

SHARE PURCHASE AGREEMENT

among

BETTERLIFE PHARMA INC.

and

RICHARD AZANI

and

BIOV PHARMA INC.

dated as of

September 29, 2020

SHARE PURCHASE AGREEMENT

This Share Purchase Agreement (this "**Agreement**"), dated as of September 29, 2020, is entered into between BETTERLIFE PHARMA INC., a British Columbia corporation ("**Vendor**"), RICHARD AZANI, a businessperson with an address at 285 Kesmark street, City of Dollard-des-Ormaux, judicial district of Montreal, Province of Quebec, H9B 3J1 ("**Purchaser**") and BIO V PHARMA INC., a Canadian corporation ("**Guarantor**").

RECITALS

WHEREAS, Vendor owns all of the issued and outstanding shares (the "**Shares**") in the capital of PIVOT PHARMACEUTICALS MANUFACTURING CORP., a Canada corporation (the "**Corporation**");

WHEREAS, Vendor wishes to sell to Purchaser, and Purchaser wishes to purchase from Vendor, the Shares, subject to the terms and conditions set forth herein;

WHEREAS, Guarantor has agreed to indemnify and guarantee saving Vendor harmless from any and all claims suffered by Vendor in connection with the Lease or the Application (as such terms are herein defined);

WHEREAS the parties have signed a binding letter agreement dated September 4th, 2020; and

WHEREAS this Agreement replaces and supercedes the binding letter agreement dated September 4th, 2020;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 The following terms have the meanings specified or referred to in this Article:

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" has the meaning set forth in the preamble.

"**Application**" has the meaning set forth in Section 2.02(f).



"Articles" means the original or restated articles of incorporation, articles of amendment, articles of continuance, articles of amalgamation, articles of arrangement, articles of reorganization, articles of dissolution, articles of revival, articles of constitution, letters patent, supplemental letters patent, a special act, memorandum and articles of association or any other instrument by which a corporation is incorporated.

"Assets" means the assets of the Corporation set out in the Disclosure Schedule.

"Books and Records" means: (a) all of the Corporation's books of account, accounting records and other financial data and information, including copies of filed Tax Returns and Tax Assessments for each of the financial years of the Corporation commencing after the Tax year ended one year before the date of this Agreement excluding the Tax Assessment for the most recently completed financial period; and (b) the corporate records of the Corporation.

"Business Day" means any day except Saturday, Sunday or any other day on which banks located in Quebec, Canada are authorized or required by Law to be closed for business.

"Closing" has the meaning set forth in Section 2.04.

"Closing Date" has the meaning set forth in Section 2.04.

"Closing Time" means 11:00 a.m. (Montreal time) on the Closing Date or such other time on the Closing Date as the parties agree in writing that the Closing shall take place.

"Collective Agreement" means any collective agreement, letter of understanding, letter of intent or other written communication or Contract with any trade union, association that may qualify as a trade union, council of trade unions, employee bargaining agent or affiliated bargaining agent, which would cover any employees.

"Contracts" means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

"Corporate IP" has the meaning set forth in Section 3.11(b).

"Corporation" has the meaning set forth in the recitals.

"Direct Claim" has the meaning set forth in Section 7.05(c).

"Disclosure Schedule" means the Disclosure Schedule delivered by Vendor concurrently with the execution and delivery of this Agreement.

"Disposal" means any disposal by any means, including dumping, incineration, spraying, pumping, injecting, depositing or burying.

"Dispute" has the meaning set forth in Section 9.14.

"**Dollars**" or "\$" means the lawful currency of Canada.

"**Encumbrance**" means any lien, pledge, mortgage, hypothec, deed of trust, security interest, charge, claim, adverse claim, easement, right of way, encroachment or other similar encumbrance.

"**Environment**" means the air, surface water, ground water, body of water, any land (including surface land and sub-surface strata), soil or underground space, all living organisms and the interacting natural systems that include components of the air, land, water, and inorganic matters and living organisms, and the environment or natural environment as defined in any Environmental Law, and "**Environmental**" shall have a corresponding meaning.

"**Environmental Law**" means any all Laws relating to the protection of the Environment including those relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, Release or Disposal of any Hazardous Substance.

"**Environmental Notice**" means any written directive, investigation, proceeding, letter or other written communication from any Governmental Authority relating to non-compliance or potential non-compliance with, or breach of or potential breach of, any Environmental Law or Environmental Permit.

"**Environmental Permit**" means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made by any Government under any Environmental Law.

"**Governmental Authority**" means: (a) any court, tribunal, judicial body or arbitral body or arbitrator; (b) any domestic or foreign government or supranational body or authority whether multinational, national, federal, provincial, territorial, state, municipal or local and any governmental agency, governmental authority, governmental body, governmental bureau, governmental department, governmental tribunal or governmental commission of any kind whatsoever; (c) any subdivision or authority of any of the foregoing; and (d) any quasi-governmental or private body or public body exercising any regulatory, administrative, expropriation or taxing authority under or for the account of the foregoing.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, award, decision, sanction or ruling entered by or with any Governmental Authority.

"**Guarantor**" has the meaning set forth in the recitals.

"**Hazardous Substance**" means, collectively, petroleum, any petroleum product, any radioactive material (including radon gas), explosive or flammable materials, asbestos in any form, urea-formaldehyde foam insulation, and polychlorinated biphenyls, any pollutant, contaminant, waste, hazardous substance, hazardous material, hazardous waste, toxic substance, dangerous substance, dangerous good, restricted hazardous

waste, toxic substance or a source of contamination, as defined or identified in any Environmental Law.

"**HST/GST/QST**" means all taxes levied under Part IX of the *Excise Tax Act* (Canada).

"**Indemnified Party**" has the meaning set forth in Section 7.04.

"**Indemnifying Party**" has the meaning set forth in Section 7.04.

"**Insurance Policies**" has the meaning set forth in Section 3.12.

"**Intellectual Property**" means any and all of the following in any jurisdiction throughout the world: (i) trademarks, including all applications and registrations and the goodwill connected with the use of and symbolized by the foregoing; (ii) copyrights, including all applications and registrations related to the foregoing; (iii) patents and patent applications; (iv) internet domain name registrations; (v) trade secrets and confidential know-how; and (vi) other intellectual property and related proprietary rights, interests and protections.

"**Knowledge of Vendor**" or "**Vendor's Knowledge**" or any other similar knowledge qualification, means the actual knowledge of the Persons making the statement.

"**Law**" or "**Laws**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Lease**" has the meaning set forth in Section 2.02(a)

"**Losses**" means actual out-of-pocket losses, damages, liabilities, costs or expenses, including reasonable legal fees.

"**Material Adverse Effect**" means any event, occurrence, fact, condition or change that is, in the aggregate, materially adverse to (a) the business, results of operations, financial condition or assets of the Corporation, or (b) the ability of Vendor to consummate the transactions contemplated hereby; *provided that* "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Corporation operates; (iii) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Purchaser; (vi) any matter of which Purchaser is aware on the date hereof; (vii) any changes in applicable Laws or accounting rules; (viii) the announcement, pendency or completion of the transactions contemplated by this Agreement, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with the Corporation; (ix) any natural or man-

made disaster or acts of God; or (x) any failure by the Corporation to meet **any** internal or published projections, forecasts or revenue or earnings predictions, *provided that* the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded.

"**Material Contracts**" has the meaning set forth in Section 3.09(a).

"**Olymbec**" has the meaning set forth in the preamble.

"**Ordinary Course**", when used in relation to the conduct of the Corporation's business, means any transaction that constitutes an ordinary day-to-day business activity of the Corporation conducted in a manner consistent with the Corporation's past practice.

"**Outside Date**" means October 30, 2020.

"**Permits**" means all permits, licenses, franchises, approvals, authorizations and consents required to be obtained from Governmental Authorities.

"**Permitted Encumbrances**" means: (a) statutory Encumbrances for current Taxes, special assessments or other governmental charges not yet due and payable or delinquent or, if overdue, are being contested diligently and in good faith by appropriate proceedings and for which adequate reserves are being maintained; (b) statutory liens and deposits or pledges made in connection with, or to secure payment of, worker's compensation, employment insurance, Canada Pension Plan and Québec Pension Plan programs mandated under Law; (c) restrictions on the transfer of securities arising under Law or under the Articles; (d) the rights of counterparties under the Contracts; (e) undetermined or inchoate Encumbrances imposed or permitted by laws and incurred in the Ordinary Course and in the operation of the Real Property, such as builder's liens, construction liens, materialmen's liens and other liens, privileges or other charges of a similar nature that relate to obligations not due (or delinquent or, if due and delinquent, are being contested diligently and in good faith by appropriate proceedings and for which adequate reserves are being maintained; (f) any reservations or exceptions contained in or implied by statute in the original dispositions from the Crown and grants made by the Crown of any land or interest reserved therein that do not have a Material Adverse Effect on the value of the Real Property or the use of the Real Property or the operation of the Corporation's business as currently carried on at such Real Property; (g) security given in the Ordinary Course to a public utility or any municipality or governmental or public authority in connection with the operation of the Corporation's business or the Real Property; (h) all encroachments, overlaps, overhangs, unrecorded servitudes and easements, variations in area or measurement, rights of parties in possession, lack of access or any other matters not of record that would be disclosed by an accurate survey or physical inspection of the Real Property and that do not materially interfere with or affect the value or operation of the Corporation's business as currently carried on at such Real Property; (i) all permits, servitudes and easements (including conservation easements and public trust easements, rights-of-way, road use agreements, covenants, conditions, restrictions, reservations, licences, other surface agreements and other matters of record) and zoning by-laws and restrictions,

ordinances and other restrictions as to the use of real property; *provided that* they are not of such a nature as to have a Material Adverse Effect on the value or use of the Real Property subject thereto or the operation of the Corporation's business as currently carried on at such Real Property; (j) other Encumbrances that have not had, and the existence of which would not have, a Material Adverse Effect on the operation of the Corporation's business as currently carried on; and (k) Encumbrances listed in the Disclosure Schedule.

"**Person**" means an individual, corporation, company, limited liability company, body corporate, partnership, joint venture, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Personal Information**" means any factual or subjective information, recorded or not, about an employee, contractor, agent, consultant, officer, director, executive, client, customer, supplier or natural person who is shareholder of the Vendor, or about any other identifiable individual, including any record that can be manipulated, linked or matched by a reasonably foreseeable method to identify an individual, but does not include the name, title, business address or telephone number of an employee of the Corporation.

"**Purchase Price**" has the meaning set forth in Section 2.02.

"**Purchaser**" has the meaning set forth in the preamble.

"**Real Property**" means the real property owned, leased or subleased by the Corporation, together with all buildings, structures and facilities located thereon.

"**Release**" means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate of any Hazardous Substance into or through the Environment or as defined in any Environmental Law.

"**Representative**" means, with respect to any Person, any, and all, directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Rules**" has the meaning set forth in Section 9.14.

"**Shares**" has the meaning set forth in the recitals.

"**Sub-Lease**" has the meaning set forth in Section 2.02(e).

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax**" or "**Taxes**" means all taxes, surtaxes, duties, levies, imposts, fees, assessments, reassessments, withholdings, dues and other charges of any nature, imposed or collected by any Governmental Authority, whether disputed or not, including federal, provincial, territorial, state, municipal and local, foreign and other income, franchise,

capital, real property, personal property, withholding, payroll, health, transfer, value added, alternative, or add on minimum tax including HST/GST/QST, 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 and Canada Pension Plan and Québec Pension plan contributions, employment insurance premiums and all other taxes and similar governmental charges, levies or assessments of any kind whatsoever imposed by any Governmental Authority including any instalment payments, interest, penalties or other additions associated therewith, whether or not disputed.

"**Tax Period**" means any period prescribed by any Governmental Authority for which a Tax Return is required to be filed or Tax is required to be paid.

"**Tax Return**" means all reports, returns, information returns, claims for refunds, elections, designations, estimates, reports and other documents, including any schedule or attachments thereto, required to be filed with any Governmental Authority in respect of Taxes and including any amendment thereof.

"**Third-Party Claim**" has the meaning set forth in Section 7.05(a).

"**Vendor**" has the meaning set forth in the preamble.

ARTICLE II PURCHASE AND SALE

Section 2.01 Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing, Vendor shall sell to Purchaser, and Purchaser shall purchase from Vendor, the Shares for the consideration specified in Section 2.02.

Section 2.02 Purchase Price. The aggregate purchase price for the Shares shall be as follows:

- (a) the Purchaser will have settled the Corporation's and the Vendor's outstanding obligation with Olymbec, the landlord of the premises currently leased by Pivot for the space known as 275-295 Kesmark which space bears civic number 285-295 Kesmark Street, Dollards-des-Ormeaux, Quebec, H9B 3J1 (the "**Lease**"), by satisfying the judgment rendered on August 31st, 2020 by the Honourable Chantal Masse, JSC and by paying all unpaid arrears owing under the Lease, except any administrative fees or legal fees sought by Olymbec under Section 16(1) and (2) of the Lease;
- (b) Any and all amounts that the Corporation or the Vendor may owe Guarantor (including, but not limited to, those related to the manufacture of hand sanitizer), are to be cancelled by Guarantor;

- (c) Guarantor will release packaging belonging to the Vendor to be picked up by Vendor;
- (d) The Purchaser will assume responsibility for the Lease as of September 1, 2020. For greater certainty, the Purchaser shall be responsible for all payments relating to the Lease whether accrued or not and including, but not limited to, the Purchaser assuming certain outstanding obligations related to Quebec Hydro in the amount of \$10,000.00. The Vendor shall pay the remaining balance. The Purchaser will open new accounts with Quebec Hydro and Energir effective September 1, 2020 and the Vendor will close their accounts with same effective September 1, 2020. Except as set in the present Section, the Vendor will have no further obligations with respect to the Lease as of August 31, 2020;
- (e) the Corporation will cancel obligations of the Guarantor owed to the Corporation by the Guarantor pursuant to a Sublease Agreement dated October 31, 2019 between the Guarantor and the Corporation ("**Sub-lease**");
- (f) the Vendor will have no further obligations with respect to the Health Canada Licence Application (the "**Application**") except that: (i) the Vendor will introduce the Purchaser to Deloitte CCI, the current consultants of the Corporation assisting with the Application, so that the Purchaser and the Corporation can continue the Application process; and (ii) an authorized representative of the Vendor will assist the Purchaser and Deloitte CCI in the Application process by signing all required documents by Health Canada. All future costs of the Application will be the responsibility of the Purchaser; and
- (g) Guarantor will immediately discontinue its lawsuit filed in the Province of Quebec under number 500-17-111347-202.

(collectively, the "**Purchase Price**").

Section 2.03 Transactions to Be Effected at the Closing

- (a) At the Closing, Purchaser shall:
 - (i) provide evidence satisfactory to the Vendor that all of the actions to be undertaken by the Purchaser under the terms hereof on or before Closing have occurred; and
 - (ii) all other agreements, documents, instruments or certificates required to be delivered by Purchaser at or before the Closing under Section 6.03.

- (b) At the Closing, Vendor shall deliver to Purchaser:
 - (i) share certificates evidencing the Shares, free and clear of all Encumbrances, duly endorsed in blank or accompanied by forms of share transfers or other instruments of transfer duly executed in blank; and
 - (ii) all other agreements, documents, instruments or certificates required to be delivered by Vendor at or before the Closing under Section 6.02.

Section 2.04 Closing. Subject to the terms and conditions of this Agreement, the purchase and sale of the Shares contemplated hereby shall take place at a closing (the "Closing") to be held at 11:00 a.m., Montreal time, no later than two Business Days after the last of the conditions to Closing set forth in ARTICLE VI have been satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), at the offices of ARRUDA TEIXEIRA INC. in Montreal, Québec, Canada, or at such other time or on such other date or at such other place as Vendor and Purchaser may mutually agree upon in writing (the day on which the Closing takes place being the "Closing Date").

ARTICLE III REPRESENTATIONS AND WARRANTIES OF VENDOR

Except as set forth in the Disclosure Schedule, Vendor represents and warrants to Purchaser that the statements contained in this ARTICLE III are true and correct as of the date hereof.

Section 3.01 Corporate Status and Authorization of Vendor. Vendor is a validly subsisting corporation under the laws of the Province of British Columbia and has the corporate power and authority, and holds all material licenses and permits required for Vendor, to own or lease its property and assets to carry on its business to carry on its business as now conducted by it.

Section 3.02 Corporate Power. Vendor has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Vendor as contemplated by this Agreement and to carry out the obligations thereof under this letter agreement and such other agreements and instruments. The execution and delivery of this Agreement have been authorized by all necessary corporate action of and this Agreement constitutes a valid and binding obligation of Vendor enforceable against it in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.

Section 3.03 Capitalization



- (a) The authorized capital of the Corporation consists of an unlimited number of common shares, of which only one (1) share is issued and outstanding (100%) and constitutes the Shares. All of the Shares have been duly authorized, are validly issued, fully paid and non-assessable, and Vendor is the registered and beneficial owner of the Shares, free and clear of all Encumbrances.
- (b) There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the shares of the Corporation or obligating Vendor or the Corporation to issue or sell any shares of, or any other interest in, the Corporation. The Corporation does not have outstanding or authorized any share appreciation, phantom share, profit participation or similar rights. There are no voting trusts or agreements, pooling agreements, unanimous shareholder agreements, other shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Shares.

Section 3.04 No Subsidiaries. The Corporation does not own, or have any interest in, any shares or have another ownership interest in any other Person.

Section 3.05 No Conflicts; Consents. The execution, delivery and performance by Vendor of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not result in: (a) a violation, contravention or breach of any of the terms, conditions or provisions of any agreement or instrument to which Vendor is a party or by which Vendor is bound or constitute a default by Vendor, or under any statute, regulation, judgment, decree or law to which Vendor is subject or bound, or result in the creation or imposition of any Encumbrance upon the assets of the Corporation; (b) a violation by Vendor of any law or regulation or any applicable order of any court, arbitrator or governmental authority having jurisdiction over Vendor; or (c) except as set forth in the Disclosure Schedule, require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of any Material Contract, except in the cases of Section 3.05(b) and Section 3.05(c), where the violation, breach, conflict, default, acceleration or failure to give notice would not have a Material Adverse Effect.

Section 3.06 Undisclosed Liabilities. The Corporation has no liabilities, obligations or commitments, except those which are set out in the Disclosure Schedule.

For greater certainty, it is the intent of the parties that Vendor shall be responsible of all Corporation's debts accrued during its ownership of said Corporation. In the event that a debt arises and that said debt was existing before the sale of shares by Vendor to the Purchaser, said Purchaser shall send a prior written notice by registered mail to Vendor giving Vendor ten (10) days to remediate to said debt. If Vendor does not remediate to said default in the delays detailed in the present Section, the Purchaser shall exercise its legal rights in the Province of Quebec



Section 3.07 Material Contracts

- (a) The Disclosure Schedule lists each of the following contracts and other agreements of the Corporation (together with all Leases listed in the Disclosure Schedule, collectively, the "**Material Contracts**"):
 - (i) each agreement of the Corporation involving aggregate consideration of more than \$1,000 or requiring performance by any party more than one year from the date hereof, which, in each case, cannot be cancelled by the Corporation without penalty or without more than sixty (60) days' notice;
 - (ii) all agreements that relate to the sale of any of the Assets, other than in the Ordinary Course, for consideration of more than \$1,000;
 - (iii) all agreements that relate to the acquisition of any business, a material amount of shares or assets of any other Person or any real property (whether by amalgamation, sale or issue of shares, sale of assets or otherwise), in each case involving amounts of more than \$1,000;
 - (iv) except for agreements relating to trade receivables, all agreements relating to indebtedness (including guarantees) of the Corporation, in each case having an outstanding principal amount of more than \$1,000; and
 - (v) all agreements between or among (A) the Corporation and (B) Vendor or any Affiliate of Vendor (other than the Corporation).
- (b) Except as set forth in the Disclosure Schedule, the Corporation is not in breach of, or default under, any Material Contract, except for such breaches or defaults that would not have a Material Adverse Effect.

Section 3.08 Title to Assets; Real Property

- (a) The Corporation has a valid leasehold interest in, all Real Property and tangible personal property and other Assets.
- (b) The Disclosure Schedule lists: the civic address of each parcel of leased Real Property, and a list, as of the date of this Agreement, of all leases for each parcel of leased Real Property involving total annual payments of at least \$1,000 (collectively, "**Leases**"), including the identification of the lessee and lessor thereunder.

Section 3.09 Intellectual Property

- (a) The Disclosure Schedule lists all patents, patent applications, trademark registrations and pending applications for registration, copyright



registrations and pending applications for registration and internet domain name registrations owned by the Corporation. Except as set forth in the Disclosure Schedule, or as would not have a Material Adverse Effect, the Corporation owns or has the right to use all Intellectual Property necessary to conduct the business as currently conducted (the "Corporate IP").

- (b) Except as set forth in the Disclosure Schedule, or as would not have a Material Adverse Effect, to Vendor's Knowledge: (i) the Corporate IP as currently licensed or used by the Corporation, and the Corporation's conduct of its business as currently conducted, do not infringe, violate or misappropriate the Intellectual Property of any Person; and (ii) no Person is infringing, violating or misappropriating any Corporate IP.

Section 3.10 Insurance. The Disclosure Schedule sets forth a list, as of the date hereof, of all material insurance policies maintained by the Corporation or with respect to which the Corporation is a named insured or otherwise the beneficiary of coverage (collectively, the "Insurance Policies"). Such Insurance Policies are in full force and effect on the date of this Agreement and all premiums due on such Insurance Policies have been paid, except as would not have a Material Adverse Effect. The Vendor will cancel all insurance maintained for the Corporation effective the Closing Date including, but not limited to, any insurance on the property which is the subject of the Lease.

Section 3.11 Legal Proceedings; Governmental Orders

- (a) Except as set forth in the Disclosure Schedule, there are no actions, suits, claims, investigations or other legal proceedings pending or, to Vendor's Knowledge, threatened against or by the Corporation affecting any of its properties or assets (or by or against Vendor or any Affiliate thereof and relating to the Corporation), which if determined adversely to the Corporation (or to Vendor or any Affiliate thereof) would result in a Material Adverse Effect.
- (b) Except as set forth in the Disclosure Schedule, there are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the Corporation or any of its properties or assets which would have a Material Adverse Effect.

Section 3.12 Environmental Matters

- (a) Except as would not have a Material Adverse Effect, to Vendor's Knowledge, the Corporation is in compliance with all Environmental Laws and has not, and the Vendor has not, received from any Person any (i) Environmental Notice or (ii) written request for information under Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing Date.



- (b) The Corporation has obtained and is in material compliance with all Environmental Permits (each of which is disclosed in the Disclosure Schedule) necessary for the ownership, lease, operation or use of the business or assets of the Corporation.
- (c) Except as would not have a Material Adverse Effect, to Vendor's Knowledge, there has been no Disposal or Release of any Hazardous Substance in contravention of Environmental Laws with respect to the business or Assets of the Corporation or any Real Property currently owned, operated or leased by the Corporation, and neither the Corporation nor Vendor has received an Environmental Notice that any Real Property currently owned, operated or leased in connection with the business of the Corporation (including soils, groundwater, surface water, buildings and other structure located on any such Real Property) has been contaminated with any Hazardous Substance which would reasonably be expected to result in an Environmental Notice against, or a violation of Environmental Laws or term of any Environmental Permit by, Vendor or the Corporation.
- (d) Vendor has previously made available to Purchaser or otherwise any, and all, Environmental reports, studies, audits, records, sampling data, site assessments and other similar documents with respect to the business or Assets of the Corporation or any currently owned, operated or leased Real Property that are in the possession or control of the Vendor or Corporation.
- (e) The representations and warranties set forth in this Section 3.12 are the Vendor's sole and exclusive representations and warranties regarding Environmental matters.

Section 3.13 Employment and Independent Contractors Matters.

- (a) The Corporation is not a party to, or bound by, any Collective Agreement or other agreement with any trade union, association that may qualify as a trade union, council of trade unions, employee bargaining agent which would cover any employees.
- (b) The Corporation is in not a party to any employment contract or employment agreement.
- (c) The representations and warranties set forth in this Section 3.13 are the Vendor's sole and exclusive representations and warranties regarding employment matters.
- (d) The Corporation is not a party to, or bound by, any contract with any independent contractors, sub-contractors or third parties.



- (e) The Corporation has paid all previous employment contracts, independent contractors and sub-contractors.

Section 3.14 Taxes

- (a) Except as set forth in the Disclosure Schedule:
 - (i) All Tax Returns, elections and other documents required to be filed on or before the Closing Date by the Corporation have been or will be, timely filed. All material Taxes due and owing by the Corporation have been paid or accrued.
 - (ii) All material Taxes which the Corporation is obligated to withhold and remit from amounts owing to any employee, creditor, customer, shareholder or third party have been paid or accrued.
 - (iii) No agreements, arrangements, extensions or waivers of limitation periods have been given or requested with respect to any Taxes or Tax Return of the Corporation.
 - (iv) The Corporation is not a party to any action, assessment, reassessment, claim, investigation or other legal proceeding by any taxing authority.
 - (v) There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) upon the assets of the Corporation.
 - (vi) The Corporation is not a party to any Tax indemnity, Tax sharing or Tax allocation agreement.
 - (vii) Vendor is not a non-resident of Canada within the meaning of the Tax Act.
- (b) Except for certain representations related to Taxes in Section 3.14, the representations and warranties set forth in this Section 3.14 are the Vendor's sole and exclusive representations and warranties regarding Tax matters.

Section 3.15 No Other Representations and Warranties. Except for the representations and warranties contained in this ARTICLE III (including the related portions of the Disclosure Schedule) none of Vendor, the Corporation or any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Vendor or the Corporation regarding the Corporation furnished or made available to Purchaser and its Representatives (including any information, documents or material made available to Purchaser, management presentations or in any other form in expectation of the transactions contemplated hereby) or as to the future revenue, profitability or success of the Corporation, or any representation or warranty arising from statute or otherwise in Law.



**ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PURCHASER AND GUARANTOR**

Purchaser and Guarantor represent and warrant to Vendor that the statements contained in this ARTICLE IV are true and correct as of the date hereof.

Section 4.01 Status and Authorization. This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms. The Purchaser is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or subject to any other bankruptcy, insolvency or other similar Laws and equitable principles relating to or limiting creditors' rights, and will not become an insolvent Person as a result of the Closing. There is no Legal Proceeding in progress, pending or threatened against or affecting the Purchaser related to the Transactions. There are no grounds on which any Legal Proceeding related to the Transactions might be commenced and there is no Order or Legal Proceeding outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder. Guarantor is a corporation duly incorporated and validly existing under the federal laws of Canada and has not been discontinued or dissolved under such Law. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution. Guarantor has submitted all notices or returns of corporate information required by Law to be submitted by it to any Governmental Authority. Guarantor has the corporate power and capacity to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by Guarantor of this Agreement, the performance by Guarantor of its obligations hereunder and the consummation by Guarantor of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Guarantor. This Agreement has been duly executed and delivered by Guarantor, and (assuming due authorization, execution and delivery by Vendor) this Agreement constitutes a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or similar Law affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at Law or in equity).

Section 4.02 Corporate Power. Guarantor has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Guarantor as contemplated by this Agreement and to carry out the obligations thereof under this letter agreement and such other agreements and instruments. The execution and delivery of this Agreement have been authorized by all necessary corporate action of and this Agreement constitutes a valid and binding obligation of Guarantor enforceable against it in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.



Section 4.03 No Conflicts; Consents. The execution, delivery and performance by Purchaser and Guarantor of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not result in: (a) a violation, contravention or breach of any of the terms, conditions or provisions of any agreement or instrument to which Purchaser or Guarantor is bound or constitute a default by Purchaser or Guarantor thereunder, or under any statute, regulation, judgment, decree or law by which Purchaser or Guarantor is subject or bound or result in the creation or imposition of any Encumbrance upon the assets of Purchaser or Guarantor; (b) a violation by Purchaser or Guarantor of any law or regulation or any applicable order of any court, arbitrator or governmental authority having jurisdiction over Purchaser or Guarantor; or (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of any agreement to which Purchaser or Guarantor is a party, except in the cases of Sections 4.02(b) and (c), where the violation, breach, conflict, default, acceleration or failure to give notice would not have a material adverse effect on Purchaser's or Guarantor's ability to consummate the transactions contemplated hereby. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Purchaser or Guarantor in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and such consents, approvals, Permits, Governmental Orders, declarations, filings or notices which would not have a material adverse effect on Purchaser's or Guarantor's ability to consummate the transactions contemplated hereby.

Section 4.04 Sufficiency of Funds. Purchaser has sufficient cash on hand or other sources of available funds to enable it to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement.

Section 4.05 Legal Proceedings. There are no actions, suits, claims, investigations or other legal proceedings pending or, to Purchaser's or Guarantor's knowledge, threatened against or by Purchaser or Guarantor or any Affiliate of Purchaser or Guarantor that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

Section 4.06 Independent Investigation. Purchaser and Guarantor have conducted their own independent investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) or assets of the Corporation, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, and other documents and data of Vendor and the Corporation for such purpose. Purchaser and Guarantor acknowledge and agree that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Purchaser and Guarantor have relied solely upon its own investigation and the express representations and warranties of Vendor set forth in ARTICLE III (including the related portions of the Disclosure Schedule); and (b) none of Vendor, the Corporation or any other Person has made any representation or warranty as to Vendor, the Corporation or this Agreement, except as expressly set forth in ARTICLE III (including the related portions of the Disclosure Schedule).

Section 4.07 Investment Canada Act. Purchaser is either: (a) not a non-Canadian within the meaning of the Investment Canada Act or (b) if it is a non-Canadian, a WTO investor within the meaning of that act.

ARTICLE V COVENANTS

Section 5.01 Conduct of Business Before the Closing. From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Purchaser (which consent shall not be unreasonably withheld or delayed), Vendor shall, and shall cause the Corporation to: (a) conduct the business of the Corporation in the Ordinary Course; and (b) use commercially reasonable efforts to maintain and preserve intact the current organization, business and franchise of the Corporation and to preserve the rights, franchises, goodwill and relationships of its customers, lenders, suppliers, regulators and others having business relationships with the Corporation.

Section 5.02 Resignations. Vendor shall deliver to Purchaser written resignations, effective as of the Closing Date, of the officers and directors of the Corporation set forth in the Disclosure Schedule/requested by Purchaser on or before the Closing.

Section 5.03 Confidentiality. Except as set forth in Section 5.10, this Agreement and any discussions, documents or information in connection herewith shall be treated by the Parties hereto as strictly confidential and shall not (without the prior written consent of the other Party hereto or as contemplated or provided herein) be disclosed by either Party hereto to any person other than a director, officer, employee, agent, shareholder, investor or professional advisor of or to that Party hereto with a need to know for purposes contemplated by this Agreement and then only on a confidential basis and also on the basis that the Party concerned will be liable for any breach of confidentiality by a person to whom it makes disclosure.

Section 5.04 Personal Information Privacy. The parties shall at all times comply with all Laws governing the protection of personal information with respect to Personal Information disclosed or otherwise provided to each other under this Agreement. The parties shall only collect, use or disclose such Personal Information for the purposes of investigating the Corporation and its business as contemplated by this Agreement and completing the transactions contemplated in this Agreement. The parties shall safeguard all Personal Information collected from each other or the Corporation in a manner consistent with the degree of sensitivity of the Personal Information and maintain at all times the security and integrity of the Personal Information. The parties shall not make copies of the Personal Information or any excerpts thereof or in any way re-create the substance or contents of the Personal Information if the purchase of the Shares is not completed for any reason and shall return all Personal Information to the other party or destroy such Personal Information at the other party's request.

Section 5.05 Governmental Approvals and Other Third-Party Consents

- (a) Each party hereto shall, as promptly as possible, use its reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations under this Agreement. Each party shall co-operate fully with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals. The parties hereto shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.
- (b) Vendor and Purchaser shall use commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are described in the Disclosure Schedule; *provided that* Vendor shall not be obligated to pay any consideration therefor to any third party from whom consent or approval is requested.

Section 5.06 Books and Records

- (a) To facilitate the resolution of any claims made against or incurred by Vendor before the Closing Date, or for any other reasonable purpose, for a period of three (3) years after the Closing Date, Purchaser shall:
 - (i) retain the Books and Records (including personnel files) of the Corporation relating to periods before the Closing Date in a manner reasonably consistent with the prior practices of the Corporation; and
 - (ii) upon reasonable notice, afford the Representatives of Vendor reasonable access (including the right to make, at Vendor's expense, photocopies), during normal business hours, to such Books and Records.
- (b) To facilitate the resolution of any claims made by or against or incurred by Purchaser or the Corporation after the Closing Date, or for any other reasonable purpose, for a period of three (3) years following the Closing Date, Vendor shall:
 - (i) retain the Books and Records (including personnel files) of Vendor which relate to the Corporation and its operations for periods before the Closing Date; and
 - (ii) upon reasonable notice, afford the Representatives of Purchaser or the Corporation reasonable access (including the right to make, at Purchaser's expense, photocopies), during normal business hours, to such Books and Records.



- (c) Neither Purchaser nor Vendor shall be obligated to provide the other party with access to any Books and Records (including personnel files) under this Section 5.09 where such access would violate any Law.

Section 5.07 Closing Conditions. From the date hereof until the Closing Date, each party hereto shall, and Vendor shall cause the Corporation to, use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in ARTICLE VI.

Section 5.08 Public Announcements. The Parties further agree that there will be no public announcement or other disclosure of the matters dealt with herein unless they have mutually agreed in writing thereto or unless otherwise required by applicable law or regulatory instrument, rule or policy to make a public announcement with respect to the matters dealt with herein.. It is understood that Vendor, as a publicly traded reporting issuer, may be required to publicly disclose the matters dealt with herein. Vendor shall only announce the Purchaser and not mention in any way Guarantor unless required under Law.

Section 5.09 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances, and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

ARTICLE VI CONDITIONS TO CLOSING

Section 6.01 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or before the Closing, of each of the following conditions:

- (a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.
- (b) Vendor shall have received all consents, authorizations, orders and approvals from the Governmental Authorities and Purchaser shall have received all consents, authorizations, orders and approvals from the Governmental Authorities, in each case, in form and substance reasonably satisfactory to Purchaser and Vendor, and no such consent, authorization, order and approval shall have been revoked.
- (c) No legal proceeding shall be pending or threatened in writing wherein an unfavorable judgment, order, decree, stipulation or injunction would (i)

prevent consummation of the transactions contemplated herein, or (ii) cause the transactions contemplated herein to be rescinded following consummation.

Section 6.02 Conditions to Obligations of Purchaser. The obligations of Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Purchaser's waiver, at or before the Closing, of each of the following conditions:

- (a) The representations and warranties of Vendor set out in ARTICLE III shall be true and correct in all respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date), except where the failure of such representations and warranties to be true and correct would not have a Material Adverse Effect.
- (b) Vendor shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.
- (c) Purchaser shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Vendor, that each of the conditions set forth in Section 6.02(a) and Section 6.02(b) has been satisfied.
- (d) there shall not have been any event or change that has had or would be reasonably likely to have a Material Adverse Effect on Vendor and for the purposes hereof, Material Adverse Effect means a material adverse effect on the operations, results of operations, prospects of the rights to be acquired under this Agreement
- (e) Purchaser shall have received a certificate of the secretary (or equivalent officer) of Vendor certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Vendor authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, that all such resolutions are in full force and effect and that they are all the resolutions adopted in connection with the transactions contemplated hereby.
- (f) Vendor shall have delivered, or caused to be delivered, to Purchaser share certificates evidencing the Shares duly endorsed in blank or accompanied by share transfers or other instruments of transfer duly executed in blank.

Section 6.03 Conditions to Obligations of Vendor. The obligations of Vendor to consummate the transactions contemplated by this Agreement shall be subject to the



fulfillment or Vendor's waiver, at or before the Closing, of each of the following conditions:

- (a) The representations and warranties of Purchaser and Guarantor set out in ARTICLE IV shall be true and correct in all respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date), except where the failure of such representations and warranties to be true and correct would not have a Material Adverse Effect on Purchaser's ability to consummate the transactions contemplated hereby.
- (b) Purchaser shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date including, but not limited to, those set out in Section 2.02.
- (c) Vendor shall have received a certificate, dated the Closing Date and signed by the Purchaser and a duly authorized officer of Guarantor, that each of the conditions set forth in Section 6.03(a) and Section 6.03(b) has been satisfied.
- (d) there shall not have been any event or change that has had or would be reasonably likely to have a material adverse effect on Purchaser or Guarantor and for the purposes hereof, material adverse effect means a material adverse effect on the operations, results of operations, prospects of the rights to be acquired under this Agreement.
- (e) Vendor shall have received a certificate of the secretary (or equivalent officer) of Guarantor certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Guarantor authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, that all such resolutions are in full force and effect and that they are all the resolutions adopted in connection with the transactions contemplated hereby.

ARTICLE VII INDEMNIFICATION

Section 7.01 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is six (6) months from the Closing Date. None of the covenants or other agreements contained in this Agreement shall survive the Closing Date other than those which by their terms contemplate performance after the Closing Date, and each such surviving covenant and agreement shall survive the Closing for the period contemplated by its terms.

Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party before the expiration date of the applicable survival period shall not thereafter be barred by the expiration of such survival period and such claims shall survive until finally resolved or the expiry of the limitation period under applicable Law, whichever is sooner.

Section 7.02 Indemnification by the Corporation and Guarantor. Subject to the other terms and conditions of this ARTICLE VII, the Corporation, as it exists after the transactions contemplated by this Agreement are completed, and Guarantor shall jointly and severally, indemnify Vendor against, and shall hold Vendor harmless from and against, any and all Losses incurred or sustained by, or imposed upon, Vendor based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of Purchaser set out in this Agreement;
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Purchaser under this Agreement; and
- (c) any and all claims suffered by Vendor in connection with the Lease or the Application including for any obligations which arose prior to Closing. For greater certainty, it is the intent of the Parties that Vendor will have no further obligations whatsoever with relation to the Lease including any accrued obligations which may have occurred prior to Closing and including, but not limited to, those set out in Section 2.02.

Section 7.03 Indemnification by Vendor. Subject to the other terms and conditions of this ARTICLE VII, as partial security, Vendor shall indemnify Purchaser against, and shall hold Purchaser harmless from and against, any and all Losses incurred or sustained by, or imposed upon, Purchaser based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of Vendor set out in this Agreement;
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Vendor under this Agreement

Section 7.04 Security for Indemnification. As partial security for the indemnification Purchaser agrees to transfer all of the shares of the Corporation back to Vendor, at the Vendor's sole option, for \$10.00 in the event that the Corporation, Guarantor or the Purchaser fail to make any payments to Olymbec or Vendor is otherwise forced to realize upon its indemnity and guarantee set out herein and in that regard the Purchaser and the Corporation covenant and agree to not: (i) transfer or otherwise encumber the Shares, (ii) transfer or otherwise encumber the Application or the license to be granted upon completion of the Application, and/or (iii) issue or cause to be issued any shares of the Corporation to any Person, unless: (i) with the prior



written consent of Vendor, (ii) Vendor has been removed as a guarantor under the Lease, or (iii) any Person to whom shares of the Corporation are to be issued are made aware of this provision and agree to transfer any shares issued to them to Vendor in the event that the Corporation, Guarantor or the Purchaser fail to make any payments to Olymbec or Vendor is otherwise forced to realize upon its indemnity and guarantee set out herein. Before exercising said right, Vendor must send to the Purchaser and Guarantor by registered letter, a prior written notice of default giving the Purchaser and Guarantor ten (10) days to remediate said default.

Section 7.05 Indemnification Procedures. The party making a claim under this ARTICLE VII is referred to as the "**Indemnified Party**", and the party against whom such claims are asserted under this ARTICLE VII is referred to as the "**Indemnifying Party**".

- (a) **Third-Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any action, claim or other legal proceeding made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "**Third-Party Claim**") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defences by reason of such failure. Such notice by the Indemnified Party shall describe the Third-Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defence of any Third-Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defence. If the Indemnifying Party assumes the defence of any Third-Party Claim, subject to Section 7.05(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counter-claims pertaining to any such Third-Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right, at its own cost and expense, to participate in the defence of any Third-Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defence thereof. If the Indemnifying Party elects not to compromise or defend such Third-Party Claim or fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, the Indemnified Party may, subject to Section 7.05(b), pay, compromise, defend such Third-Party Claim and seek indemnification for any, and all, Losses based upon, arising from or relating to such Third-Party Claim. Vendor and Purchaser



shall cooperate with each other in all reasonable respects in connection with the defence of any Third-Party Claim, including making available (subject to the provisions of Section 5.06) records relating to such Third-Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defence of such Third-Party Claim.

- (b) **Settlement of Third-Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third-Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed), except as provided in this Section 7.05(b). If an unconditional offer is made to settle a Third-Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third-Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such offer within ten (10) days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third-Party Claim and, in such event, the maximum liability of the Indemnifying Party as to such Third-Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such offer and also fails to assume defence of such Third-Party Claim, the Indemnifying Party may settle the Third-Party Claim upon the terms set forth in the offer to settle such Third-Party Claim. If the Indemnified Party has assumed the defence under Section 7.05(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).
- (c) **Direct Claims.** Any claim by an Indemnified Party on account of a Loss which does not result from a Third-Party Claim (a "**Direct Claim**") shall be asserted by the Indemnified Party giving the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defences by reason of such failure. Such notice by the Indemnified Party shall (i) describe the Direct Claim in reasonable detail, (ii) include copies of all material written evidence thereof and (iii) indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. During such thirty (30)-day period, the Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to



the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Corporation's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such thirty (30)-day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

Section 7.06 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

Section 7.07 Exclusive Remedies. Subject to Section 9.11 and the provisions hereof, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from intentional fraud on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this ARTICLE VII. In furtherance of the foregoing, each party hereby waives, to the fullest extent permitted under 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 party hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except under the indemnification provisions set forth in this ARTICLE VII. Nothing in this Section 7.07 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled under Section 9.11 or to seek any remedy on account of intentional fraud by any party hereto.

ARTICLE VIII TERMINATION

Section 8.01 Termination. This Agreement may be terminated at any time before the Closing:

- (a) by the mutual written consent of Vendor and Purchaser;
- (b) by Purchaser by written notice to Vendor if:
 - (i) Purchaser is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Vendor under this Agreement that would give

rise to the failure of any of the conditions specified in ARTICLE VI and such breach, inaccuracy or failure cannot be cured by Vendor by October 30, 2020 (the "Outside Date"); or

- (ii) any of the conditions set forth in Section 6.01 or Section 6.02 shall not have been fulfilled by the Outside Date, unless such failure shall be due to the failure of Purchaser to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing;
- (c) by Vendor by written notice to Purchaser if:
 - (i) Vendor is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Purchaser under this Agreement that would give rise to the failure of any of the conditions specified in ARTICLE VI and such breach, inaccuracy or failure cannot be cured by Purchaser by the Outside Date; or
 - (ii) any of the conditions set forth in Section 6.01 or Section 6.03 shall not have been fulfilled by the Outside Date, unless such failure shall be due to the failure of Vendor to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing; or
- (d) by Purchaser or Vendor if:
 - (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited; or
 - (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.

Section 8.02 Effect of Termination. In the event of the termination of this Agreement in accordance with Section 8.01, this Agreement shall forthwith have no further force or effect and there shall be no liability on the part of any party hereto except:

- (a) as set forth in Section 5.06, this ARTICLE VIII and ARTICLE IX; and
- (b) that nothing herein shall relieve any party hereto from liability for any intentional breach of any provision hereof.

**ARTICLE IX
MISCELLANEOUS**

Section 9.01 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including fees, disbursements and charges of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 9.02 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.02):

If to Vendor: **BetterLife Pharma Inc.**
1275 West 6th Avenue, #300
Vancouver, BC V6H 1A6

Email: Ahmad.Doroudian@blifepharma.com
 / Info@blifepharma.com

Attention: Chief Executive Officer

with a copy to: **Alexander, Holburn, Beaudin + Lang LLP**
2700 – 700 West Georgia Street
Vancouver, BC V7Y 1B8

Facsimile: 604-484-9700

Email: SMuglich@ahbl.ca

Attention: Stewart Muglich

If to Purchaser: Richard Azani

Email: richard@biov.ca

Attention: Mr. Richard Azani

with a copy to: ARRUDA TEIXEIRA INC.

Facsimile: 514-375-2339



Email: a.sbai@atlegal.ca

Attention: Me M. Ali Sbai

If to Guarantor: Bio V Pharma inc.

Email: richard@biov.ca

Attention: Chief Executive Officer

With a copy to: ARRUDA TEIXEIRA INC.

Facsimile: 514-375-2339

Email: a.sbai@atlegal.ca

Attention: Me M. Ali Sbai

Section 9.03 Interpretation. For purposes of this Agreement: (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein", "hereof", "hereby", "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedule and Exhibits mean the Articles and Sections of, and Disclosure Schedule and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedule and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 9.04 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 9.05 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 9.06 Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and supersedes all prior and contemporaneous



representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement, the Exhibits and Disclosure Schedule (other than an exception expressly set forth as such in the Disclosure Schedule), the statements in the body of this Agreement will control.

Section 9.07 Successors and Assigns. This Agreement shall be binding upon, and shall enure to the benefit of, the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 9.08 No Third-Party Beneficiaries. Except as provided in Section 5.05 and ARTICLE VII, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 9.09 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 9.10 Governing Law; Forum; Choice of Language

- (a) Except as set in ARTICLE III, this Agreement shall be governed by and construed in accordance with the Laws of the province/territory of British Columbia and the federal Laws of Canada applicable in therein.
- (b) Any action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be brought in the courts of the province of British Columbia, and each party irrevocably submits to and agrees to attorn to the exclusive jurisdiction of that court in any such action or proceeding. The parties irrevocably and unconditionally waive any objection to the venue of the any action or proceeding in that court and irrevocably

waive and agree not to plead in that court that such action or proceeding has been brought in an inconvenient forum.

- (c) The parties confirm that it is their express wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. *Les parties aux présentes confirment leur volonté expresse que cette convention, de même que tous les documents s'y rattachant, y compris tous avis, annexes et autorisations, soient rédigés en langue anglaise seulement.*

Section 9.11 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at Law or in equity.

Section 9.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 9.13 Non-Recourse. This Agreement may only be enforced against, and any claim, action or other legal proceeding based upon, arising out of, or related to this Agreement, or the negotiation, execution or performance of this Agreement, may only be brought against the entities that are expressly named as parties hereto and then only with respect to the specific obligations set forth herein with respect to such party. No past, present or future director, officer, employee, incorporator, manager, partner, shareholder, Affiliate, agent, lawyer or other Representative of any party hereto or of any Affiliate of any party hereto, or any of their successors or permitted assigns, shall have any liability for any obligations or liabilities of any party hereto under this Agreement or for any claim, action or proceeding based on, in respect of or by reason of the transactions contemplated hereby.

Section 9.14 Arbitration. The Parties agree to use reasonable best efforts to resolve amicably among themselves any dispute, controversy or claim arising out of or in connection with this Agreement, including any question regarding its existence, validity, interpretation, breach or termination (a "Dispute"). In the event the Parties are unable to resolve the Dispute among themselves on an amicable basis, except as set in Article III, such Dispute shall be settled by a single arbitrator in an arbitration in Vancouver, British Columbia, Canada, administered by ADRIIC under its Arbitration Rules (the "Rules"). The seat of arbitration will be Vancouver, British Columbia and the language of the arbitration



will be English. All costs of the Dispute resolution process contemplated by the present paragraph (including the fees of the arbitrator and attorneys' fees) shall be borne by the Party who is the least successful in such process, which shall be determined by the arbitrator by comparing (x) the position asserted by each Party on all disputed matters taken together to (y) the final decision of the arbitrator on all disputed matters taken together. The Parties agree that the arbitration provided for in the present paragraph shall be the exclusive means to resolve all Disputes. Unless otherwise required by law or legally binding order or judgment, all matters relating to the Dispute (including the claims relating to the Dispute and any resolution or determination by the arbitrator) shall be maintained on a confidential basis by the parties and may not be shared other than with their officers, directors, shareholders, members, employees, consultants and advisors who have a need to know such matters.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

BETTERLIFE PHARMA INC.

By 

Name: Ahmad Doroudian
CEO

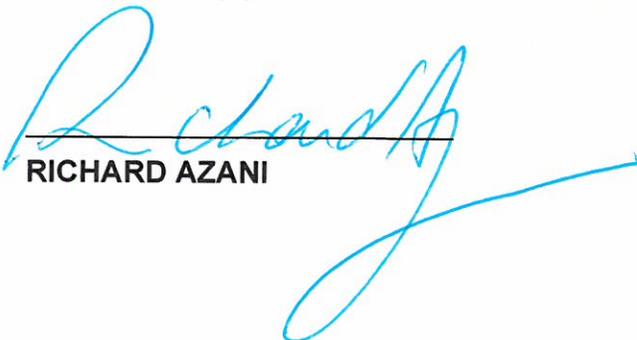
Title:

BIO V PHARMA INC.

By 

Name: Richard AZANI

Title: President & CEO


RICHARD AZANI

Disclosure Schedule



1.01 Assets of the Corporation

	<u>Amount</u>	
Deposit with Olymbec	161,150	(last 3 months rent)
Leasehold improvements - doors	57,850	
Leasehold improvements - lighting	9,458	
Leasehold improvements - painting	37,755	
Leasehold improvements - floors	95,021	
Security system	269,611	
Total	<u>630,845</u>	

1.01 Encumbrances

N/A

3.05 No Conflicts; Consents

N/A

3.06 Undisclosed Liabilities

N/A

3.07 Material Contracts

Lease Agreement dated October 31, 2019 between Olymbec Development Inc., Pivot Pharmaceuticals Manufacturing Corp. and Pivot Pharmaceuticals Inc.

Maintenance Agreement dated February 12, 2020 between Olymbec Development Inc. and Pivot Pharmaceuticals Manufacturing Corp.

3.08 Title to Assets; Real Property

275-295 Kesmark: Civic number 285-295 Kesmark Street, Dollards-des-Ormeaux, Quebec, H9B 3J1

3.09 Intellectual Property

Health Canada license application 

3.11 Legal Proceedings; Governmental Orders

Judgment rendered on August 31st, 2020 by the Honourable Chantal Masse, JSC



3.12 Environmental Matters

N/A

3.14 Taxes

N/A

3.15 No Other Representations and Warranties

N/A

5.02 Resignations

Krisztian Toth, Director

Ahmad Doroudian

