Third Party Claim;
- (d) The Indemnified Party and the Indemnifying Party shall cooperate fully with each other with respect to Third Party Claims and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available); and
- (e) Notwithstanding Section 8.3(b), the Indemnifying Party shall not settle any Third Party Claim or conduct any related legal or administrative proceeding in a manner which would, in the opinion of the Indemnified Party, acting reasonably, have a material adverse impact on the Indemnified Party.

### **ARTICLE 9 – GENERAL**

#### **9.1 Notices**

- (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by facsimile or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:
  - (i) if to the Vendor:

Raytroniks Corporation  
[REDACTED: contact information]

Attention: [REDACTED: contact information]

E-mail: [REDACTED: contact information]

(ii) if to the Purchaser:

Loopshare Ltd.  
131 Water Street, Suite 106  
Vancouver, BC V6B 4M3

Attention: Anwar Sukkarie

E-mail: [REDACTED: contact information]

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as described.
- (c) Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 9.1.

## **9.2 Public Announcements and Disclosure**

The Parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the Transactions and, except as required by any applicable Law or stock exchange having jurisdiction, no Party shall issue any such press release or make any such public announcement without the prior written consent of the others, which consent shall not be unreasonably withheld or delayed. Prior to any such press release or public announcement, none of the Parties shall disclose this Agreement or any aspect of the Transactions except to its board of directors, its senior management, its legal, accounting, financial or other professional advisors, any financial institution contacted by it with respect to any financing required in connection with the Transactions and counsel to such institution, or as may be required by any applicable Law or stock exchange having jurisdiction.

## **9.3 Assignment and Change of Control**

Neither Party may assign its rights under this Agreement without the prior written consent of the non-assigning Party. In the event of a Change of Control with respect to Purchase within 36 months of the Effective Time, all outstanding Consideration Shares shall immediately vest and become immediately payable to Vendor and shall be immediately release from any restriction of the Voluntary Escrow. In addition any consideration for any services owed by Purchaser under the Consulting Agreement shall also

become immediately due and payable to Norwood in a lump sum as provided therein, regardless as to whether Norwood continues to provide services under the Consulting Agreement after the happening of such Change of Control event.

#### **9.4 Efforts**

The Parties acknowledge and agree that, for all purposes of this Agreement, an obligation on the part of any Party to use its commercially reasonable efforts to obtain any waiver, Consent or other document shall not require such Party to make any payment to any person for the purpose of procuring the same, other than payments for amounts due and payable to such person, payments for incidental expenses incurred by such person and payments required by any applicable law or regulation.

#### **9.5 Expenses**

Unless otherwise provided, each Party shall be responsible for the expenses (including fees and expenses of legal advisers, accountants and other professional advisers) incurred by them, respectively, in connection with the negotiation and settlement of this Agreement and the completion of the Transactions. In the event of termination of this Agreement, the obligation of each Party to pay its own expenses will be subject to any rights of such Party arising from a breach of this Agreement by another Party.

#### **9.6 Further Assurances**

Each of the Parties shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties may reasonably require from time to time after Closing at the expense of the requesting Party for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

#### **9.7 Entire Agreement**

This Agreement, including all Schedules, constitutes the entire agreement between the Parties with respect to the subject matter and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, including the letter agreement dated November 4, 2015. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter except provided in this Agreement. No reliance is placed by any Party on any warranty, representation, opinion, advice or assertion of fact made by any Party or its directors, officers, employees or agents, to any other Party or its directors, officers, employees or agents, except to the extent that it has been reduced to writing and included in this Agreement.

#### **9.8 Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

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**9.9 Enurement**

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

**9.10 Rights Cumulative**

The rights and remedies of the Parties are cumulative and not alternative.

**9.11 Counterparts**

This Agreement may be executed in counterpart and such counterparts together shall constitute a single instrument. Delivery of an executed counterpart of this Agreement by electronic means, including by facsimile transmission or by electronic delivery in portable document format (".pdf"), shall be equally effective as delivery of a manually executed counterpart hereof. The Parties acknowledge and agree that in any legal proceedings between them respecting or in any way relating to this Agreement, each waives the right to raise any defense based on the execution hereof in counterparts or the delivery of such executed counterparts by electronic means.

**9.12 Confidentiality and Non-disparagement**

**[REDACTED – confidential and commercially sensitive information]**

*[Signature Page Follows]*



IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the day and year first written above.

**Purchaser:**

**LOOPSHARE LTD.**

Per: *"Anwar Sukkarie"* \_\_\_\_\_  
Anwar Sukkarie  
Authorized Signatory

**Vendor:**

**RAYTRONIKS CORPORATION**

Per: *"Willie R. Norwood Jr."* \_\_\_\_\_  
Wille R. Norwood Jr.  
Authorized Signatory



**SCHEDULE A**

**INTELLECTUAL PROPERTY AND LICENSED INTELLECTUAL PROPERTY**

**[REDACTED: confidential and commercially sensitive information]**

**SCHEDULE B**

**CONTRACTS**

**[REDACTED: confidential and commercially sensitive information]**

**SCHEDULE C**

**CUSTOMERS AND SUPPLIERS**

**[REDACTED: confidential and commercially sensitive information]**

## CONSULTANT AGREEMENT

[REDACTED: confidential and commercially sensitive information]

**SCHEDULE E**

**ESCROW AGREEMENT**

**[REDACTED: confidential and commercially sensitive information]**

## Section 4.1 Representations and Warranties

[REDACTED: confidential and commercially sensitive information]