

**SHARE EXCHANGE AGREEMENT**

dated

**July 6, 2021**

in respect of

**VGAN BRANDS INC.**

**TABLE OF CONTENTS**

**PART 1  
INTERPRETATION**

1.1	Defined Terms .....	1
1.2	Interpretation.....	5
1.3	Schedules .....	6

**PART 2  
SALE AND PURCHASE**

2.1	Agreement to Sell and Purchase .....	6
2.2	Payment of Purchase Price .....	6
2.6	Tax Consequences.....	7

**PART 3  
SECURITYHOLDERS' REPRESENTATIONS AND WARRANTIES**

3.1	Representations and Warranties .....	7
3.2	Representations at Closing.....	8

**PART 4  
COMPANY'S REPRESENTATIONS AND WARRANTIES**

4.1	Representations and Warranties .....	8
4.2	Representations at Closing.....	12

**PART 5  
BUYER'S REPRESENTATIONS AND WARRANTIES**

5.1	Representations and Warranties .....	12
5.2	Representations at Closing.....	14

**PART 6  
COVENANTS**

6.1	Conduct of Business Prior to Closing.....	14
6.2	Restrictions Prior to Closing.....	15
6.3	Access to Information .....	15
6.4	Licences and Consents.....	15
6.5	Notification .....	15
6.6	Filings with Governmental Agencies .....	16
6.7	Confidentiality .....	16

**PART 7  
CONDITIONS**

7.1	Buyer's Conditions.....	16
7.2	Waiver/Termination.....	17
7.3	Company and Securityholders' Conditions .....	17
7.4	Waiver/Termination.....	17

**PART 8  
SURVIVAL AND INDEMNITY**

8.1	Survival of Representations and Warranties.....	17
8.2	Indemnification of Buyer .....	18
8.3	Indemnification of Company and Securityholders .....	18

8.4	Notice of Claim.....	18
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**PART 9  
LIMITATIONS**

9.1	Company and Securityholders' Limitation on Damages.....	19
9.2	Buyer's Limitation on Damages.....	19
9.3	Mitigation.....	19
9.4	No Double Recovery.....	19
9.5	Exclusive Remedies.....	19

**PART 10  
CLOSING**

10.1	Closing.....	20
10.2	Delivery by Company and Securityholders.....	20
10.3	Delivery by Buyer.....	21

**PART 11  
TERMINATION**

11.1	Termination.....	21
11.2	Survival.....	22
11.3	Notice of Termination.....	22

**PART 12  
GENERAL**

12.1	Public Announcements.....	22
12.2	Notices.....	22
12.3	Payments.....	23
12.4	Time of Essence.....	23
12.5	Governing Law.....	23
12.6	Submission to Jurisdiction.....	23
12.7	Entire Agreement.....	23
12.8	Severability.....	23
12.9	Currency.....	23
12.10	Accounting Principles.....	23
12.11	Enurement.....	23
12.12	Further Assurances.....	23
12.13	Costs and Expenses.....	23
12.14	Arbitration.....	23
12.15	Counterparts.....	24

## SHARE EXCHANGE AGREEMENT

THIS AGREEMENT dated July 6, 2021 (the “**Effective Date**”) is among:

LOOPSHARE LTD., a company existing under the laws of British Columbia  
(the “**Buyer**”)

AND

VGAN BRANDS INC., a company existing under the laws of British Columbia  
(the “**Company**”)

AND

The shareholders of the Company, as set out in Schedule A and each other Person (as defined herein) who after the Effective Date agrees to become a party to, and bound by, this Agreement as a seller by executing a joinder agreement.

(together, if applicable, with any Persons that become shareholders of the Company prior to Closing (as defined herein), the “**Shareholders**” and individually, a “**Shareholder**”)

### BACKGROUND

- A. The Shareholders are the legal and beneficial owners of all the issued and outstanding shares in the capital of the Company, as set out in Schedule A.
- B. The Buyer seeks to change its business from a technology transportation issuer to a food products issuer (“**Change of Business**”).
- C. In connection with the Change of Business, the Buyer has agreed to buy all of the Shareholders’ legal and beneficial interest in the shares in the capital of the Company (the “**Acquisition**”) on the terms and conditions contained in this Agreement.
- D. The Securityholders (as defined herein) who have executed this Agreement have agreed to the Acquisition.

### AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

#### PART 1 INTERPRETATION

1.1 **Defined Terms.** In this Agreement the following terms have the following meanings:

- (a) “**85(1) Election**” has the meaning given in paragraph 2.6;
- (b) “**Act**” means the *Income Tax Act*, R.S.C. 1985, c.1 (5th supp.), as amended from time to time;
- (c) “**Acquisition**” has the meaning given on the face page of this Agreement;

- (d) **"Affiliate"** in respect of a Person means any other Person that, directly or indirectly, Controls, is Controlled by, or is under common Control with, such first Person;
- (e) **"Agreement"** means this share purchase agreement and all schedules hereto whether attached or incorporated by reference, in each case as supplemented, amended, restated or replaced from time to time by a written agreement signed by the parties;
- (f) **"Applicable Law"** means, in respect of any Person, property, transaction, event or other matter, any present or future law, statute, regulation, code, ordinance, principle of common law or equity, municipal by-law, treaty or order, domestic or foreign, applicable to that Person, property, transaction, event or other matter and, whether or not having the force of law, all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines and policies of any Governmental Authority having or purporting to have authority over that Person, property, transaction, event or other matter and regarded by such Governmental Authority as requiring compliance;
- (g) **"Arbitrator"** has the meaning given in paragraph 12.14;
- (h) **"Assets"** means all property or assets of any nature, whether real or personal, tangible or intangible, corporeal or incorporeal, and includes any interest in any property or assets;
- (i) **"Associate"** in respect of a Person means:
  - (i) any other Person of which such Person is an officer, director or partner or is, directly or indirectly, the owner of 10 per cent or more of any class of equity securities issued by such other Person;
  - (ii) any trust or other estate in which such Person has a 10 per cent or more beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; or
  - (iii) any relative or legal or common law spouse of such Person, or any relative of such spouse who has the same home as such Person;
- (j) **"Auditors"** means DMCL LLP;
- (k) **"Business Day"** means any day which is not a Saturday, Sunday or a statutory holiday in British Columbia;
- (l) **"Buyer"** has the meaning given on the face page of this Agreement;
- (m) **"Buyer Fundamental Representations"** means the representations and warranties of the Buyers set out in paragraphs 5.1(a) (Corporate Matters), 5.1(b) (Capacity), 5.1(d) (Securities Law Matters), 5.1(e) (Authorized and Issued Capital), 5.1(f) (Insolvency or Amalgamation), and 5.1(i) (Non-Contravention).;
- (n) **"Change of Business"** has the meaning given on the face page of this Agreement;
- (o) **"Claim"** has the meaning given in paragraph 8.4;
- (p) **"Closing"** has the meaning given in paragraph 10.1;
- (q) **"Closing Date"** has the meaning given in paragraph 10.1;
- (r) **"Closing Time"** has the meaning given in paragraph 10.1;
- (s) **"Commercially Reasonable Efforts"** means the efforts that would be taken by a prudent party but do not include extraordinary or unreasonable measures, including the payment of amounts in excess of normal and usual filing fees and processing fees or any other significant and unusual payments with respect to any contracts;

- (t) **"Company"** has the meaning given on the face page of this Agreement;
- (u) **"Company Disclosure Schedule"** means the disclosures and qualifications in Schedule C;
- (v) **"Company Shares"** means common shares without par value in the capital of the Company;
- (w) **"Company Warrants"** means the common share purchase warrants to acquire Company Shares which are issued and outstanding at the Closing Time;
- (x) **"Concurrent Financing"** means an equity financing for aggregate gross proceeds of not less than \$3,000,000 that the Company intends to close concurrently with its going public transaction;
- (y) **"Consideration Shares"** means the Loop Shares issued to the Shareholders by the Buyer pursuant to this Agreement;
- (z) **"CSE"** means the Canadian Securities Exchange;
- (aa) **"Company Fundamental Representations"** means the representations and warranties of the Company set out in paragraphs 4.1(a) (Corporate Matters), 4.1(d) (Authorized and Issued Capital), 4.1(e) (Insolvency or Amalgamation), 4.1(f) (Securities Legislation), 4.1(g) (Title to Shares), 4.1(h) (Competing Rights to Shares), 4.1(s) (Non-Contravention) and 4.1(ee) (Taxable Canadian Property);
- (bb) **"Deductible"** has the meaning given in paragraph 9.1;
- (cc) **"Effective Date"** has the meaning given on the face page of this Agreement;
- (dd) **"Encumbrance"** means any lien, claim, charge, pledge, hypothecation, security interest, mortgage, title retention agreement, declaration of trust, right of set-off, option or other encumbrance of any kind;
- (ee) **"Environmental Laws"** means all applicable international, federal, provincial, municipal or local treaties, conventions, laws, statutes, regulations, orders, by-laws, governmental decrees or ordinances relating to fisheries, health and safety, the protection or preservation of the environment or the manufacture, processing, distribution, use, treatment, storage, disposal, discharge, transport or handling of Hazardous Substances;
- (ff) **"Exchange Ratio"** means one Loop Share for each Company Share;
- (gg) **"Exemption"** has the meaning given in paragraph 2.5(a);
- (hh) **"Financial Statements"** means the audited consolidated financial statements of the Company, to be prepared prior to Closing, for the fiscal year ended December 31, 2020 (with an audit to June 30, 2021) consisting of a consolidated balance sheet, statement of income, statement of retained earnings, and statement of cash flow including the notes to such financial statements;
- (ii) **"GAAP"** means generally accepted accounting principles in Canada, recommended by CPA Canada, as contained in the "CPA Handbook";
- (jj) **"Governmental Authority"** means any Canadian (whether federal, territorial, provincial, municipal or local), international or foreign government, governmental authority, quasi-governmental authority, court, self-regulatory organization, commission, tribunal or organization or any agent, subdivision, department or branch of any of the foregoing;
- (kk) **"Hazardous Substance"** means any pollutant, contaminant, waste, special or hazardous waste, toxic or hazardous substance or material which, when released into the natural environment may cause harm or risk to the natural environment or to human or animal health, including without limitation, any substance considered hazardous under Environmental Laws;

- (ll) **"Indemnified Party"** has the meaning given in paragraph 8.4;
- (mm) **"Indemnifying Party"** has the meaning given in paragraph 8.4;
- (nn) **"Intellectual Property Rights"** means any patents, trade marks, service marks, industrial designs, utility models, design patents, petty patents, copyright (including copyright in computer software), database rights, circuit topography rights, mask works, inventions, trade secrets, confidential information, know-how, business or trade names (including internet domain names and e-mail address names) and all other intellectual and industrial property and rights of a similar or corresponding nature in any part of the world, including the right to apply for, and all applications for, any of the foregoing rights and the right to sue for infringements of any of the foregoing rights;
- (oo) **"Loop Shares"** means Class A common shares in the capital of the Buyer;
- (pp) **"Material Adverse Change"** means any transaction, event, condition, change, circumstance or effect that results in, or may reasonably be expected to result in, a material adverse change to the business or the financial condition, trading position, Assets, operation or prospects of either the Company or the Buyer, respectively, excluding any such change, event or effect arising out of, in connection with or resulting from: (a) general global, national or regional business, political, market, regulatory or social conditions (or changes therein), including in respect of interest or currency rates or the financial or capital markets (b) any act of terrorism, war, military action or the escalation or worsening thereof, act of God, natural disaster, similar calamity or other force majeure event, (c) any adoption, implementation, change or proposed change in Applicable Law (or interpretations thereof), (d) any change in the economic, business, financial, regulatory or legal enforcement environment generally affecting the industries or market sectors in which the Company or the Buyer respectively operates; (e) changes in applicable accounting principles or any applicable regulatory accounting rules (or the enforcement, implementation or interpretation thereof), (f) any action, omission, change, effect, circumstance or condition attributable to or contemplated by the execution, delivery or performance of this Agreement or the announcement of the transactions contemplated in this Agreement (including any adverse effect proximately caused by threatened or actual loss of, or disruption in, any supplier, vendor, or employee relationships or loss of any personnel, or by reason of the identity of the Buyer, or any communication by the Buyer regarding its plans or intentions with respect to the Company, the Assets or the business), (g) compliance with the terms of this Agreement, or (h) any action taken, or failure to take any action, or such other change or event, in each case, to which the Buyer has consented, but provided in the case of (a) through (e) such change, event, occurrence, effect, state of facts, development, condition or circumstance does not have a materially disproportionately greater impact or effect on the Company or the Buyer, as applicable, as compared to companies of a similar size in comparable industries and operating in the same jurisdiction;
- (qq) **"Material Contract"** means any contract, arrangement or obligation to which the Company is a party and which:
  - (i) involves expenditure by the Company in excess of \$10,000 per annum;
  - (ii) provides income to the Company in excess of \$10,000 per annum;
  - (iii) is of a term in excess of one year; or
  - (iv) is outside the ordinary course of business;
- (rr) **"Nextjen"** means The Gourmet Ghetto Food Ltd.;
- (ss) **"Nextjen Acquisition"** means the Company's acquisition of all the issued and outstanding shares in the capital of Nextjen in accordance with the term and conditions set out in the Nextjen SPA;
- (tt) **"Nextjen SPA"** means the share purchase agreement dated May 21, 2021 in respect of Nextjen;

- (uu) **"Person"** means an individual, legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, syndicate, joint venture, limited liability Company, association, unincorporated organization, union, Governmental Authority or other entity or organization;
- (vv) **"Privacy Laws"** has the meaning given in paragraph 4.1(z);
- (ww) **"Purchased Shares"** means all Company Shares purchased by the Buyer pursuant to this Agreement;
- (xx) **"Required Consents"** has the meaning given in paragraph 6.4;
- (yy) **"Securityholders"** means the Shareholders and the Warrantholders;
- (zz) **"Securityholders Fundamental Representations"** means the representations and warranties of the Securityholders set out in paragraphs 3.1(a) (Corporate Matters), 3.1(b) (Capacity), 3.1(c) (Title to Shares) and 3.1(d) (Title to Warrants) and 3.1(h) (Family Law Act);
- (aaa) **"Shareholders"** has the meaning given on the face page of this Agreement;
- (bbb) **"Systems"** means the computer, telecommunications and networking hardware and software and other information technology owned or used by the Company;
- (ccc) **"Taxes"** means all taxes, surtaxes, duties, levies, imposts, fees, assessments, withholdings, dues and other charges of any nature, including interest and penalties associated therewith, imposed or collected by any Governmental Authority, whether disputed or not, including Canadian federal, provincial, territorial, municipal and local, foreign and other income, franchise, capital, real property, personal property, withholding, payroll, health, transfer, goods and services, harmonized sales, value added, sales, use, consumption, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, education, business, school, local improvement, development and occupation taxes, duties, levies, imposts, fees, assessments and withholdings, dues and other charges of any nature and Canada and Quebec pension plan contributions, employment insurance premiums and all other taxes and similar governmental charges of any kind for which the Company may have any liability imposed by any Governmental Authority;
- (ddd) **"Tax Representations"** means the representations and warranties of the Company set out in paragraphs 4.1(bb) to 4.1(dd);
- (eee) **"Termination Date"** means initially November 21, 2021;
- (fff) **"Third Party Claim"** has the meaning given in paragraph 8.4;
- (ggg) **"TSX-V"** means the TSX Venture Exchange; and
- (hhh) **"Warrantholders"** means the warrantholders of the Company, as set out in Schedule B.

**1.2 Interpretation.** In this Agreement, except as otherwise expressly provided:

- (a) the headings to the parts, sections, paragraphs, and schedules of this Agreement are inserted for convenience only and shall not affect the interpretation of this Agreement;
- (b) any reference to a part, section, paragraph or schedule is to the relevant part, section, paragraph or schedule of this Agreement;
- (c) words of one gender include all genders, and words in the singular include the plural and vice versa; and



- (d) any reference to a statute includes and is a reference to such statute, and to the regulations made pursuant to it, as amended and in force from time to time, and to any statute or regulations that may be passed which have the effect of supplementing or superseding such statute or regulations.

**1.3 Schedules.** The following are the Schedules attached to and incorporated into this Agreement by reference and each of them forms part of this Agreement:

Schedule A – Shareholders/Company Shares  
Schedule B – Warrantheolders/Company Warrants  
Schedule C – Company Disclosure Schedule

## PART 2 SALE AND PURCHASE

### 2.1 Agreement to Sell and Purchase.

- (a) Each Shareholder agrees to sell free and clear of all Encumbrances, and the Buyer agrees to purchase, the number of Purchased Shares set out opposite that Shareholder's name in Schedule A on the terms and conditions contained in this Agreement.
- (b) In addition, for greater certainty, if any Securityholder may acquire any additional Company Shares (for example, from another shareholder of the Company that might not be a party to this Agreement, or with the consent of the Buyer), such additional Company Shares so acquired shall form part of the Purchased Shares and the applicable Securityholder covenants and agrees to sell to the Buyer and the Buyer covenants and agrees to purchase from such Securityholder the additional Company Shares held by such Securityholder so acquired, in addition to the Purchased Shares described in Schedule A.

**2.2 Payment of Purchase Price.** On the Closing Date, the Buyer will issue to the Shareholders an aggregate number of Consideration Shares equal to the product of the Exchange Ratio and the number of Purchased Shares. The parties acknowledge and agree that the fair market value of the Consideration Shares issued to the Shareholders in exchange for the Purchased Shares will be equal to the fair market value of the Purchased Shares surrendered in exchange therefor, and such Consideration Shares represent the sole consideration received by the Shareholders in exchange for the Purchased Shares.

**2.3 No Fractional Consideration Shares.** Notwithstanding any other provision of this Agreement, no fractional Consideration Shares will be issued in the in connection with the Acquisition. In lieu of any such fractional securities, any Securityholder entitled to receive a fractional number of Consideration Shares will have such fraction rounded down to the nearest whole number of applicable Consideration Shares.

**2.4 Convertible Securities.** Each Company Warrant shall remain outstanding in accordance with its existing terms and shall, in lieu of being exercisable for one Company Share, be exercisable for the number of Loop Shares equal to the Exchange Ratio and shall have an exercise price per Loop Share, rounded up to the nearest whole cent, equal to the quotient obtained by dividing (a) the exercise price per Company Warrant immediately prior to the Closing Date by (b) the Exchange Ratio, except that the aggregate number of Loop Shares issuable to a Warrantheolder on the exercise of Company Warrants having a common exercise date and price shall be rounded down to the nearest whole number.

**2.5 Restricted Securities.** Each Shareholder hereby acknowledges and agrees with the Buyer as follows:

- (a) the transfer of the Purchased Shares and the issuance of the Consideration Shares in exchange therefor will be made pursuant to appropriate exemptions (the "**Exemptions**") from the registration and prospectus (or equivalent) requirements of applicable securities laws;
- (b) that the CSE, in addition to any restrictions on transfer imposed by applicable securities laws, may require certain of the Consideration Shares to be held in escrow in accordance with the policies of the CSE;
- (c) as a consequence of acquiring the Consideration Shares pursuant to the Exemptions:

- (i) the Shareholder may not receive information that might otherwise be required to be provided to the Shareholder, and the Buyer is relieved from certain obligations that would otherwise apply under applicable securities laws if the Exemptions were not being relied upon by the Buyer;
- (ii) no securities regulatory authority, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Consideration Shares;
- (iii) there is no government or other insurance covering the Consideration Shares; and
- (iv) an investment in the Consideration Shares is speculative and of high risk.

**2.6 Tax Consequences.** At the request of a Shareholder, the Buyer and such Shareholder shall make a joint election under subsection 85(1) of the Act (the "**85(1) Election**") and any equivalent provision of applicable provincial tax law with respect to the sale of their Company Shares at the amount elected by each Shareholder, subject to the limitations set forth in the Act and any equivalent provisions of applicable provincial tax law. For the purposes of completing the 85(1) Election, the Buyer shall provide the Shareholders with the information relating to the Buyer that is required to be included in the 85(1) Election. In connection with the foregoing, the Buyer agrees to execute any properly completed election form submitted by a Shareholder and to forward such signed 85(1) Election by mail (within 30 days after the receipt thereof) to the Shareholder. Each Shareholder shall be solely responsible for the proper completion and filing of such 85(1) Election and for any costs and late-filing fees in respect of such 85(1) Election, unless such costs and late-filing fees result solely from the failure by the Buyer to fulfill its obligations under this section 2.6.

### **PART 3 SECURITYHOLDERS' REPRESENTATIONS AND WARRANTIES**

**3.1 Representations and Warranties.** In order to induce the Buyer to enter into and consummate this Agreement, each Securityholder, severally and not jointly with other Securityholders, represents and warrants to the Buyer that the following statements set out in this Part 3 are true and accurate.

- (a) **Corporate Matters.** If the Securityholder is not an individual, the Securityholder is duly incorporated and, with respect to the filing of corporate returns, is in good standing under the laws of its jurisdiction.
- (b) **Capacity.** The Securityholder has the right and authority to enter into this Agreement on the terms and conditions set out in it and to transfer the legal and beneficial title and ownership of the Company Shares to the Buyer. This Agreement constitutes a valid and binding obligation of each of the Securityholders. Such Securityholders has not granted any person a power of attorney.
- (c) **Title to Shares.** If the Securityholder is a Shareholder, the Securityholder is the registered and beneficial owner of that number of Company Shares set forth opposite the Securityholder's name in Schedule A (such Company Share comprising part of the Purchased Shares), free and clear of all Encumbrances. No Person other than the Buyer has, or has any right capable of becoming, any agreement, option, right or privilege for the purchase or other acquisition from such Securityholder of any of their Company Shares.
- (d) **Title to Warrants.** If the Securityholder is a Warrantholder, the Securityholder is the registered and beneficial owner of that number of Company Warrants set forth opposite the Securityholder's name in Schedule B.
- (e) **Restricted Securities.** The Securityholders have been independently advised as to the restrictions with respect to trading in the Consideration Shares imposed by applicable securities legislation, confirm that no representation has been made to them by or on behalf of the Buyer with respect thereto, acknowledges that it is aware of the characteristics of the Consideration Shares, the risks relating to holding such Consideration Shares and of the fact that it may not be able to resell the Consideration Shares except in accordance with limited exemptions under applicable securities laws and regulatory policy until expiry of the applicable restriction period and compliance with the other requirements of Applicable Law, and it agrees that any certificates representing the Consideration Shares may bear a legend indicating that the resale of such securities is restricted.

- (f) **Purchase Entirely for Own Account.** With respect to such Securityholder acquiring Consideration Shares, each of the Securityholders (a) is a sophisticated investor with knowledge and experience in financial and business matters, (b) has consulted with its professional and legal advisors and is capable of evaluating the merits and risks of its investment in Consideration Shares, (c) will be able to bear the economic risk of his investment in the Consideration Shares, and (d) acknowledges that he or it has not received a prospectus or any other information from the Buyer and that it has relied entirely on the publicly available information and documents of the Buyer and on his own investigation in making the investment decision to receive the Consideration Shares as satisfaction of consideration for sale of Company Shares.
- (g) **Advisory Fees.** There is no investment banker, broker, finder or other intermediary or advisor that has been retained by or is authorized to act on behalf of the Securityholder who might be entitled to any fee, commission or reimbursement from the Company or the Buyer.
- (h) **No Agreements.** The Securityholder is not a party to any unanimous shareholders agreement, escrow agreement, pooling agreement, voting trust, or similar arrangements or obligations in respect of the Company Shares or any other securities of the Company.
- (i) **Other Information.** The Securityholder does not have any material information or knowledge of any material facts relating to the Company, other than as set out herein, or in the Company Disclosure Schedule, which if known to the Buyer would or might reasonably be expected to deter the Buyer from completing the transactions contemplated herein and hereby, and none of the foregoing representations and warranties and no documents furnished by or on behalf of the Securityholder to the Buyer in connection herewith or hereunder, contains any untrue statement of material fact or omits to state any material fact that the party knew or ought to have known is necessary to make any such representation or warranty not misleading to a prospective purchaser of the Company Shares seeking full information as to the Company Shares, the Company, and its business and affairs.
- (j) **Family Law Act.** The spouse of each Securityholder has not in any manner whatever contributed work, money or money's worth in respect of the acquisition, management, maintenance, operation or improvement of the Company nor has the spouse of any Securityholder assumed any responsibility within the meaning of the *Family Law Act* (British Columbia), which would or could potentially give him or her an interest in any or all of the Company Shares or Company Warrants. No order has been given under the *Family Law Act* (British Columbia), which would or does affect the Company Shares, the Company Warrants or the title of any Securityholder thereto in any manner whatever nor is there any application threatened or pending under the *Family Law Act* (British Columbia) or otherwise by the spouse of any Securityholder for an order which might affect the Company Shares, Company Warrants or any Securityholders' title thereto.

**3.2 Representations at Closing.** The representations and warranties of the Securityholders in this Agreement shall continue to be true and accurate up to and including the Closing Date as if each such representation and warranty were repeated at the Closing Date with reference to the facts and circumstances then existing.

**3.3 Reliance.** Each Securityholder acknowledges that the Buyer has entered into this Agreement relying on the representations and warranties of the Securityholder under this Agreement and the rights and remedies of the Buyer with respect to any breach of such representations and warranties shall not be affected by:

- (a) any investigation or independent searches that have been or may be undertaken by or on behalf of the Buyer; or
- (b) any information which is now known, or may become known, to the Buyer or its officers, directors or professional advisers.

#### **PART 4 COMPANY'S REPRESENTATIONS AND WARRANTIES**

**4.1 Representations and Warranties.** In order to induce the Buyer to enter into and consummate this Agreement, the Company represents and warrants to the Buyer that the following statements set out in this Part 4 are true and accurate.

- (a) **Corporate Matters.** The Company is a company duly incorporated and, with respect to the filing of corporate returns, is in good standing, under the laws of British Columbia.
- (b) **Capacity.** The Company has the right and authority to enter into this Agreement on the terms and conditions set out in it and has duly passed all corporate resolutions necessary to authorize the transactions contemplated by this Agreement. This Agreement constitutes a valid and binding obligation of the Company.
- (c) **Governmental Authorization.** Except as expressly referred to in this Agreement, the execution, delivery and performance of this Agreement by the Company requires no action by, consent or approval of, or filing with, any Governmental Authority.
- (d) **Authorized and Issued Capital.** The authorized share structure of the Company is an unlimited number of common shares, of which 34,000,000 common shares are issued and outstanding.
- (e) **Insolvency or Amalgamation.** No proceedings have been taken or authorized by any Person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding-up of the Company or with respect to any amalgamation, merger, consolidation, arrangement or reorganization relating to the Company.
- (f) **Securities Legislation.** The Company is not a "reporting issuer" within the meaning of the *Securities Act* (British Columbia) and the sale of the Purchased Shares by the Securityholders to the Buyer complies with all applicable Canadian securities legislation.
- (g) **Title to Shares.** Each Securityholder is the legal and beneficial owner of the Purchased Shares set out opposite their names in Schedule A free of all Encumbrances. The Purchased Shares have been validly issued, are fully paid and represent all the issued and outstanding shares of every class of the Company.
- (h) **Competing Rights to Shares.** Except as provided in this Agreement, there are no agreements or arrangements in force which provide for the present or future issue, allotment, transfer, redemption, repayment or conversion of any shares in the capital of the Company or any other securities of the Company including, without limitation, any option or right of pre-emption or conversion.
- (i) **Financial Statements.** As of the Closing Date, the Financial Statements will have been reviewed by the Auditors and will have been prepared in accordance with GAAP, applied on a basis consistent with that of prior fiscal years. The Financial Statements will give a true and fair view of the assets, liabilities and financial position of the Company, as at the balance sheet date and the results of its operations and the changes in its financial position for the fiscal year then ending.
- (j) **Title to Assets.** Except for the Assets acquired upon completion of the Nextjen Acquisition, the Company has no material Assets or property.
- (k) **Real Property.** The Company does not own or lease any real property or any interest therein as at the Effective Date, nor is it, as at the Effective Date, under any agreement or option to own or lease any real property or any interest therein.
- (l) **Provisions and Reserves.** The Financial Statements make adequate provision or reserve for all reasonably anticipated liabilities, losses, costs and expenses of the Company (including, without limitation, Taxes) in respect of the period covered by the Financial Statements.
- (m) **Liabilities.** Except for the liabilities arising in connection with the Nextjen Transaction and to the extent expressly disclosed or reserved against in the Financial Statements or incurred since the balance sheet date in the ordinary course of business, the Company does not have any outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise). Any liabilities or obligations incurred in the ordinary course of business since the balance sheet date have not, and will not, result in a Material Adverse Change.
- (n) **Litigation.** There is no action, suit, investigation, claim or proceeding in progress or pending or, to the knowledge of the Company, threatened against or relating to the Company, or any director or

officer of the Company. So far as the Company is aware, there are no facts, matters or circumstances which could give rise to any such action, suit, investigation, claim or proceeding. There is no judgement, decree, injunction, rule or order of any court or Governmental Authority outstanding against the Company, any director or officer of the Company.

- (o) **Guarantees.** The Company has no guarantees, indemnities or contingent or indirect obligations with respect to the liabilities or obligations of any other Person.
- (p) **Material Adverse Change.** Since December 31, 2020, there has been no Material Adverse Change.
- (q) **No Unusual Transactions.** Except for the Nextjen Transaction, since December 31, 2020, the Company has not:
  - (i) waived or surrendered any right of material value;
  - (ii) entered into any Material Contract;
  - (iii) incurred, discharged, satisfied or paid any liability or indebtedness other than current liabilities in the ordinary course of business;
  - (iv) created, assumed or granted any Encumbrance over any of the Company's Assets;
  - (v) made or authorized any capital expenditures exceeding in the aggregate \$10,000;
  - (vi) made, declared or authorized any dividend or any other distribution in respect of its shares;
  - (vii) issued, purchased, sold, redeemed, subdivided or consolidated any shares in its capital or issued any warrants, bonds, debentures or other securities;
  - (viii) amended or changed or taken any action to amend or change its Articles;
  - (ix) increased the compensation payable to, or paid any pension, bonus, share of profits or other similar benefit to, any director, employee or officer or former director, employee or officer of the Company;
  - (x) made any gift of any money or any Assets to any Person;
  - (xi) made payments of any kind to or on behalf of any of the Securityholders or any Affiliate or Associate of any of them; or
  - (xii) authorized or agreed or otherwise have become committed to do anything referred to in this paragraph (q).
- (r) **Books and Records.** All material transactions of the Company have been promptly and accurately recorded in the books and records, including accounting records, of the Company. The minute books of the Company contain all records of the meetings and proceedings of shareholders and directors. The books and records, including accounting records, of the Company are up to date and fully and fairly present the financial position and the affairs of the Company in all material respects.
- (s) **Non-Contravention.** The performance of this Agreement and any closing documents required as a part of the transactions set out herein, will not:
  - (i) conflict with, or result in the breach of, or constitute a default under, any agreement, arrangement or instrument to which the Company is party or the Articles of the Company or any Encumbrance, lease, contract, order, judgment, regulation or other restriction or obligation of any kind by which the Company is bound;

- (ii) contravene or conflict with any laws or regulations binding upon or applicable to the Company;
  - (iii) result in a violation or breach of, constitute a default (or an event which, with notice of lapse of time or both, would become a default), require any consent or approval to be obtained or notice to be given under, or give rise to any third party right of termination, cancellation, suspension, acceleration, penalty or payment obligation or right to acquire under any provision of the Company's Articles or organizational documents;
  - (iv) relieve any Person from any obligation to the Company (whether contractual or otherwise) or enable any Person to terminate any such obligation or any right or benefit enjoyed by the Company or to exercise any right in respect of the Company; or
  - (v) result in the creation, imposition or enforcement of any Encumbrance on or over any of the Assets or undertaking of the Company or result in any present or future indebtedness of the Company becoming due and payable prior to its stated maturity.
- (t) **Governmental Authorization.** Except as expressly referred to in this Agreement, the execution, delivery and performance of this Agreement by the Company requires no action by, consent or approval of, or filing with, any Governmental Authority.
- (u) **Material Contracts.** Other than the Nextjen SPA, a true and complete copy of each of which has been previously supplied to the Buyer, and the Material Contracts that may be entered into in connection with the Acquisition, Nextjen Acquisition or the Concurrent Financing, the Company is not party to any Material Contract. The Nextjen SPA is valid and subsisting, in full force and effect and unamended, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act (including the purchase and sale of the Purchased Shares hereunder) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default, or give rise to a warranty claim or other obligation or liability thereunder. The Company has not violated or breached, in any material respect, any of the terms or conditions of the Nextjen SPA and all the covenants to be performed by any other party thereto have been fully and properly performed.
- (v) **Subsidiaries and investments.** The Company, as at the Closing Time, will have no subsidiaries, other than such subsidiaries formed or acquired in connection with the Acquisition and the Nextjen Acquisition.
- (w) **Insider Contracts.** The Company is not currently, nor has it been at any time during the three years prior to the date of this Agreement, party to any contract, arrangement or commitment with any Securityholder or any Affiliate or Associate of any Securityholder.
- (x) **Default.** Neither the Company nor any other Person who is party to a Material Contract is, or will with the lapse of time become, in material default under any Material Contract. The Company is not aware of any intention on the part of any Person who is party to a Material Contract to breach, terminate, alter or amend that Material Contract.
- (y) **No Breach of Laws.** The Company is not, and has not at any time been, in breach of any laws (including, without limitation, Environmental Laws and Privacy Laws), ordinances, statutes, regulations, by-laws, orders or decrees to which it is subject or which apply to it.
- (z) **Privacy Laws.** The Company, its employees, contractors and agents are in material compliance with all applicable federal and provincial privacy legislation including, without limitation, the *Personal Information Protection Act*, (British Columbia) ("**Privacy Laws**"), and with the Company's privacy policy, a copy of which has been previously provided to the Buyer.

- (aa) **Nextjen Acquisition.** The representations and warranties set forth in Section 4.1 of the Nextjen SPA are true and accurate as of the execution date of the Nextjen SPA.
- (bb) **Tax Filings and Payments.** The Company has:
  - (i) duly filed in a timely and accurate manner all returns, reports, forms or other information required to be filed with respect to any Taxes;
  - (ii) paid all Taxes for all previous years and all required instalments due for the current fiscal year; and
  - (iii) provided adequate reserves for all Taxes for the periods covered by, and such reserves are reflected in, the Financial Statements;
- (cc) **Tax Arrangements and Liabilities.** There is no agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return, or payment of any Taxes by the Company, nor is there any action, suit, litigation, arbitration, proceeding, governmental proceeding, investigation or claim, including appeals and applications for review, in progress, threatened or pending against or relating to the Company, or discussions underway with any Governmental Authority relating to, any such Taxes.
- (dd) **Sales Tax.** The Company has properly collected and remitted, self-assessed and paid when due all sales Taxes and similar Taxes or has properly received and retained any appropriate tax exemption certificates and other documentation for all sales made without charging or remitting sales or similar Taxes that qualify such sales as exempt from sales and similar Taxes.
- (ee) **Taxable Canadian Property.** At no time during the 60-month period immediately preceding the date hereof has more than 50% of the fair market value of the Company Shares been derived, directly or indirectly, from one or any combination of real or immovable property situated in Canada, Canadian resource properties, timber resource properties or options in respect of, or interests in, or for civil law rights in, any such property, whether or not the property exists (as each such term is interpreted for purposes of the definition of taxable Canadian property in the Act).

**4.2 Representations at Closing.** The representations and warranties of the Company in this Agreement shall continue to be true and accurate up to and including the Closing Date as if each such representation and warranty were repeated at the Closing Date with reference to the facts and circumstances then existing.

**4.3 Reliance.** The Company acknowledges that the Buyer has entered into this Agreement relying on the representations and warranties of the Company under this Agreement and the rights and remedies of the Buyer with respect to any breach of such representations and warranties shall not be affected by:

- (a) any investigation or independent searches that have been or may be undertaken by or on behalf of the Buyer; or
- (b) any information which is now known, or may become known, to the Buyer or its officers, directors or professional advisers.

## **PART 5 BUYER'S REPRESENTATIONS AND WARRANTIES**

**5.1 Representations and Warranties.** In order to induce the Company and the Securityholders to enter into and consummate this Agreement, the Buyer represents and warrants to each of the Company and the Securityholders that the following statements set out in this Part 5 are true and accurate.

- (a) **Corporate Matters.** The Buyer is a company duly incorporated and, with respect to the filing of corporate returns, is in good standing under the laws of British Columbia and is not required to be registered or otherwise qualified or be in good standing in any other jurisdiction.
- (b) **Capacity.** The Buyer has the right and authority to enter into this Agreement on the terms and conditions set out in it and has duly passed all corporate resolutions necessary to authorize the

transactions contemplated by this Agreement. This Agreement constitutes a valid and binding obligation of the Buyer.

- (c) **Governmental Authorization.** Except as expressly referred to in this Agreement, the execution, delivery and performance of this Agreement by the Buyer requires no action by, consent or approval of, or filing with, any Governmental Authority.
- (d) **Securities Law Matters.**
  - (i) **Consideration Shares.** The issuance of the Consideration Shares to the Securityholders contemplated by this Agreement have been duly authorized by all necessary corporate action of the Buyer and, when issued in accordance with the terms of this Agreement, such shares will be issued as fully paid and non-assessable subordinate voting shares in the capital of the Buyer and will be free and clear of all Encumbrances, subject only to any restrictions on resale as imposed by the *Securities Act* (British Columbia) and such other requirements of securities laws and regulatory authorities having jurisdiction.
  - (ii) **Listing.** The Buyer's class A common shares are listed for trading on the TSX-V. The Buyer has complied with its obligations to file and deliver any documents required under the TSX-V rules and the Buyer is not in material contravention or default of any of the TSX-V rules and no fact exists which may result in the foregoing.
  - (iii) **Reporting Issuer Status.** As of the date hereof, the Buyer is a reporting issuer not in default under the securities laws of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.
- (e) **Authorized and Issued Capital.** The authorized share structure of the Buyer is an unlimited number of class A common shares without par value, an unlimited number of class B common shares without par value, an unlimited number of class C common shares without par value and an unlimited number of preferred shares without par value, of which 3,209,468 are issued and outstanding.
- (f) **Insolvency or Amalgamation.** No proceedings have been taken or authorized by any Person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding-up of the Buyer or with respect to any amalgamation, merger, consolidation, arrangement or reorganization relating to the Buyer.
- (g) **Liabilities.** Except to the extent expressly disclosed or reserved against in the Buyer's most recent financial statements or incurred since the applicable balance sheet date in the ordinary course of the business of Buyer, the Buyer does not have any outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise). Any liabilities or obligations incurred in the ordinary course of the Buyer's business since the applicable balance sheet date have not, and will not, result in a Material Adverse Change.
- (h) **Litigation.** There is no action, suit, investigation, claim or proceeding in progress or pending or, to the knowledge of the Buyer, threatened against or relating to the Buyer, or any director or officer of the Buyer. So far as the Buyer is aware, there are no facts, matters or circumstances which could give rise to any such action, suit, investigation, claim or proceeding. There is no judgement, decree, injunction, rule or order of any court or Governmental Authority outstanding against the Buyer, any director or officer of the Buyer or any of its Assets.
- (i) **Financial Statements.** The Buyer's financial statements have been audited and have been prepared in accordance with GAAP, applied on a basis consistent with that of prior fiscal years. The Buyer's financial statements give a true and fair view of the Assets, liabilities and financial position of the Buyer, as at the applicable balance sheet date and the results of its operations and the changes in its financial position for the fiscal year then ending.
- (j) **Disclosure Documents.** All disclosure documents of the Buyer filed under applicable securities laws, including, but not limited to, financial statements, prospectuses, offering memorandums, information circulars, material change reports and shareholder communications contain no untrue



statement of a material fact as at the date thereof nor do they omit to state a material fact which, at the date thereof, was required to have been stated or was necessary to prevent a statement that was made from being false or misleading in the circumstances in which it was made.

- (k) **Non-Contravention.** The performance of this Agreement and any closing documents required as a part of the transactions set out herein, will not:
- (i) conflict with, or result in the breach of, or constitute a default under, any agreement, arrangement or instrument to which the Buyer is party or the Articles of the Buyer or any Encumbrance, lease, contract, order, judgment, regulation or other restriction or obligation of any kind by which the Buyer, or any Assets of the Buyer, is bound;
  - (ii) result in the creation, imposition or enforcement of any Encumbrance on or over any of the Buyer's shares;
  - (iii) contravene or conflict with any laws or regulations binding upon or applicable to the Buyer, its business or its shares;
  - (iv) result in a violation or breach of, constitute a default (or an event which, with notice of lapse of time or both, would become a default), require any consent or approval to be obtained or notice to be given under, or give rise to any third party right of termination, cancellation, suspension, acceleration, penalty or payment obligation or right to acquire under any provision of the Buyer's Articles or organizational documents;
  - (v) relieve any Person from any obligation to the Buyer (whether contractual or otherwise) or enable any Person to terminate any such obligation or any right or benefit enjoyed by the Buyer or to exercise any right in respect of the Buyer; or
  - (vi) result in the creation, imposition or enforcement of any Encumbrance on or over any of the Buyer's Assets or undertaking of the Buyer or result in any present or future indebtedness of the Buyer becoming due and payable prior to its stated maturity.
- (l) **No Breach of Laws.** To the knowledge of the Buyer, the Buyer is not, and has not at any time been, in breach of any laws (including, without limitation, Environmental Laws and Privacy Laws), ordinances, statutes, regulations, by-laws, orders or decrees to which it is subject or which apply to it.
- (m) **Material Adverse Change.** Since the most recent financial statements of the Buyer, as publicly available at [www.sedar.com](http://www.sedar.com), there has been no Material Adverse Change.
- (n) **Taxable Canadian Corporation.** The Buyer is a "taxable Canadian corporation" within the meaning of the Act.

**5.2 Representations at Closing.** The representations and warranties of the Buyer in this Agreement shall continue to be true and accurate up to and including the Closing Date as if each such representation and warranty were repeated at the Closing Date with reference to the facts and circumstances then existing.

## PART 6 COVENANTS

**6.1 Conduct of Business Prior to Closing.** Except as otherwise permitted by this Agreement, during the period from the date of this Agreement to the Closing Date, the Company and the Securityholders shall cause the Company and shall use Commercially Reasonable Effort to cause Nextjen to:

- (a) comply with all laws affecting the operation of the Company and Nextjen and pay all required Taxes;
- (b) pay and discharge all liabilities or obligations of the Company and Nextjen in the ordinary and usual course of business consistent with past practice, except for such liabilities or obligations as may be contested by the Company or Nextjen in good faith; and

- (c) maintain in good standing all authorizations, licences and permits required by the Company for its operations.

**6.2 Restrictions Prior to Closing.** Except as otherwise permitted by this Agreement (which includes for the purposes of this clause the completion of the transactions contemplated by this Agreement, the Concurrent Financing and the Nextjen Acquisition) or with the prior written consent of the Buyer, during the period from the date of this Agreement to the Closing Date, the Company shall not:

- (a) violate or breach, in any material respect, any of the terms or conditions of the Nextjen SPA and all the covenants to be performed by the Company shall be fully and properly performed;
- (b) incur or agree to incur any liability other than in the ordinary course of business;
- (c) enter into, amend or terminate or agree to enter into, amend or terminate any Material Contract;
- (d) create, allot, issue, purchase or redeem any of its share or loan capital or acquire any shares in any other company or agree to do so;
- (e) make, declare or pay any dividend or other distribution;
- (f) amend or change or take any action to amend or change its Articles or similar-type governance documents;
- (g) waive any breach by Nextjen of a representation, warranty, covenant or condition of the Nextjen SPA;
- (h) amend, assign or otherwise transfer the Nextjen SPA;
- (i) take any action or omit to take any action which would, or would reasonably be expected to, result in a breach of, or render untrue, any representation or warranty of the Company contained in this Agreement, if such representation or warranty were repeated at any time before Closing by reference to the facts and circumstances then existing; and
- (j) authorize, agree, or otherwise become committed to do anything referred to in this Section 6.2.

**6.3 Access to Information.** Between the date of this Agreement and the Closing Date, the Company shall give to the Buyer and its directors, officers, employees, agents and advisers reasonable access, during normal business hours, to all of the properties, employees, books, records, databases, contacts, commitments and records of the Company, and shall furnish to the Buyer any information reasonably requested by it. After the Closing Date, the Company shall provide all such information relating to the business and the affairs of the Company as the Buyer may reasonably request and, for a reasonable time following Closing, shall assist and cooperate with the Buyer in resolving any questions, enquiries or disputes with any Governmental Authority in connection with the Company.

**6.4 Licences and Consents.** The Company shall obtain, at the cost of the Company, or shall provide the Buyer with all co-operation or support reasonably required by the Buyer to allow the Buyer to obtain, at the Company's cost, at or before the Closing Date, from all appropriate Governmental Authorities and other Persons (including, without limitation, parties to any Material Contract), any licences, permits, consents, assignments, approvals, certificates, registrations and authorizations required to permit the completion of the transactions contemplated by this Agreement ("**Required Consents**").

**6.5 Notification.** The Company and the Buyer, each respectively, acknowledges and agrees to immediately notify the other in writing of any action or circumstance which may arise between the date of this Agreement and the Closing Date which results, or may result, in:

- (a) a Material Adverse Change;
- (b) a breach of any representation or warranty which pertains to such party contained in this Agreement, if such representation or warranty were repeated at any time before Closing by reference to the facts and circumstances then existing;

- (c) a breach by Nextjen of a representation, warranty, covenant or condition of the Nextjen SPA; or
- (d) any of the information provided in the schedules to this agreement becoming untrue or incorrect in any respect.

#### **6.6 Filings with Governmental Agencies.**

- (a) Each of the parties hereto shall use Commercially Reasonable Efforts to prepare and submit, and shall cooperate with each other in connection with the preparation and submission of, all applications and filings as may be or become necessary under Applicable Laws for or in connection with the consummation of the transactions contemplated in this Agreement, including any applications and filings required pursuant to policies of the CSE in connection with the Acquisition as contemplated herein.
- (b) The Buyer and the Securityholders shall provide the Buyer with such information and assistance as may be reasonably requested by the Buyer in order to prepare and file any notification or applications under Applicable Laws.
- (c) Notwithstanding any other provision of this Agreement, in the event the transactions contemplated by this Agreement are or become reviewable by a Governmental Authority, whether prior to, at the time of or at any time following Closing, the Company and the Securityholders shall provide the Buyer with such information and assistance as may be reasonably requested by the Buyer.

The provisions of this Section 6.6 survive any termination of this Agreement and the Closing of the transactions contemplated hereby.

**6.7 Confidentiality.** The Buyer shall, and shall cause its officers, directors, employees, affiliates, financial advisors and agents to treat all information received from or on behalf of the Company in connection with the transactions contemplated by this Agreement as confidential.

### **PART 7 CONDITIONS**

**7.1 Buyer's Conditions.** The obligations of the Buyer to complete the transactions contemplated by this Agreement shall be subject to the fulfilment of each of the following conditions on or before the Closing Date.

- (a) **Accuracy of Representations and Warranties.** The representations and warranties of the Company and the Securityholders set out in this Agreement shall be true and accurate as at the Closing Date with reference to the facts and circumstances then existing.
- (b) **Nextjen Acquisition and Concurrent Financing.** The Company shall have completed the Nextjen Acquisition and the Concurrent Financing on or before November 21, 2021.
- (c) **Licences and Consents.** All Required Consents shall have been obtained from the appropriate Governmental Authorities and other Persons on terms satisfactory to the Buyer, acting reasonably.
- (d) **Delisting from the TSX-V and Listing on the CSE.** The Buyer shall have received conditional approval of the TSX-V to delist its Class A common shares and from the CSE to list its Class A common shares.
- (e) **Required Approvals.** All regulatory approvals and other third-party approvals, including, without limiting the generality of the foregoing, the approval of the Acquisition by the CSE, applicable securities laws and applicable corporate laws will have been obtained for the Acquisition and all other transactions contemplated by this Agreement;
- (f) **Performance of Obligations.** The Company and the Securityholders shall have performed and complied with all obligations, covenants and agreements to be performed and complied with by each of them on or before Closing under this Agreement.

- (g) **Audited Financials.** The Buyer shall have received the financial statements of the Company and Nextjen for the 2020 year ended, which shall be true and correct in all material respects.
- (h) **Due Diligence.** The Buyer shall be satisfied with the results of its due diligence investigations relating to the Company and the Acquisition, acting reasonable.
- (i) **Material Adverse Change.** There shall have been no Material Adverse Change between the date of this Agreement and the Closing Date.
- (j) **Closing Documentation.** All documents listed in paragraph 10.2 shall have been received by the Buyer.

**7.2 Waiver/Termination.** The conditions contained in paragraph 7.1 are for the exclusive benefit of the Buyer and may be waived by it in whole or in part at any time. If any of the conditions in paragraph 7.1 are not fulfilled or waived on or before the Termination Date, the Buyer may give notice to terminate this Agreement in accordance with paragraph 11.3.

**7.3 Company and Securityholders' Conditions.** The obligations of the Company and the Securityholders to complete the transactions contemplated by this Agreement shall be subject to the fulfilment of each of the following conditions on or before the Closing Date.

- (a) **Accuracy of Representations and Warranties.** The representations and warranties of the Buyer set out in this Agreement shall be true and accurate as at the Closing Date with reference to the facts and circumstances then existing.
- (b) **Required Approvals.** All required approvals (including director and shareholder approvals), consents, authorizations and waivers relating to the consummation of the transactions hereby contemplated shall have been obtained from all relevant Governmental Bodies, the TSX-V and the CSE.
- (c) **Financial Statements.** The financial statements of the Buyer, as publicly available at [www.sedar.com](http://www.sedar.com), shall be true and correct in all material respects.
- (d) **Due Diligence.** The Securityholders and the Company shall be satisfied with the results of its due diligence investigations relating to the Buyer and the Acquisition, acting reasonable.
- (e) **Material Adverse Change.** There shall have been no Material Adverse Change with respect to the Buyer between the date of this Agreement and the Closing Date.
- (f) **No Actions Taken Restricting Sale.** No action or proceeding in Canada, by law or in equity, shall be pending or threatened by any person, firm, corporation, government, Governmental Authority, regulatory body or agency to enjoin, restrict or prohibit the purchase and sale of the Consideration Shares contemplated under this Agreement.
- (g) **Closing Documentation.** All documents listed in paragraph 10.3 shall have been received by the Company and the Securityholders, as applicable.

**7.4 Waiver/Termination.** The conditions contained in paragraph 7.3 are for the exclusive benefit of the Company and the Securityholders and may be waived by it in whole or in part at any time. If any of the conditions in paragraph 7.3 are not fulfilled or waived on or before the Termination Date through no fault, action or inaction by the Company or the Securityholders, the Company may give notice to terminate this Agreement in accordance with paragraph 11.311.1(c).

## **PART 8 SURVIVAL AND INDEMNITY**

**8.1 Survival of Representations and Warranties.** The representations and warranties of the Buyer, the Company and the Securityholders, respectively, in this Agreement shall survive Closing and shall continue in full force and effect for a period of twelve (12) months from the Closing Date except that:

- (a) all representations and warranties will remain in full force and effect indefinitely with respect to any inaccuracies or breaches thereof as a result of fraud or fraudulent misrepresentation on the part of any one or more of the Securityholders, the Company or the Buyer, as applicable;
- (b) the Tax Representations shall remain in full force and effect until 90 days after the expiry of the final right of reassessment or claim by the appropriate taxing authority with respect to the Tax Representations; and
- (c) Securityholders Fundamental Representations, Company Fundamental Representations and Buyer Fundamental Representations will remain in force and effect indefinitely.

**8.2 Indemnification of Buyer.** Each of the Securityholders, severally, and the Company covenants and agrees to indemnify and hold harmless the Buyer and its Affiliates or Associates from and against any losses, costs, damages, liabilities and fees (including, without limitation, reasonable legal fees) suffered or incurred as a result of, or arising out of:

- (a) any assessment or reassessment for Taxes for any period up to and including the Closing Date for which no adequate reserve has been provided for and disclosed in the Financial Statements;
- (b) any breach of Securityholders Fundamental Representations, Company Fundamental Representations or Tax Representations, or the same being untrue or inaccurate;
- (c) to the extent not arising under Section 8.2(a) or Section 8.2(b), any of the representations or warranties of the Company and the Securityholders in this Agreement (other than Securityholders Fundamental Representations, Company Fundamental Representations or Tax Representations) being untrue or inaccurate; or
- (d) a breach of any covenant, term or agreement made in this Agreement by any of the Securityholders and the Company.

**8.3 Indemnification of Company and Securityholders.** The Buyer covenants and agrees to indemnify and hold harmless the Securityholders and the Company from and against any losses, costs, damages, liabilities and fees (including, without limitation, reasonable legal fees) suffered or incurred as a result of, or arising out of:

- (a) any assessment or reassessment for Taxes for any period up to and including the Closing Date for which no adequate reserve has been provided for and disclosed in the Buyer's financial statements;
- (b) any breach of Buyer Fundamental Representations, or the same being untrue or inaccurate;
- (c) to the extent not arising under Section 8.3(a) or Section 8.3(b), any of the representations or warranties of the Buyer in this Agreement (other than Buyer Fundamental Representations) being untrue or inaccurate; or
- (d) a breach of any covenant, term or agreement made in this Agreement by the Buyer.

**8.4 Notice of Claim.** A party 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 Sections 8.2 and 8.3 (a "**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.

**8.5 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.
- (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.

## PART 9 LIMITATIONS

**9.1 Company and Securityholders' Limitation on Damages.** The Company and the Securityholders shall have no obligation to make any payment for damages for a breach of a representation or warranty pursuant to Section 8.2(c) until the total of all damages arising from such indemnification obligation exceeds \$50,000 (the "**Deductible**"). Once the total of all damages arising pursuant to Section 8.2(c) exceeds the Deductible, the Company and the Securityholders shall be fully liable for damages, above such threshold amount, up to an aggregate maximum amount equal to \$1,500,000. The limitations contained in this Section 9.1 shall not apply in the case of a breach of the Tax Representations, a breach of Securityholder Fundamental Representations, a breach of Company Fundamental Representation or any claim involving fraud, fraudulent misrepresentation, fraudulent or willful misconduct, or intentional breach, each of which shall be limited to and capped at the value of the Consideration Shares issuable hereunder. The amount of the damages suffered by Buyer shall be determined net of any amounts actually recovered by Buyer under insurance policies, indemnities, reimbursement arrangements or similar agreements (in each case, net of costs or expenses) with respect to such damages.

**9.2 Buyer's Limitation on Damages.** Buyer shall have no obligation to make any payment for damages for a breach of a representation or warranty pursuant to Section 8.3(c) until the total of all damages arising from such indemnification obligation exceeds the Deductible. Once the total of all damages arising pursuant to Section 8.3(c) exceeds the Deductible, Buyer shall be fully liable for damages, above such threshold amount, up to an aggregate maximum amount equal to \$500,000. The limitations contained in this Section 9.1 shall not apply in the case of a breach of Buyers Fundamental Representations or any claim involving fraud, fraudulent misrepresentation, fraudulent or willful misconduct, or intentional breach, each of which shall be limited to and capped at the value of the Consideration Shares issuable hereunder. The amount of the damages suffered by the Company or the Securityholder shall be determined net of any amounts actually recovered by the Company or the Securityholder under insurance policies, indemnities, reimbursement arrangements or similar agreements (in each case, net of costs or expenses) with respect to such damages.

**9.3 Mitigation.** Nothing in this Agreement in any way restricts or limits a party's general obligation under Applicable Law to mitigate any damages which it may suffer or incur by reason of breach by the other party of any of its respective representations, warranties, covenants or obligations hereunder.

**9.4 No Double Recovery.** No party shall be entitled to recover from the other under this Part 9 more than once in respect of the same damages (notwithstanding that such damages may result from breaches of multiple provisions of this Agreement).

**9.5 Exclusive Remedies.** Except as otherwise expressly provided in this Agreement, the rights, remedies, powers and privileges herein provided to a party are the sole and exclusive rights, remedies, powers and privileges

available to that party in connection with this Agreement and the matters and disputes arising out of this Agreement. Each party hereby waives, to the fullest extent permitted by Applicable Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective representatives arising under or based upon Applicable Law, except pursuant to the provisions set forth in this Agreement.

## **PART 10 CLOSING**

**10.1 Closing.** The transactions contemplated by this Agreement shall be closed (the "**Closing**") by electronic (i.e., email/PDF) delivery as promptly as practicable (with original share certificates to follow by courier) at 2:00 p.m. (the "**Closing Time**") (Vancouver Time) on Date or on such other date or at such other place as may be mutually agreed upon in writing by the parties (the "**Closing Date**").

**10.2 Delivery by Company and Securityholders.** On the Closing Date the Company and the Securityholders shall deliver, or cause to be delivered, the following documents to the Buyer:

- (a) share certificates representing the Purchased Shares in the names of the respective Securityholders, duly endorsed for transfer to the Buyer;
- (b) new share certificate(s) representing the Purchased Shares in the name of the Buyer;
- (c) a certified copy of the central securities register of the Company evidencing the Buyer as the sole registered owner of the Purchased Shares;
- (d) a certified copy of resolutions of the directors of the Company approving and authorizing the transfer of the Purchased Shares from the Securityholders to the Buyer, the registration of the Purchased Shares in the name of the Buyer and the issue of the share certificate(s) referred to in paragraph 10.2(b);
- (e) the minute books and all other books and records of the Company, including any User IDs and passwords required for BC Online associated with the Company;
- (f) the corporate seal of the Company, if any;
- (g) a certificate of an officer of the Company attaching:
  - (i) a true and complete copy of the constating documents of the Company (and all amendments thereto as in effect on such date);
  - (ii) an incumbency certificate in respect of the Company; and
  - (iii) a certificate of good standing of the Company issued by the Governmental Authority of the jurisdiction of incorporation, dated not more than two Business Days prior to the Closing Date;
- (h) a certificate executed by an officer of the Company certifying that:
  - (i) the representations and warranties of the Company set out in this Agreement are true and accurate as at the Closing Date with reference to the facts and circumstances then existing;
  - (ii) all of the Company's covenants have been performed; and
  - (iii) all of the conditions for the benefit of the Company have been complied with or waived;
- (i) executed copies of all consents or approvals Required Consents and any additional consents, filings or approvals from Health Canada; and

- (j) all such other documents, instruments, records, conveyances, assignments, assurances, consents and certificates which, in the opinion of the Buyer acting reasonably, are necessary to effect and evidence the transfer of the Purchased Shares to the Buyer free and clear of all Encumbrances or as required as a result of ongoing diligence

**10.3 Delivery by Buyer.** On the Closing Date, the Buyer shall:

- (a) issue the Consideration Shares as set out in Section 2.2 (Payment of Purchase Price),  
and, deliver, or cause to be delivered, the following documents to the Company:
  - (b) a certified copy of resolutions of the directors of the Buyer approving and authorizing the issuance of the Consideration Shares to the Company;
  - (c) evidence that all required approvals have been obtained for the Acquisition, including shareholder approval and approval of the listing of the Consideration Shares;
  - (d) a certificate executed by an officer of the Buyer certifying that:
    - (i) the representations and warranties of the Buyer set out in this Agreement are true and accurate as at the Closing Date with reference to the facts and circumstances then existing;
    - (ii) all of the Buyer's covenants have been performed; and
    - (iii) all of the conditions for the benefit of the Buyer have been complied with or waived;
  - (e) a certificate of an officer of the Buyer attaching:
    - (i) a true and complete copy of the constating documents of the Company (and all amendments thereto as in effect on such date);
    - (ii) an incumbency certificate in respect of the Buyer; and
    - (iii) a certificate of good standing of the Buyer issued by the Governmental Authority of the jurisdiction of incorporation, dated not more than two Business Days prior to the Closing

**PART 11  
TERMINATION**

**11.1 Termination.** This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing Date:

- (a) the Acquisition is rejected by the CSE and all recourse and rights of appeal in respect of such rejection have been exhausted;
- (b) by mutual written consent of the Company and the Buyer;
- (c) by either the Company or the Buyer if the Closing has not been consummated by 5:00 p.m. Pacific Time on the Termination Date; provided, however, that the right to terminate this Agreement under this subsection (c) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing Date to occur on or before the Termination Date;
- (d) by the Company, in the event of a material breach by the Buyer of any representation, warranty or agreement contained herein that results in any condition to the obligations of the Company or the Securityholders to close as set forth in paragraph 7.3 becoming no longer capable of being satisfied; or



- (e) by the Buyer, in the event of a material breach by any Securityholder or the Company of any representation, warranty or agreement contained herein that results in any condition to the obligations of the Buyer to close as set forth in paragraph 7.1 becoming no longer capable of being satisfied.

**11.2 Survival.** If this Agreement is terminated prior to Closing and the transactions contemplated hereby are not consummated as described above, this Agreement shall become void and of no further force and effect, except for the provisions of this Part 11, paragraph 6.7; and Part 12, which shall survive such termination, and provided that nothing herein shall relieve any party from liability for its willful breach of this Agreement.

**11.3 Notice of Termination.** Any party desiring to terminate this Agreement pursuant to paragraph 11.1 shall give written notice of such termination to the other parties to this Agreement.

## **PART 12 GENERAL**

**12.1 Public Announcements.** On or before the Closing Date, none of the parties to this Agreement shall make or authorize any public announcement regarding the transactions contemplated by this Agreement without the prior written consent of the other parties (such consent not to be unreasonably withheld), other than as required by applicable securities laws and exchange rules.

**12.2 Notices.** Any notice or communication required or permitted to be given under this Agreement shall be in writing and shall be considered to have been sufficiently given if delivered by hand, transmitted by electronic transmission or mailed by prepaid registered post in Canada to the address or electronic transmission number of each party set out below:

if to the Buyer:

Loopshare Ltd.  
131 Water Street, Suite 106  
Vancouver, BC V6B 4M3  
Attention: Matthew Clayton  
Email: mclayton@loopshareltd.com

if to the Company or the Securityholders:

VGAN Brands Inc.  
1088 - 999 West Hastings Street  
Vancouver, BC, V6C 2W2  
Attention: Denis Silva  
Email: denis.silva@dlapiper.com

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

DLA Piper (Canada) LLP  
2800 - 666 Burrard Street  
Vancouver, British Columbia V6C 2Z7  
Attention: Denis Silva  
Email: denis.silva@dlapiper.com

or to such other address or email address as any party may, from time to time, designate in the manner set out above. Any such notice or communication shall be considered to have been received:

- (a) if delivered by hand during business hours on a Business Day, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of business hours on the next Business Day;
- (b) if sent by electronic transmission during business hours on a Business Day, upon the sender receiving confirmation of the transmission, and if not transmitted during business hours, upon the

commencement of business hours on the next Business Day following confirmation of the transmission; and

- (c) if mailed by prepaid registered post in Canada, upon the fifth Business Day following posting; except that, in the case of a disruption or an impending or threatened disruption in postal services every notice or communication shall be delivered by hand or sent by electronic transmission.

**12.3 Payments.** The Securityholders agree that any sums due to all or any of the Securityholders under this Agreement may be paid by the Buyer to DLA Piper (Canada) LLP whose receipt shall constitute a full discharge of the Buyer's obligation to make such payment and the Buyer shall not be concerned with the application of any such sums between all or any of the Securityholders.

**12.4 Time of Essence.** Time shall be of the essence of this Agreement.

**12.5 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of British Columbia and applicable Canadian law and shall be treated in all respects as a British Columbia contract.

**12.6 Submission to Jurisdiction.** Each of the parties shall submit to the jurisdiction of the courts of British Columbia, and, if any appointed agent is required, notify the others in writing of the name and address of its appointed agent.

**12.7 Entire Agreement.** This Agreement and the documents and instruments to be executed and delivered under it constitute the entire agreement between the parties and supersedes any previous agreement or arrangement, oral or written, between the parties. This Agreement and the documents and instruments to be executed and delivered under it, contain all the covenants, representations, and warranties of the respective parties. There are no oral representations or warranties between the parties of any kind. This Agreement may not be amended or modified in any respect except by written instrument signed by each of the parties.

**12.8 Severability.** If any provision of this Agreement is or becomes illegal, invalid or unenforceable under the laws of any jurisdiction, that shall not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

**12.9 Currency.** All transactions referred to in this Agreement shall be made in lawful currency of Canada in immediately available funds. Any reference to cash in this Agreement includes a reference to cash, certified cheque, bankers draft, wire or electronic transfer.

**12.10 Accounting Principles.** All calculations made or referred to in this Agreement shall be made in accordance with GAAP. Unless the context otherwise requires, all accounting terms used in this Agreement which are not defined in this Agreement shall have the meaning assigned to them in accordance with GAAP.

**12.11 Enurement.** This Agreement shall enure to the benefit of and shall be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

**12.12 Further Assurances.** At any time after Closing, each of the parties shall execute and deliver all such documents and instruments and do all such acts as any other party may reasonably require in order to give full effect to the intent and meaning of this Agreement and the transactions contemplated by it and to give the Buyer the full benefit of the Agreement and the transactions contemplated by it.

**12.13 Costs and Expenses.** Except as specifically provided otherwise in this Agreement, each party shall be responsible for its own legal fees and other costs and expenses incurred in connection with the purchase and sale of the Purchased Shares, all negotiations between the parties and the consummation of the transactions contemplated by this Agreement.

**12.14 Arbitration.** All disputes arising out of or in connection with this Agreement shall be referred to and finally resolved by a single arbitrator (the "Arbitrator") pursuant to the *Commercial Arbitration Act*, R.S.B.C. 1996, c.55. The decision of the Arbitrator on all issues or matters submitted to the Arbitrator for resolution shall be conclusive, final

and binding on all of the parties. The Arbitrator shall determine who shall bear the costs of arbitration pursuant to this paragraph 12.14.

**12.15 Counterparts.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts (which may be facsimile copies) but shall not take effect until each party has executed at least one counterpart. Each counterpart shall constitute an original but all the counterparts together shall constitute a single agreement. **TO EVIDENCE THEIR AGREEMENT** each of the parties has executed this Agreement as of the date appearing below.

*[The remainder of this page remains intentionally blank]*

**IN WITNESS WHEREOF** this Agreement has been executed by the parties hereto as of the Effective Date.

(signed) "Matthew Clayton"  
**LOOPSHARE LTD.**  
Per: Matthew Clayton

**IN WITNESS WHEREOF** this Agreement has been executed by the parties hereto as of the Effective Date.

(signed) "Denis Silva"  
**VGAN BRANDS INC.**  
Per: Denis Silva

**Schedule A**  
**SHAREHOLDERS/COMPANY SHARES**

[REDACTED: Personal information regarding shareholders]

**Schedule B**  
**WARRANTHOLDERS/COMPANY WARRANTS**

**[REDACTED: Personal information regarding shareholders]**

**Schedule C**  
**COMPANY DISCLOSURE SCHEDULE**

Nil.