

AYURCANN INC.

AND

CANADA COAL INC.

BUSINESS COMBINATION AGREEMENT

NOVEMBER 24, 2020

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BUSINESS COMBINATION AGREEMENT

THIS AGREEMENT is made as of November 24, 2020,

BETWEEN:

AYURCANN INC.,
a corporation incorporated under the federal laws of Canada
("XTRX")

- and -

CANADA COAL INC.,
a corporation existing under the laws of the Province of Ontario
("CCK")

- and -

NOAH SUDMAN,
solely in his capacity as representative of the shareholders of XTRX
(the "XTRX Representative")

(each a "Party" and collectively, the "Parties")

WHEREAS, pursuant to a letter of intent between XTRX and CCK dated October 22, 2020, as amended November 5, 2020, XTRX and CCK propose to combine the business and assets of XTRX with those of CCK, and upon completion of such business combination, CCK will, through Amalco, carry on the current business of XTRX (being a licensed cannabis processor and extractor);

AND WHEREAS, the XTRX and CCK intend to carry out the proposed business combination by way of a statutory amalgamation under the provisions of the CBCA and related transaction steps;

AND WHEREAS, CCK is a reporting issuer in the Provinces of Ontario, British Columbia and Alberta whose CCK Shares are listed and posted for trading on the NEX;

AND WHEREAS, the XTRX Representative shall represent the XTRX Shareholders in connection with this Agreement;

AND WHEREAS XTRX and CCK desire to cause XTRX to combine with CCK through an amalgamation of XTRX with Subco on the terms and conditions set forth herein;

AND WHEREAS XTRX and CCK desire that upon completion of the Business Combination, the CCK Shares will be delisted from the NEX and the CCK Shares will be listed on the CSE;

AND WHEREAS XTRX and CCK desire that XTRX Shareholders shall receive an Earn-Out, as more particularly described in the attached Schedule "B";

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of XTRX and CCK, they covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings, respectively:

“**Affiliate**” has the meaning ascribed thereto in the CBCA.

“**Agreement**”, “**this Agreement**”, “**herein**”, “**hereto**”, and “**hereof**” and similar expressions refer to this business combination agreement, including the schedules attached hereto, as the same may be amended or supplemented from time to time.

“**Amalco**” means the amalgamated corporation resulting and continuing from the Amalgamation.

“**Amalco Shares**” means the common shares in the share capital of Amalco.

“**Amalgamation**” means the amalgamation of XTRX and Subco by way of a “three-cornered amalgamation” with CCK under the provisions of the CBCA and pursuant to the terms of the Amalgamation Agreement.

“**Amalgamation Agreement**” means the agreement among XTRX, CCK and Subco in respect of the Amalgamation, to be substantially in the form attached hereto as Schedule “A”.

“**Articles of Amalgamation**” means the articles of amalgamation giving effect to the Amalgamation required under the CBCA to be filed with the Director.

“**Business Combination**” means the series of transactions, as detailed in this Agreement, through which the businesses of XTRX and CCK will be combined, including the Amalgamation, Consolidation, Name Change, Earn-Out and the CCK Director and Officer Appointments.

“**Business Day**” means any day, excluding Saturday or Sunday, on which banking institutions are open for business in Toronto, Ontario.

“**CBCA**” means the *Canada Business Corporations Act* as the same has been and may hereafter from time to time be amended.

“**CCK**” means Canada Coal Inc., a corporation existing under the laws of the Province of Ontario.

“**CCK Director and Officer Appointments**” means, subject to the completion of the Amalgamation, the reconstitution of the board of directors and the officers of CCK, to consist of the nominees of XTRX, as more particularly described in Section 2.3.

“**CCK Director Payments**” means the payment by CCK to its three (3) directors of the following: (i) \$7,500 in cash and (ii) 39,656 CCK Post-Consolidation Shares.

“**CCK Financial Statements**” has the meaning ascribed thereto in Section 3.2(n).

“**CCK Meeting**” means a special meeting of the CCK Shareholders to be held to approve, *inter alia*, the Transaction Resolution (if CCK cannot pass the Transaction Resolution by written consent) and such other matters as XTRX and CCK may determine, and any and all adjournments or postponements of such meeting.

“**CCK Officer Payments**” means the payment by CCK to Olga Nikitovic, CCK’s Chief Financial Officer and Interim Chief Executive Officer of \$170,000 in cash and 116,325 CCK Post-Consolidation Shares.

“**CCK Options**” means stock options to purchase CCK Shares.

“**CCK Shareholder**” means a registered holder of CCK Shares, from time to time.

“**CCK Shares**” means the common shares in the capital of CCK.

“**CCK Post-Consolidation Shares**” means the CCK Shares on a post-Consolidation basis.

“**CDS**” means the Canadian Depository for Securities.

“**Certificate of Amalgamation**” means the certificate in respect of the Amalgamation issued by the Director.

“**Completion Deadline**” means February 28, 2021 or such later date as may be mutually agreed between XTRX and CCK in writing.

“**Consolidation**” means the consolidation by CCK of the CCK Shares on the basis the Consolidation Ratio.

“**Consolidation Ratio**” means the means a ratio of two (2) CCK Shares for each one (1) CCK Post-Consolidation Share.

“**CSE**” means the Canadian Securities Exchange.

“**CSE Escrow Agreement**” means the escrow agreement to be entered into among CCK’s registrar and transfer agent, CCK and certain securityholders of CCK in compliance with the requirements of the CSE, with the securities subject to such agreement to be released as determined by the CSE.

“**CSE Policy 2**” means CSE Policy 2 – *Qualification for Listing*.

“**CSE Policy 8**” means CSE Policy 8 – *Fundamental Changes and Changes of Business*.

“**Debt Instrument**” has the meaning ascribed thereto in Section 3.1(w).

“**Director**” means the Director appointed under Section 260 of the CBCA.

“**Dissenting XTRX Shares**” means the XTRX Shares held by Dissenting Shareholders.

“**Dissenting Shareholder**” means a registered holder of XTRX Shares who, in connection with the special resolution of the XTRX Shareholders approving the Amalgamation, has exercised the right to dissent pursuant to Section 190 of the CBCA in strict compliance with the provisions thereof and thereby becomes entitled to be paid the fair value of his, her or its XTRX Shares and who has not withdrawn the notice of the exercise of such right as permitted by Section 190 of the CBCA.

“**Documents**” means, collectively, this Agreement and the Amalgamation Agreement.

“**DRS Statement**” means a statement evidencing a shareholding position under the Direct Registration System.

“**Earn-Out**” means the earn-out obligation of CCK to the XTRX Shareholders, as more particular described in Earn-Out Schedule.

“**Earn-Out Shares**” means CCK Post-Consolidation Shares.

“**Earn-Out Schedule**” means the provisions governing the issuance of the Earn-Out Shares to the XTRX Shareholders, as set forth in Schedule “B” attached hereto.

“Earn-Out Trigger One” means XTRX receiving a Sale for Medical Purposes License from Health Canada.

“Effective Date” means the date shown on the Certificate of Amalgamation issued by the Director, which date shall be in accordance with Section 2.1(c).

“Effective Time” means 12:01 a.m. (Toronto time) on the Effective Date or such other time on the Effective Date as may be agreed by XTRX and CCK.

“Exchange Ratio” means either:

- (i) if the Earn-Out Trigger One has not been met prior to the Effective Date, a ratio of 1.2858 CCK Post-Consolidation Shares for each one (1) XTRX Share; or
- (ii) if the Earn-Out Trigger One has been met prior to the Effective Date, a ratio of 1.4695 CCK Post-Consolidation Shares for each one (1) XTRX Share.

“Environmental Laws” means Laws regulating or pertaining to the generation, discharge, emission or release into the environment (including without limitation ambient air, surface water, groundwater or land), spill, receiving, handling, use, storage, containment, treatment, transportation, shipment, disposition or remediation or clean-up of any Hazardous Substance, as such Laws are amended and in effect as of the date hereof.

“Existing CCK Options” means the CCK Options, entitling the holders thereof to purchase up to 1,250,000 CCK Shares at a price of \$0.10 per share on or before September 22, 2021.

“Existing CCK Warrants” means the common share purchase warrants of CCK, entitling the holders thereof to purchase up to 5,000,000 CCK Shares at a price of \$0.20 per share on or before January 23, 2021.

“Existing XTRX Options” means the XTRX Options, entitling the holders thereof to purchase up to: (i) 458,334 XTRX Shares at a price of \$0.15 per share of which 125,000 expire on or before September 5, 2022 and 333,334 expire on or before September 16, 2022 and (ii) 75,000 XTRX Shares at a price of \$0.14 per share which expire on November 23, 2023.

“Existing XTRX Warrants” means the common share purchase warrants of XTRX, entitling the holders thereof to purchase up to 10,000,000 XTRX Shares at a price of \$0.20 per share of which 5,000,000 expire on May 31, 2022, 1,000,000 expire on June 10, 2022 and 4,000,000 expire on August 13, 2022.

“Convertible Note” means the secured convertible promissory note of XTRX dated January 10, 2020 in the principal amount of \$500,000, which was amended and assigned to certain third parties on November 20, 2020, which will be automatically converted into XTRX Shares immediately prior to the Effective Time.

“fair value” where used in relation to a XTRX Share held by a Dissenting Shareholder, means fair value as determined by a court under Section 190 of the CBCA or as agreed between XTRX and the Dissenting Shareholder.

“Governing Documents” means, in respect of each Party, as applicable, its certificate, its articles of incorporation, as amended, and its by-laws, as amended.

“Government Authority” means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the CSE and TSX-V.

“Hazardous Substance” means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous or deleterious substance, waste or material, including hydrogen sulfide,

arsenic, cadmium, copper, lead, mercury, petroleum, polychlorinated biphenyls, asbestos and urea-formaldehyde insulation, and any other material, substance, pollutant or contaminant regulated or defined pursuant to, or that could result in liability under, any applicable Environmental Law.

“**IFRS**” means International Financial Reporting Standards applicable as at the relevant date.

“**in writing**” means written information including documents, files, software, records and books made available, delivered or produced to one Party by or on behalf of the other Party.

“**Laws**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or licence of any Government Authority, statutory body or self-regulatory authority, and the term “applicable” with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Government Authority (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business, undertaking, property or securities.

“**Listing Statement**” means a listing statement to be prepared jointly by CCK and XTRX in accordance with the requirements of Policy 2 and Policy 8 of the CSE.

“**Material Adverse Change**” means any change in the financial condition, operations, assets, liabilities, or business of a Party and its Subsidiaries, considered as a whole, which is materially adverse to the business of such Party and its Subsidiaries, considered as a whole, other than a change: (a) which arises out of or in connection with a matter that has been publicly disclosed or otherwise disclosed in writing by such Party to the other Party prior to the date of this Agreement; (b) resulting from conditions affecting the mineral exploration and development industry as a whole; (c) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere; or (d) which arises out of changes in geopolitical conditions, acts of terrorism or sabotage, war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, weather conditions, global health conditions (including any epidemic, pandemic, or disease outbreak (including the COVID-19 virus)), or other force majeure events, including any material worsening of such conditions threatened or existing as of the date of this Agreement, to the extent that such events and/or conditions do not disproportionately impact the said Party and its Subsidiaries relative to other companies operating in the industry or industries in which the said Party and its Subsidiaries operate.

“**Material Adverse Effect**” means any event, change or effect that is or would reasonably be expected to be materially adverse to the financial condition, operations, assets, liabilities, or business of a Party and its Subsidiaries, considered as a whole, provided, however, that a Material Adverse Effect shall not include an adverse effect resulting from a change: (a) which arises out of or in connection with a matter that has been publicly disclosed or otherwise disclosed in writing by such Party to the other Party prior to the date of this Agreement; (b) resulting from conditions affecting the mineral exploration and development industry as a whole; (c) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere; or (d) or (d) which arises out of changes in geopolitical conditions, acts of terrorism or sabotage, war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, weather conditions, global health conditions (including any epidemic, pandemic, or disease outbreak (including the COVID-19 virus)), or other force majeure events, including any material worsening of such conditions threatened or existing as of the date of this Agreement, to the extent that such events and/or conditions do not disproportionately impact the said Party and its Subsidiaries relative to other companies operating in the industry or industries in which the said Party and its Subsidiaries operate.

“**material fact**” has the meaning ascribed thereto in the *Securities Act* (Ontario) as the same has been and may hereafter from time to time be modified.

"Name Change" means the change of name of CCK from "Canada Coal Inc." to "Ayurcann Inc." or such other name as determined by the XTRX and acceptable to the applicable Governmental Authorities.

"NEX" means the NEX board of the TSX-V.

"Person" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Government Authority, syndicate or other entity, whether or not having legal status.

"Public Disclosure Record" means, with respect to a Party, all forms, reports, schedules, statements and other documents required to be filed with applicable securities regulatory authorities under applicable Laws (including, the TSX-V and other applicable stock exchanges), which have been filed by such Party with such applicable securities regulatory authorities, and which are accessible to the public on SEDAR.

"Regulatory Approval" means any approval, consent, waiver, permit, order or exemption from any Government Authority having jurisdiction or authority over any Party or the Subsidiary of any Party which is required or advisable to be obtained in order to permit the Business Combination to be effected and **"Regulatory Approvals"** means all such approvals, consents, waivers, permits, orders or exemptions.

"Reporting Jurisdictions" has the meaning ascribed thereto in Section 3.2(e).

"Securities Authorities" means the applicable securities commissions or similar securities regulatory authorities in each of the Reporting Jurisdictions, the TSX-V and CSE.

"SEDAR" means the System for Electronic Document Analysis and Retrieval, available at www.sedar.com.

"Subco" means 12487772 Canada Inc., a corporation incorporated under the CBCA as a wholly-owned Subsidiary of CCK for the sole purpose of effecting the Amalgamation.

"Subco Shares" means the common shares in the capital of Subco.

"Subsidiary" has the meaning ascribed thereto in the CBCA.

"Taxes" has the meaning ascribed thereto in Section 3.1(p).

"Transaction Resolution" means the ordinary resolution of the CCK Shareholders to be passed at a special meeting of its shareholders or obtained by written consent approving the Amalgamation and such other matters (if any) required under Canadian Securities Laws, the policies of the CSE and applicable corporate Laws in connection the approval of the transaction contemplated hereunder.

"TSX-V" means TSX Venture Exchange.

"United States" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

"XTRX" means Ayurcann Inc., a corporation incorporated under the CBCA.

"XTRX Class A Special Shares" means superior voting, redeemable, retractable Class "A" Special Shares without nominal or par value.

"XTRX Financial Statements" has the meaning ascribed thereto in Section 3.1(k).

"XTRX Meeting" means a special meeting of the XTRX Shareholders which may be held in order to seek shareholder approval for the Amalgamation.

“**XTRX Options**” means stock options to purchase XTRX Shares.

“**XTRX Representative**” means Noah Sudman, an individual representing the XTRX Shareholders in connection with this Agreement.

“**XTRX Shareholder**” means a registered holder of XTRX Shares, from time to time.

“**XTRX Shares**” means the Class “A” Common Shares in the capital of XTRX.

1.2 Singular, Plural, etc.

Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Deemed Currency

In the absence of a specific designation of any currency any undesignated dollar amount herein shall be deemed to refer to Canadian dollars.

1.4 Headings, etc.

The division of this Agreement into Articles and Sections, the provision of a table of contents hereto and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement to Articles and Sections refer to Articles and Sections of and to this Agreement in which such reference is made.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the Parties hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.6 Governing Law

This Agreement shall be governed by and interpreted in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein.

1.7 Attornment

The Parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of Ontario for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by single registered mail to the addresses of XTRX and CCK set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against either Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the Courts of the Province of Ontario and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

ARTICLE 2
THE BUSINESS COMBINATION

2.1 Business Combination Steps

XTRX and CCK agree to effect the combination of their respective businesses and assets by way of a series of steps or transactions including the Amalgamation, Consolidation, Name Change, Earn-Out and the CCK Director and Officer Appointments. Each Party hereby agrees that as soon as reasonably practicable after the date hereof or at such other time as is specifically indicated below in this Section 2.1, and subject to the terms and conditions of this Agreement, it shall take the following steps indicated for it:

- (a) CCK shall as soon as reasonably practicable:
 - (i) use all commercially reasonable efforts to obtain the approval of the CCK Shareholders for the Transaction Resolution by written consent or, failing written consent, at the CCK Meeting; and
 - (ii) if it is unable to obtain the approval of the CCK Shareholders for the Transaction Resolution by written consent, duly convene the CCK Meeting at which the CCK Shareholders will be asked to approve the Transaction Resolution;
- (b) XTRX shall as soon as reasonably practicable:
 - (i) use all commercially reasonable efforts to obtain the approval of the XTRX Shareholders for the Amalgamation by written consent or, failing written consent, at the XTRX Meeting; and
 - (ii) if it is unable to obtain the approval of the XTRX Shareholders for the Amalgamation by written consent, duly convene the XTRX Meeting at which the XTRX Shareholders will be asked to approve the Amalgamation;
- (c) CCK shall file Articles of Amendment to effect the Consolidation and Name Change immediately prior to the Amalgamation;
- (d) pursuant to the Consolidation, the Existing CCK Warrants and Existing CCK Options will automatically adjust in accordance with their terms such that, following the Consolidation, the holders of the Existing CCK Warrants and Existing CCK Options shall acquire CCK Post-Consolidation Shares in lieu of CCK Shares adjusted to reflect the Consolidation Ratio, with the exercise prices of the Existing CCK Warrants and Existing CCK Options adjusted by the inverse of the Consolidation Ratio, or will be replaced with equivalent convertible securities of CCK entitling the holders thereof to acquire CCK Post-Consolidation Shares in lieu of CCK Shares adjusted to reflect the Consolidation Ratio, with the exercise prices of the Existing CCK Warrants and Existing CCK Options by the inverse of the Consolidation Ratio, and otherwise bearing the same terms as the Existing CCK Warrants and Existing CCK Options which they replace;
- (e) the Convertible Note will convert into XTRX Shares in accordance with its terms;
- (f) XTRX and Subco shall amalgamate by way of statutory amalgamation under the provisions of the CBCA on the terms and subject to the conditions contained in the Amalgamation Agreement and XTRX and CCK further agree that the Effective Date shall occur within five (5) Business Days following the satisfaction or waiver of the conditions herein contained in favour of each Party or such other date as may be mutually agreed upon by XTRX and CCK;

- (g) XTRX and CCK shall cause the Articles of Amalgamation to be filed to effect the Amalgamation, pursuant to which:
- (i) XTRX and Subco will amalgamate under the provisions of the CBCA and continue as one amalgamated corporation, being Amalco;
 - (ii) subject to Section 2.1(h), holders of outstanding XTRX Shares shall receive CCK Post-Consolidation Shares for each one (1) XTRX Share held in accordance with the Exchange Ratio, and the XTRX Shares will be cancelled;
 - (iii) following the Effective Time, the Existing XTRX Warrants and Existing XTRX Options will automatically adjust in accordance with their terms such that, following the Effective Time, the holders of the Existing XTRX Warrants and Existing XTRX Options shall acquire CCK Post-Consolidation Shares in lieu of XTRX Shares adjusted to reflect the Exchange Ratio, with the exercise prices of the Existing XTRX Warrants and Existing XTRX Options adjusted by the inverse of the Exchange Ratio, or will be replaced with equivalent convertible securities of CCK entitling the holders thereof to acquire CCK Post-Consolidation Shares in lieu of XTRX Shares adjusted to reflect the Exchange Ratio, with the exercise prices of the Existing XTRX Warrants and Existing XTRX Options by the inverse of the Exchange Ratio, and otherwise bearing the same terms as the Existing XTRX Warrants and Existing XTRX Options which they replace;
 - (iv) the outstanding Subco Shares will be exchanged for Amalco Shares on the basis of one (1) Amalco Share for each one (1) Subco Share;
 - (v) as consideration for the issuance of the CCK Post-Consolidation Share to the former XTRX Shareholders to effect the Amalgamation, Amalco will issue, to CCK, one (1) fully paid Amalco Share for each one (1) CCK Post-Consolidation Share so issued;
 - (vi) all of the property and assets of each of XTRX and Subco will be the property and assets of Amalco and Amalco will be liable for all of the liabilities and obligations of each of XTRX and Subco; and
 - (vii) Amalco will be a wholly-owned Subsidiary of CCK.
- (h) in accordance with Section 8.5, XTRX Shares which are held by a Dissenting Shareholder shall not be converted as prescribed by Section 2.1(g)(ii). However, if a Dissenting Shareholder fails to perfect or effectively withdraws its claim under Section 190 of the CBCA or forfeits its right to make a claim under Section 190 of the CBCA or if its rights as an XTRX Shareholder are otherwise reinstated, such Dissenting Shareholder's Dissenting XTRX Shares shall thereupon be deemed to have been converted as of the Effective Date as prescribed by Section 2.1(g)(ii);
- (i) immediately following the filing of the Articles of Amalgamation to effect the Amalgamation, CCK will reconstitute its board of directors and officers to give effect to the CCK Director and Officer Appointments;
- (j) as soon as practicable after the Effective Date, in accordance with normal commercial practice, CCK shall issue or cause to be issued certificates, DRS Statements or electronic positions within CDS representing the appropriate number of CCK Shares issued to the former XTRX Shareholders. No fractional CCK Shares will be delivered to any XTRX Shareholder otherwise entitled thereto and instead the number of CCK Shares to be issued to each former XTRX Shareholder will be rounded down to the nearest whole number;

- (k) XTRX and CCK acknowledge that the CSE may require some of the CCK Shares issued pursuant to the Business Combination to be held in escrow and XTRX and CCK, as applicable, agree to comply and use its reasonable efforts to cause its shareholders to comply with all such escrow requirements of the CSE including the execution and delivery of the CSE Escrow Agreement;
- (l) XTRX and CCK acknowledge that CCK shall have an obligation to issue up the Earn-Out Shares to the XTRX Shareholders in accordance with the terms and conditions set forth in the Earn-Out Schedule; and
- (m) XTRX and CCK shall take any other action and do anything, including the execution of any other agreements, documents or instruments, that is necessary or useful to give effect to the Business Combination.

2.2 Implementation Covenants

- (a) **Listing Statement.** XTRX and CCK shall use commercially reasonable efforts to jointly prepare the Listing Statement together with any other documents required by applicable Laws in connection with the proposed listing of the CCK Shares in connection with the Business Combination, and shall jointly file the final Listing Statement required by applicable Laws as soon as reasonably practicable.
- (b) **Consolidation and Name Change.** CCK shall use all commercially reasonable efforts to effect the Consolidation and Name Change prior to completion of the Amalgamation.
- (c) **Listing and Delisting.** CCK and XTRX shall use all commercially reasonable efforts to have the CCK Shares delisted from the NEX prior to completion of the Business Combination and shall concurrently use all commercially reasonable efforts to have the CCK Shares to be issued in connection with the Business Combination listed on the CSE following the Business Combination.
- (d) **Preparation of Filings.** XTRX and CCK shall cooperate in the preparation of any documents and taking of all actions reasonably deemed by XTRX or CCK to be necessary to discharge their respective obligations under applicable Laws in connection with the Business Combination and all other matters contemplated in the Documents, and in connection therewith:
 - (i) each of XTRX and CCK shall furnish to the other all such information concerning it and its shareholders as may be required to effect the actions described in this Article 2, and each covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Business Combination will contain any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished or to be used;
 - (ii) XTRX and CCK shall each promptly notify the other if at any time before the Effective Date it becomes aware that the Listing Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Listing Statement. In any such event, XTRX and CCK shall cooperate in the preparation of a supplement or amendment to the Listing Statement, as required and as the case may be, and, if required, shall cause the same to be filed with the applicable Securities Authorities; and
 - (iii) each of XTRX and CCK shall ensure that the Listing Statement complies with all applicable Laws and, without limiting the generality of the foregoing, that the Listing

Statement does not contain any untrue statement of a material fact or omit to state a material fact with respect to itself required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

- (e) **Amalgamation Agreement, etc.** CCK and XTRX hereby acknowledge that the Amalgamation Agreement shall be substantially in the form attached as Schedule “A” to this Agreement. CCK shall cause Subco, subject to the terms and conditions of this Agreement and subject to and following the satisfaction or waiver of the conditions herein contained in favour of each Party, to deliver to XTRX the duly executed Amalgamation Agreement, Articles of Amalgamation and related documents which will be filed by XTRX with the Director.
- (f) **Shareholder Register.** On or before the Effective Date, XTRX shall deliver a detailed shareholder register of the XTRX Shareholders, which will include, at a minimum, the number of XTRX Shares held by each XTRX Shareholder, and their respective registration and delivery instructions.

2.3 Board of Directors and Officers

Each of XTRX and CCK agree that upon completion of the Business Combination:

- (a) all of the directors of CCK will resign and there will be appointed in their place as directors of CCK such persons as XTRX shall designate; and
- (b) all of the officers of CCK will resign and there will be appointed in their place as officers of CCK such persons as XTRX shall designate.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of XTRX

XTRX hereby represents and warrants to CCK, and acknowledges that CCK is relying upon such representations and warranties in connection with the entering into of this Agreement, as follows:

- (a) XTRX has been duly incorporated and is validly existing under the federal laws of Canada and is current and up-to-date with all filings required to be made by it in such jurisdiction;
- (b) XTRX has full corporate power, capacity and authority to undertake all steps of the Business Combination contemplated in the Documents and to carry out its obligations under this Agreement;
- (c) XTRX is authorized to issue an unlimited number of XTRX Shares and up to 25,393 XTRX Class A Special Shares, of which there are 52,571,001 XTRX Shares issued and outstanding and no XTRX Class A Special Shares issued and outstanding as of the date hereof.
- (d) XTRX is not a party to and has not granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any XTRX Shares or securities convertible into or exchangeable for XTRX Shares, other than the Existing XTRX Warrants, Existing XTRX Options and the Convertible Note;
- (e) XTRX is not a reporting issuer nor an associate of any reporting issuer (as defined in the *Securities Act* (Ontario) or the *Securities Act* of any other province or territory of Canada) and the XTRX Shares do not trade on any exchange;
- (f) XTRX has all requisite corporate capacity, power and authority, and possesses all material certificates, authority, permits and licences issued by the appropriate state, provincial, municipal or

federal regulatory agencies or bodies necessary to conduct the business as now conducted by XTRX, and to own its assets, and is in compliance in all material respects with such certificates, authorities, permits or licences. XTRX has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or licence, which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, income or future prospects of XTRX. XTRX is not aware of any claim or basis for any claim that might or could adversely affect the right thereof to use or otherwise exploit its rights under any such certificate, authority, permit or licence;

- (g) XTRX is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material property or assets thereof free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those reflected or reserved against it in the XTRX Financial Statements;
- (h) each of the Documents has been or at the Effective Time will be, duly authorized, executed and delivered by XTRX and constitutes, or at the Effective Time will constitute, a valid and binding obligation of XTRX enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable Laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of XTRX, other than the approval of the Amalgamation by the XTRX Shareholders, is necessary to authorize this Agreement and the transactions contemplated hereby (other than the approval of the Amalgamation by the XTRX Shareholders);
- (i) Except for: (i) the collaboration agreement dated October 10, 2019 entered into between XTRX Solutions Inc. and Tetra Oils Inc and (ii) the lease agreement dated June 2020 entered into between XTRX and COM 53 Ltd., the entering into and the performance by XTRX of the Business Combination contemplated in the Documents: (a) do not require any consent, approval, authorization or order of any court or governmental agency, body or Governmental Authority, except that which may be required under applicable corporate and securities legislation and the policies of the TSX-V and CSE; (b) will not contravene any statute or regulation of any Governmental Authority which is binding on XTRX where such contravention would have a Material Adverse Effect; and (c) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of XTRX or any mortgage, note, indenture, contract or agreement, instrument, lease or other document to which XTRX is a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would have a Material Adverse Effect;
- (j) there are no legal, regulatory, governmental or similar proceedings pending or, to the knowledge of XTRX, contemplated or threatened, to which XTRX is a party or to which the property of XTRX is subject;
- (k) the audited comparative consolidated financial statements of XTRX as at and for the years ended June 30, 2020 and 2019, and the notes thereto, (the “**XTRX Financial Statements**”), in each case have been prepared in accordance with IFRS, present fairly, in all material respects, the financial position of XTRX as at such dates, and do not omit to state any material fact that is required by applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;
- (l) there are no plans for retirement, bonus, stock purchase, profit sharing, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave,

disability, salary continuation, legal benefits, unemployment benefits, vacation incentive or otherwise contributed to or required to be contributed to, by XTRX for the benefit of any current or former director, officer, employee or consultant of XTRX;

- (m) XTRX is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of XTRX;
- (n) XTRX is not a party to or bound or affected by any commitments, agreement or document containing any covenant which expressly limits the freedom of XTRX to compete in any line of business or with any person, or to transfer or move any of its assets or operations;
- (o) there are no material liabilities of XTRX, whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the XTRX Financial Statements except for those incurred in the ordinary course of business as of the date hereof;
- (p) all taxes (including income taxes, capital tax, payroll taxes, employer health taxes, workers' compensation payments, property taxes, sales, use, goods and services taxes, value-added taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by XTRX have been paid or provision made therefor in the XTRX Financial Statements except where the failure to pay such Taxes would not result in a Material Adverse Effect for XTRX. All tax returns, declarations, remittances and filings required to be filed by XTRX have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of XTRX, no examination of any tax return of XTRX is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by XTRX. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to XTRX;
- (q) there is no person, firm or company acting or purporting to act at the request of XTRX who is or will be entitled to any brokerage or finder's fee in connection with the transactions contemplated herein;
- (r) to the knowledge of XTRX, XTRX has conducted and is conducting its business activities in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business and with all Laws material to its operation, and XTRX has not received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the licences, leases or other instruments conferring rights to XTRX for the conduct of its business;
- (s) to the knowledge of XTRX and other than as disclosed to CCK, any and all material agreements pursuant to which XTRX holds any of its material assets are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, XTRX is not in default of any of the material provisions of any such agreements including, without limitation, failure to fulfil any payment or work obligation thereunder nor has any such default been alleged, XTRX is not aware of any material disputes with respect thereto and such assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licences and concessions pursuant to which XTRX derives its interests in such material assets are in good standing and there has been no material default under any such leases, licences and concessions and all real or other property taxes required to be paid with respect to such assets to the date hereof have been paid;

- (t) to the knowledge of XTRX, there are no outstanding labour disputes (whether filed or lodged with XTRX or any other person or organization), pending labour disruptions or pending unionization with respect to XTRX;
- (u) XTRX is not bound by or a party to any collective bargaining agreement;
- (v) there is not, in the constating documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which XTRX is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of XTRX or the payment of dividends by XTRX to the holders of its securities;
- (w) other than as disclosed in the XTRX Financial Statements, XTRX is not party to any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money (“**Debt Instrument**”) or any agreement contract or commitment to create, assume or issue any Debt Instrument;
- (x) XTRX is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of XTRX to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of XTRX or which would prohibit or restrict XTRX from entering into and completing the Business Combination;
- (y) XTRX is not a party to any agreement, and XTRX is not aware of any agreement, which in any manner affects the voting control of any of the XTRX Shares or other securities of XTRX;
- (z) no representation, warranty or statement of XTRX in the Documents contains or will contain at the Effective Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading;
- (aa) the corporate records and minute books of XTRX contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders since the date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;
- (bb) except as disclosed to CCK in writing and as will be disclosed in the Listing Statement, XTRX has not entered into any material contracts as of the date hereof; and
- (cc) other than its combined cannabis and medical malpractice liability insurance policy, XTRX does not maintain any insurance.

3.2 Representations and Warranties of CCK

CCK hereby represents and warrants to XTRX, and acknowledges that XTRX is relying upon such representations and warranties in connection with the entering into of this Agreement, as follows:

- (a) CCK is validly existing under the laws of the Province of Ontario and is current and up-to-date with all filings required to be made by it in such jurisdiction;
- (b) CCK has full corporate power, capacity and authority to undertake all steps of the Business Combination contemplated in the Documents and to carry out its obligations under this Agreement;
- (c) the authorized capital of CCK consists of an unlimited number of CCK Shares, of which 31,724,875 CCK Shares are currently issued and outstanding; except for such CCK Shares, the Existing CCK

Options and the Existing CCK Warrants, CCK has no other securities outstanding nor is it a party to or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any CCK Shares or securities convertible into or exchangeable for CCK Shares;

- (d) on the Effective Date, the CCK Shares issued pursuant to the Amalgamation will be duly and validly issued and outstanding as fully paid and non-assessable;
- (e) except as disclosed to XTRX in writing, since December 31, 2018, CCK has not carried on any active business operations aside from such active business operations necessary under applicable Laws (including, where applicable, the rules and policies of the NEX) to maintain its listing on the NEX and its status as a reporting issuer in the provinces of Alberta, British Columbia and Ontario (collectively, the “**Reporting Jurisdictions**”), and to the extent that CCK has conducted or is conducting any active business operations, (A) CCK has disclosed such business operations in its Public Disclosure Record, (B) CCK has all requisite corporate capacity, power and authority, and possesses all material certificates, authority, permits and licences issued by the appropriate state, provincial, municipal or federal regulatory agencies or bodies necessary to conduct its business as now conducted by it and to own its assets, and is in compliance in all material respects with such certificates, authorities, permits or licences, and (C) CCK has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or licence which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, income or future prospects of CCK;
- (f) except for the CCK Director Payments and CCK Officer Payments, CCK (A) is not a party to any material contract, including any lease, management or service agreements, as of the date hereof, and (B) has duly terminated all, and has no outstanding obligations (whether past, present or future obligations) under any, material contract(s) (including any material contract terminated on or prior to the date hereof);
- (g) CCK is a reporting issuer, or the equivalent thereof, in the Reporting Jurisdictions, and is not currently in default of any requirement of the applicable laws of each of the Reporting Jurisdictions and other regulatory instruments of the Securities Authorities in such provinces, and no order ceasing, halting or suspending trading in securities of CCK or prohibiting the distribution of such securities has been issued to and is outstanding against CCK and no investigations or proceedings for such purposes are, to the knowledge of CCK, pending or threatened;
- (h) CCK has adequate public distribution before, and will have adequate distribution immediate after the Business Combination, as required under CSE Policy 2;
- (i) CCK is in compliance in all material respects with all its disclosure obligations under applicable Laws and all documents filed by CCK pursuant to such obligations are in compliance in all material respects with applicable Laws and, other than in respect of documents that have been amended or refiled did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (j) other than Subco and 5200 Nunavut Ltd., CCK has no associates (as defined in the *Securities Act* (Ontario)) and is not a partner, cotenant, joint venturer or otherwise a participant in any partnership, joint venture, co-tenancy or other similarly joint owned business;
- (k) each of the Documents has been, or at the Effective Time will be, duly authorized, executed and delivered by CCK and constitutes a valid and binding obligation of CCK enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in

applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of CCK is necessary to authorize this Agreement and the transactions contemplated hereby (other than the approval of the CCK Shareholders for the Amalgamation by written consent);

- (l) the entering into and the performance by CCK and Subco of the Business Combination contemplated in the Documents:
 - (i) do not require any consent, approval, authorization or order of any court or governmental agency, body, or Governmental Authority except that which may be required under applicable corporate and securities legislation and the policies of the NEX and CSE;
 - (ii) will not contravene any statute or regulation of any Governmental Authority which is binding on CCK or Subco where such contravention would have a Material Adverse Effect; and
 - (iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of CCK or Subco or any mortgage, note, indenture, contract or agreement, instrument, lease or other document to which CCK or Subco is or will be a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would have a Material Adverse Effect;
- (m) there are no legal or governmental proceedings pending or, to the knowledge of CCK, contemplated or threatened, to which CCK is a party or to which the property of CCK is subject;
- (n) the audited annual financial statements of CCK for the years ended September 30, 2020 and 2019, and the management discussion and analysis related thereto, (the “**CCK Financial Statements**”) have been prepared in accordance with IFRS, present fairly, in all material respects, the financial position of CCK as at such date, and do not omit to state any material fact that is required by IFRS or by applicable Law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;
- (o) to the knowledge of CCK:
 - (i) CCK is in compliance with all applicable Environmental Laws of each jurisdiction in which it carries on business and material to its operation, and has not violated such Environmental Laws;
 - (ii) all operations of CCK, past or present, conducted on any real property, leased or owned by CCK, past or present, have been and are in compliance with all Environmental Law at all times while occupied by CCK;
 - (iii) CCK is not the subject of (A) any proceeding, application, order or directive which relates to any environmental, health or safety matter, or (B) any demand or notice with respect to any Environmental Laws;
 - (iv) CCK has not caused or permitted the release of any Hazardous Substances on or to any of the assets or any other real property owned or leased or occupied by CCK, either past or present, (including underlying soils and substrata, surface water and groundwater) in such a manner as (A) would be reasonably likely to impose liability for cleanup, natural resource

damages, loss of life, personal injury, nuisance or damage to other property, (B) would be reasonably likely to result in imposition of a lien, charge or other encumbrance on or the expropriation of any of the assets, or (C) at levels which exceed remediation and/or reclamation standards under any Environmental Laws or standards published or administered by those applicable governmental authorities responsible for establishing or applying such standards; and

- (v) there is no environmental liability or factors likely to give rise to any environmental liability affecting any of the properties of CCK or retained in any manner by CCK in connection with properties disposed by CCK;
- (p) CCK has no outstanding material liability, whether direct, indirect, absolute or contingent or otherwise, which is not reflected in the CCK Financial Statements;
- (q) except as disclosed to XTRX in writing or in the CCK Financial Statements, CCK has not engaged in any transaction with any non-arm's length person;
- (r) all Taxes due and payable by CCK have been paid or provision made therefor in the financial statements of CCK except for where the failure to pay such Taxes would not result in a Material Adverse Effect for CCK. All tax returns, declarations, remittances and filings required to be filed by CCK have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of CCK, no examination of any tax return of CCK is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by CCK. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to CCK;
- (s) except for the CCK Director Payments and CCK Officer Payments, there are no plans for retirement, bonus, stock purchase, profit sharing, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation incentive or otherwise contributed to or required to be contributed to, by CCK for the benefit of any current or former director, officer, employee or consultant of CCK;
- (t) there is no person, firm or company acting or purporting to act at the request of CCK who is entitled to any brokerage or finder's fee in connection with the transactions contemplated in the Documents;
- (u) CCK has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business and with all Laws material to its operation and CCK has not received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any concessions, licences, leases or other instruments conferring rights to CCK;
- (v) there is not, in the constating documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which CCK is a party any restriction upon or impediment to, the declaration or payment of dividends by the directors of CCK or the payment of dividends by CCK to the holders of its securities;
- (w) CCK does not have any loan or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) and has not engaged in any transaction with any person not dealing at arm's length;

- (x) to the knowledge of CCK, there are no outstanding labour disputes (whether filed or lodged with CCK or any other person or organization), pending labour disruptions or pending unionization with respect to CCK;
- (y) CCK is not bound by or a party to any collective bargaining agreement;
- (z) CCK is not a party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument;
- (aa) CCK is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of CCK to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of CCK or which would prohibit or restrict CCK from entering into and completing the Business Combination;
- (bb) CCK is not a party to any agreement nor is CCK aware of any agreement, which in any manner affects the voting control of any of the securities of CCK;
- (cc) CCK is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of CCK;
- (dd) the corporate records and minute books of CCK contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;
- (ee) no representation, warranty or statement of CCK or Subco in the Documents contains or will contain at the Effective Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading; and
- (ff) other than its directors and officers insurance policy, CCK does not maintain any insurance.

ARTICLE 4 CONDUCT OF BUSINESS

4.1 Conduct of Business by XTRX and CCK

Except as required by Law or as otherwise expressly permitted or specifically contemplated by this Agreement, each of XTRX and CCK covenants and agrees that, during the period from the date of this Agreement until the earlier of either the Effective Time or the time that this Agreement is terminated by its terms, unless the other shall otherwise agree in writing (acting reasonably):

- (a) other than as contemplated by this Agreement, it shall not directly or indirectly do or permit to occur any of the following:
 - (i) amend its Governing Documents, other than in the case of CCK to effect the Consolidation and Name Change;
 - (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its shares owned by any Person other than inter-corporate loans and advances;

- (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares other than:
 - (A) in the case of CCK:
 - (1) in connection with the exercise of the Existing CCK Options and the Existing CCK Warrants; and
 - (2) in connection with the CCK Director Payments and CCK Officer Payments;
 - (B) in the case of XTRX:
 - (1) in connection with the exercise of the Existing XTRX Options and the Existing XTRX Warrants;
 - (2) in connection with a private placement of XTRX Shares at a price of no less than \$0.27 per XTRX Share;
 - (3) in connection with the conversion of the Convertible Note;
- (iv) make loans, advances or other similar payments to any third party;
- (v) redeem, purchase or otherwise acquire any of its outstanding shares or other securities including, without limitation, under an issuer bid;
- (vi) split, combine or reclassify any of its shares;
- (vii) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of itself or any of its Subsidiaries;
- (viii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above; or
- (ix) enter into any transaction or material contract, except in the ordinary course of business, or engage in any business enterprise or activity different from that carried on as of the date hereof, without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed);
- (b) in the case of XTRX, it shall not, other than in the ordinary course or to ensure the maintenance of the XTRX's current level and standard operations, make any capital expenditure or commitment to do so which individually or in the aggregate exceeds \$50,000, without the prior written consent of CCK, such consent not to be unreasonably withheld or delayed;
- (c) in the case of XTRX, it shall, and shall cause its Subsidiaries to conduct business in, and not take any action except in, the usual and ordinary course of business, with the exception of reasonable costs incurred in connection with the Business Combination, and it shall and shall cause its Subsidiaries to use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships and it shall not, and shall cause its Subsidiaries to not, without the prior written consent of the CCK, enter into any contract in respect of its business or assets, other than in the ordinary course of business, in each case without the prior written consent of CCK, such consent not to be unreasonably withheld; and

- (d) in the case of CCK, it shall, and shall cause its Subsidiaries to conduct business in, and not take any action except in, the usual and ordinary course of business, other than in connection with the Business Combination, and it shall and shall cause its Subsidiaries to use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships and it shall not, and shall cause its Subsidiaries to not, without the prior written consent of the CCK, enter into any contract in respect of its business or assets, other than in the ordinary course of business or incur or agree to incur any expenditures other than further to the Business Combination in amounts consistent with past practice, in each case without the prior written consent of XTRX, such consent not to be unreasonably withheld.

ARTICLE 5 COVENANTS

5.1 Waiver of Notice of Subco Shareholder Meeting and Resolution in Lieu of Meeting by CCK

CCK, as sole shareholder of Subco, shall waive notice of and its attendance at a meeting of the shareholders of Subco to approve the Amalgamation and shall sign a resolution in writing of the sole shareholder of Subco approving the Amalgamation.

5.2 Representations and Warranties

- (a) XTRX covenants and agrees that from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 3.1 being untrue in any material respect.
- (b) CCK covenants and agrees that, from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 3.2 being untrue in any material respect.

5.3 Notice of Material Change

- (a) From the date hereof until the termination of this Agreement, each Party shall promptly notify the other Party in writing of:
 - (i) any material change (actual, anticipated, contemplated or, to the knowledge of such Party or any of its Subsidiaries, threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of such Party and its Subsidiaries, taken as whole;
 - (ii) any change in the facts relating to any representation or warranty set out in Sections 3.1 or 3.2 hereof, as applicable, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or
 - (iii) any material fact which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement.
- (b) Each of XTRX and CCK shall in good faith discuss with the other any change in circumstances (actual, anticipated, contemplated or, to its knowledge of its or any of its Subsidiaries, threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other pursuant to this Section.

5.4 Non-Solicitation

Neither of XTRX and CCK will solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Business Combination, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or “takeover bid,” exempt or otherwise, within the meaning of the *Securities Act* (Ontario), for their respective securities or assets, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Business Combination, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event a Party, including any of its officers or directors, receives any form of offer or inquiry, such Party shall forthwith (in any event within one business day following receipt) notify the other Party of such offer or inquiry and provide such other Party with such details as it may request. If either Party breaches the provision in this Section 5.4, the breaching Party shall forthwith pay to the other Party a fee equal to \$250,000 as partial reimbursement for third party costs and expenses incurred in connection with the transactions contemplated herein.

5.5 Other Covenants

Each of XTRX and CCK covenants and agrees that it shall:

- (a) use all commercially reasonable efforts to consummate the Business Combination and all matters described in the Listing Statement, subject only to the terms and conditions hereof and thereof;
- (b) use all commercially reasonable efforts to obtain all appropriate Regulatory Approvals;
- (c) not, other than in connection with the Business Combination or as otherwise contemplated herein, split, consolidate or reclassify any of its outstanding securities, nor declare, set aside or pay any dividends on or make any other distributions on or in respect of its outstanding securities; and
- (d) not, other than in connection with the Business Combination, reorganize, amalgamate or merge with any other person, nor acquire by amalgamating, merging or consolidating with, purchasing a majority of the voting securities or substantially all of the assets of or otherwise, any business or Person which acquisition or other transaction would reasonably be expected to prevent or materially delay the Business Combination contemplated hereby.

ARTICLE 6 MUTUAL COVENANTS

6.1 Other Filings

CCK and XTRX shall use all commercially reasonable efforts, as promptly as practicable hereafter, prepare and file all filings required under any securities Laws, the policies of the NEX, CSE or any other applicable Laws relating to the Business Combination contemplated hereby.

6.2 Additional Agreements

Subject to the terms and conditions of this Agreement and subject to fiduciary obligations under applicable Laws, each of XTRX and CCK agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as

promptly as practicable the Business Combination contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts or agreements;
- (b) to defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the Business Combination contemplated hereby;
- (c) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of XTRX and CCK to consummate the Business Combination contemplated hereby;
- (d) to effect all necessary registrations and other filings and submissions of information requested by the NEX and CSE;
- (e) to effect all necessary registrations and other filings and submissions of information requested by Governmental Authorities; and
- (f) to fulfill all conditions and satisfy all provisions of this Agreement.

For purposes of the foregoing, the obligation to use “commercially reasonable efforts” to obtain waivers, consents and approvals to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other parties.

ARTICLE 7

CONDITIONS AND CLOSING MATTERS

7.1 Mutual Conditions Precedent

The respective obligations of XTRX and CCK hereto to complete the Business Combination contemplated by this Agreement shall be subject to the satisfaction, on or before the Effective Date, of the following conditions precedent, each of which may be waived only by the mutual consent of XTRX and CCK:

- (a) CCK, upon completion of the Business Combination, will meet the minimum original listing requirements of the CSE and the CSE shall have conditionally approved the listing of the CCK Shares to be issued in connection with the Business Combination on the CSE following the Business Combination, subject to completion of the Business Combination and completion of the customary listing requirements of the CSE;
- (b) CCK shall have received conditional approval for delisting from the NEX;
- (c) CCK, upon completion of the Business Combination, will delist the CCK Shares from the NEX;
- (d) there shall not be in force any order or decree restraining or enjoining the consummation of the Business Combination;
- (e) this Agreement shall not have been terminated pursuant to Article 8;
- (f) all Regulatory Approvals and corporate approvals shall have been obtained;
- (g) each Party shall not have entered into any transaction or contract which would have a material effect on the financial and operational condition, or the assets of each Party, excluding those transactions

or contracts undertaken in the ordinary course of business, without first discussing and obtaining the approval of the other Party;

- (h) the requisite approval of the XTRX Shareholders for the Amalgamation shall have been obtained; and
- (i) the requisite approval of the CCK Shareholders for the Business Combination shall have been obtained.

If any of the above conditions shall not have been complied with or waived by XTRX and CCK on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then a Party may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by the Party terminating the Agreement. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by a Party of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, such defaulting Party shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own non-compliance with its obligations under this Agreement.

7.2 Additional Conditions Precedent to the Obligations of XTRX

The obligations of XTRX to complete the Business Combination contemplated by this Agreement shall also be subject to the satisfaction, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of XTRX and may be waived by XTRX):

- (a) CCK shall have effected the Name Change and Consolidation;
- (b) CCK will have cash, net of all liabilities but exclusive of any fees CCK may pay to the CSE in connection with the Business Combination, of \$800,000 as of the Effective Date;
- (c) on or prior to the Effective Date, and effective upon completion of the Amalgamation, each of the directors and officers of CCK shall have tendered their resignations and provided mutual releases in a form acceptable to XTRX such that the board of directors and officers of CCK, subject to the approval of the CSE, shall be reconstituted, and the officers shall be appointed, as set forth in Section 2.3;
- (d) no Material Adverse Change with respect to CCK shall have occurred between the date hereof and the Effective Date;
- (e) CCK shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and all representations and warranties of CCK contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall not have ceased to be true and correct in any material respect thereafter (provided, however, that if the breaching Party has been given written notice by the other Party specifying in reasonable detail any such misrepresentation, breach or non-performance, the breaching Party shall have had ten (10) days to cure such misrepresentation, breach or non-performance), and the Chief Executive Officer of CCK or another officer satisfactory to XTRX shall so certify immediately prior to the Effective Date; and
- (f) the CCK board of directors, and the Subco board of directors as necessary, shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by CCK to permit the consummation of the Business Combination and the transactions contemplated therewith.

If any of the above conditions shall not have been complied with or waived by XTRX on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to the cure provision

provided for in Section 7.2(e), XTRX may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by XTRX. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by XTRX of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, XTRX shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own noncompliance with its obligations under this Agreement.

7.3 Additional Conditions Precedent to the Obligations of CCK

The obligations of CCK to complete the Business Combination contemplated by this Agreement shall also be subject to the satisfaction, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of CCK and may be waived by CCK):

- (a) the CCK Officer Payments shall have been made;
- (b) the CCK Director Payments shall have been made;
- (c) the Convertible Note has converted into XTRX Shares in accordance with its terms;
- (d) the Existing CCK Options will have their expiry dates extended to one (1) year following the closing of the Business Combination;
- (e) no Material Adverse Change with respect to XTRX shall have occurred between the date hereof and the Effective Date;
- (f) XTRX shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and all representations and warranties of XTRX contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall not have ceased to be true and correct in any material respect thereafter (provided, however, that if the breaching Party has been given written notice by the other Party specifying in reasonable detail any such misrepresentation, breach or non-performance, the breaching Party shall have had ten (10) days to cure such misrepresentation, breach or non-performance), and the Chief Executive Officer of XTRX or another officer satisfactory to CCK shall so certify immediately prior to the Effective Date; and
- (g) the XTRX board of directors shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by XTRX to permit the consummation of the Amalgamation, the Business Combination and the transactions contemplated therewith.

If any of the above conditions shall not have been complied with or waived by CCK on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to the cure provision provided for in Section 7.3(f), CCK may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by CCK. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by CCK of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, neither Party shall rely on such failure (to satisfy one or more of the above conditions) as a basis for its own non-compliance with its obligations under this Agreement.

7.4 Merger of Conditions

The conditions set out in Sections 7.1, 7.2 and 7.3 shall be conclusively deemed to have been satisfied, waived or released by XTRX and CCK on the filing of the Articles of Amalgamation with the Director and such other documents as are required to be filed under the CBCA for acceptance by the Director to give effect to the Amalgamation.

7.5 Closing Matters

The completion of the transactions contemplated under this Agreement shall be effected via electronic exchange or at the offices of XTRX's counsel, Garfinkle Biderman LLP, at 1:00 p.m. (Toronto time) (or such other time as XTRX and CCK may agree upon) on the Effective Date.

ARTICLE 8 TERMINATION, AMENDMENT AND DISSENTING SHAREHOLDERS

8.1 Termination

This Agreement may be terminated by written notice promptly given to the other Party hereto, at any time prior to the Effective Date:

- (a) by mutual agreement in writing by XTRX and CCK; or
- (b) as set forth in Sections 7.1, 7.2 and 7.3 of this Agreement.

8.2 Effect of Termination

In the event of the termination of this Agreement as provided in Section 8.1 hereof, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of CCK or XTRX hereunder except as set forth in Sections 1.6, 1.7, 5.4, 8.2, 8.3, 9.5, 9.7, 9.8, 9.10 and 9.11.

8.3 Fees and Expenses

Each of XTRX and CCK shall pay its own costs and expenses (including all legal, accounting and financial advisory fees and expenses) incurred in connection with the completion of the Business Combination, including without limitation, expenses related to the preparation, execution and delivery of all agreements including, without limitation, this Agreement and other documents referenced herein.

8.4 Amendment

This Agreement may, at any time on or before the Effective Date be amended by mutual agreement between XTRX and CCK hereto. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of XTRX and CCK.

8.5 Dissenting Shareholders

On the earlier of the Effective Date, the making of an agreement between a Dissenting Shareholder and XTRX for the purchase of their Dissenting XTRX Shares or the pronouncement of a court order pursuant to Section 190 of the CBCA, a Dissenting Shareholder shall cease to have any rights as a XTRX Shareholder other than the right to be paid the fair value of its Dissenting XTRX Shares in the amount agreed to or as ordered by the court, as the case may be. In the event that a Dissenting Shareholder fails to perfect or effectively withdraws the Dissenting Shareholder's claim under Section 190 of the CBCA or otherwise forfeits the Dissenting Shareholder's right to make a claim under Section 190 of the CBCA, the Dissenting Shareholder's Dissenting XTRX Shares shall thereupon be deemed to have been exchanged as of the Effective Date for CCK Shares on the basis set forth in Section 2.1 hereof.

8.6 Waiver

A Party may (i) extend the time for the performance of any of the obligations or other acts of the other Party, (ii) waive compliance with any of the other Party's agreements or the fulfillment of any of its conditions contained herein or (iii) waive inaccuracies in another Party's representations or warranties contained herein or in any document

delivered by the other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party.

ARTICLE 9 GENERAL

9.1 XTRX Representative

- (a) Noah Sudman, is hereby designated to serve as the representative of the XTRX Shareholders, and agrees to use its commercially reasonable efforts to cause CCK to comply with its obligations to issue the Earn-Out Shares in accordance with the terms of the Earn-Out Schedule.
- (b) The XTRX Representative will act as the agent for each of the XTRX Shareholders, solely for the purpose of enforcing the Earn-Out and any other agreement entered into in connection therewith, including to (i) calculate for each XTRX Shareholder the number of Earn-Out Shares issuable thereto; (ii) resolve any adjustments or issues relating to the Earn-Out Shares; (iii) receive notices and other deliverables hereunder on behalf of the XTRX Shareholders.
- (c) CCK shall be entitled to rely on any action taken by the XTRX Representatives, on behalf of the XTRX Shareholders, pursuant to this Section 9.1 (each, an “**Authorized Action**”). XTRX will indemnify and hold harmless the XTRX Representative against all expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the XTRX Representative in connection with any action, suit or legal proceeding to which a XTRX Representative is made a party by reason of the fact it is or was acting as a XTRX Representative pursuant to the terms of this Agreement (collectively, “**Losses**”). This indemnity shall not be available the XTRX Representative in respect of Losses incurred where a court of competent jurisdiction in a final judgment that has become non-appealable determines that such Losses resulted primarily from the fraud, gross negligence or willful misconduct of the XTRX Representative.
- (d) The XTRX Representative hereby accepts its obligations under this Agreement. The XTRX Representative is not, by virtue of serving as XTRX Representative, a fiduciary of the XTRX Shareholders or any other Person. The XTRX Representative, in its capacity as such, has no personal responsibility or liability for any representation, warranty or covenant of XTRX.
- (e) The XTRX Representative shall not be entitled to and shall not charge or collect from the XTRX Shareholder or any other Person any fees or other compensation for its services as XTRX Representative under this Agreement.
- (f) If the XTRX Representative resigns or is otherwise unable or unwilling to serve in such capacity, then XTRX, acting on behalf of the XTRX Shareholders, will appoint a new Person by majority vote to replace such XTRX Representative and will provide prompt written notice thereof to CCK. Until such notice is received, CCK will be entitled to rely on the actions and statements of the previous XTRX Representative, as applicable.

9.2 Survival

For greater certainty, the representations and warranties of each XTRX and CCK contained herein shall survive the execution and delivery of this Agreement and shall terminate and be extinguished on the earlier of the termination of this Agreement in accordance with its terms and the Effective Time, provided that CCK's obligation to complete the Earn-Out shall survive the Effective Time and shall terminate and be extinguished upon the earlier of (i) the five year anniversary of the Effective Date; or (ii) the issuance by CCK of all of the Earn-Out Shares.

9.3 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by e-mail or sent by prepaid overnight courier to XTRX and CCK at the following addresses (or at such other addresses as shall be specified by XTRX and CCK by like notice):

If to XTRX or XTRX Representative:

[REDACTED]
[REDACTED]
[REDACTED]

Attention: Igal Sudman (Chief Executive Officer)
E-mail: igal@xtrx.ca

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

Garfinkle Biderman LLP
Suite 801 - 1 Adelaide Street East
Toronto, Ontario, M5C 2V9

Attention: Grant Duthie
E-mail: gduthie@garfinkle.com

if to CCK or Subco:

[REDACTED]
[REDACTED]
[REDACTED]

Attention: Olga Nikitovic
Email: olga.nikitovic@sympatico.ca

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

Aird & Berlis LLP
Brookfield Place
181 Bay St Suite 1800
Toronto, ON M5J 2T9

Attention: Tom Fenton
Email: tfenton@airdberlis.com

9.4 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties hereto without the prior written consent of the other Party.

9.5 Complete Agreement

This Agreement sets forth the entire understanding between the Parties hereto and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the subject matter hereof,

including but not limited to, the letter of intent dated October 22, 2020, as amended November 5, 2020, between XTRX and CCK. No other agreements, representations, warranties or other matters, whether oral or written, shall be deemed to bind the Parties hereto with respect to the subject matter hereof.

9.6 Further Assurances

Each Party hereto shall, from time to time, and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

9.7 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.8 Counterpart Execution

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

9.9 Investigation by Parties

No investigations made by or on behalf of either Party or any of their respective authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by the other Party in or pursuant to this Agreement.

9.10 No Contra Proferentem

This Agreement has been reviewed by each Party's professional advisors and revised during the course of negotiations between the Parties. Each Party hereto acknowledges that this Agreement is the product of their joint efforts, that it expresses their intentions, and that, if there is any ambiguity in any of its provisions, no rule of interpretation favouring one Party over another based on authorship will apply.

9.11 Public Announcement; Disclosure and Confidentiality

- (a) Unless and until the transactions contemplated in this Agreement will have been completed, none of the Parties shall make any public announcement concerning this Agreement or the matters contemplated herein, their discussions or any other memoranda, letters or agreements between them relating to the matters contemplated herein without the prior consent of the other Parties, which consent shall not be unreasonably withheld, provided that no Party shall be prevented from making any disclosure which is required to be made by law or any rules of a stock exchange or similar organization to which it is bound.
- (b) All information provided to or received by the Parties hereunder shall be treated as confidential ("**Confidential Information**"). Subject to the provisions of this Section 9.9(b), no Confidential Information shall be published by any Party hereto without the prior written consent of the others, but such consent in respect of the reporting of factual data shall not be unreasonably withheld. The consent required by this Section shall not apply to a disclosure to: (a) comply with any applicable laws, stock exchange rules or a regulatory authority having jurisdiction; (b) a director, officer or employee of a Party; (c) an Affiliate of a Party; (d) a consultant, contractor or subcontractor of a party that has a *bona fide* need to be informed; or (e) any third party to whom the disclosing Party

may assign any of its rights under this Agreement; provided, however, that in the case of subsection (e) the third party or parties, as the case may be, agree to maintain in confidence any of the Confidential Information so disclosed to them.

- (c) The obligations of confidence and prohibitions against use of Confidential Information under this Agreement shall not apply to information that the disclosing Party can show by reasonable documentary evidence or otherwise: (a) as of the date of this Agreement, was in the public domain; (b) after the date of this Agreement, was published or otherwise became part of the public domain through no fault of the disclosing Party or an Affiliate thereof (but only after, and only to the extent that, it is published or otherwise becomes part of the public domain); or (c) was information that the disclosing Party or its Affiliate were required to disclose pursuant to the order of any Governmental authority or judicial authority.

[Remainder of page intentionally left blank. Signature page follows.]

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

AYURCANN INC.

Per: /s/ Igal Sudman

Igal Sudman
Chief Executive Officer

CANADA COAL INC.

Per: /s/ Olga Nikitovic

Olga Nikitovic
Interim Chief Executive Officer

XTRX REPRESENTATIVE

Per: /s/ Noah Sudman

Noah Sudman

SCHEDULE "A"
AMALGAMATION AGREEMENT

(See attached.)

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the _____ day of _____, 202[▲],

AMONG:

AYURCANN INC.,
a corporation incorporated under the federal laws of Canada
("XTRX")

- and -

CANADA COAL INC.,
a corporation existing under the laws of the Province of Ontario
("CCK")

- and -

12487772 CANADA INC.,
a corporation incorporated under the federal laws of Canada
("Subco");

WHEREAS, XTRX and CCK have agreed to effect an amalgamation of XTRX and Subco under the authority contained in the CBCA upon the terms and conditions hereinafter set out;

AND WHEREAS, XTRX and Subco are each incorporated under the CBCA;

AND WHEREAS, Subco is a wholly-owned subsidiary of CCK;

AND WHEREAS, XTRX is authorized to issue an unlimited number of XTRX Shares and up to 25,393 XTRX Class A Special Shares, of which there are 52,571,001 XTRX Shares issued and outstanding and no XTRX Class A Special Shares issued and outstanding as of the date hereof.

AND WHEREAS, the authorized capital of Subco consists of an unlimited number of Subco Shares, of which one (1) Subco Share is issued and outstanding at the date hereof as a fully paid and non-assessable share, which is owned of record by CCK;

AND WHEREAS, pursuant to the Amalgamation, and subject to the terms of this Agreement, XTRX and Subco shall amalgamate and continue as Amalco, which shall become a wholly-owned subsidiary of CCK, and CCK shall issue to each XTRX Shareholder, in exchange for each one (1) XTRX Share held, a number of CCK Post-Consolidation Shares in accordance with the Exchange Ratio;

AND WHEREAS, XTRX, CCK and Subco have each made full disclosure to the other of all their respective assets and liabilities;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties agree as follows:

1. Interpretation

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

“**Agreement**” means this agreement, its recitals and exhibits, as the same may be amended, modified or supplemented from time to time.

“**Amalco**” means the corporation resulting from the Amalgamation and continuing the corporate existence of the Amalgamating Corporations.

“**Amalco Shareholder**” means a registered holder of Amalco Shares, from time to time, and “**Amalco Shareholders**” means all of such holders.

“**Amalco Shares**” means the common shares in the share capital of Amalco.

“**Amalgamating Corporations**” means XTRX and Subco, and “**Amalgamating Corporation**” means either of them as applicable.

“**Amalgamation**” means the amalgamation of the Amalgamating Corporations pursuant to the provisions of the CBCA in the manner contemplated in and pursuant to this Agreement.

“**Articles of Amalgamation**” means the articles of amalgamation giving effect to the Amalgamation to be filed with the Director pursuant to this Agreement, in the form attached hereto as Exhibit “A”.

“**Business Combination Agreement**” means the business combination agreement dated November 24, 2020 between XTRX, CCK and the XTRX Representative.

“**CBCA**” means the *Canada Business Corporations Act* as the same has been and may hereafter from time to time be amended.

“**CCK**” means Canada Coal Inc., a corporation existing under the laws of the Province of Ontario.

“**CCK Options**” means stock options to purchase CCK Shares.

“**CCK Shareholder**” means a registered holder of CCK Shares, from time to time.

“**CCK Shares**” means the common shares in the capital of CCK.

“**CCK Post-Consolidation Shares**” means the CCK Shares on a post-Consolidation basis.

“**Certificate of Amalgamation**” means the certificate in respect of the Amalgamation issued by the Director;

“**Consolidation**” means the consolidation by CCK of the CCK Shares on the basis of two (2) CCK Shares for each one (1) CCK Post-Consolidation Share.

“**Director**” means the Director appointed under Section 260 of the CBCA.

“**Dissenting XTRX Shares**” means the XTRX Shares held by Dissenting Shareholders.

“**Dissenting Shareholder**” means a registered holder of XTRX Shares who, in connection with the special resolution of the XTRX Shareholders approving the Amalgamation, has exercised the right to dissent pursuant to Section 190 of the CBCA in strict compliance with the provisions thereof and thereby becomes entitled to be paid the fair value of his, her or its XTRX Shares and who has not withdrawn the notice of the exercise of such right as permitted by Section 190 of the CBCA.

“**Earn-Out**” means the earn-out obligation of CCK to the XTRX Shareholders, as more particular described in Schedule “B” attached to the Business Combination Agreement.

“**Earn-Out Shares**” means CCK Post-Consolidation Shares.

“**Earn-Out Trigger One**” means XTRX receiving a Sale for Medical Purposes License from Health Canada.

“**Effective Date**” means the date shown on the Certificate of Amalgamation issued by the Director, which date shall be in accordance with Section 2.1(c).

“**Effective Time**” means 12:01 a.m. (Toronto time) on the Effective Date or such other time on the Effective Date as may be agreed by XTRX and CCK.

“**Exchange Ratio**” means either:

- (i) if the Earn-Out Trigger One has not been met prior to the Effective Date, a ratio of 1.2858 CCK Post-Consolidation Shares for each one (1) XTRX Share; or
- (ii) if the Earn-Out Trigger One has been met prior to the Effective Date, a ratio of 1.4695 CCK Post-Consolidation Shares for each one (1) XTRX Share.

“**Existing XTRX Options**” means the XTRX Options, entitling the holders thereof to purchase up to: (i) 458,334 XTRX Shares at a price of \$0.15 per share of which 125,000 expire on or before September 5, 2022 and 333,334 expire on or before September 16, 2022 and (ii) 75,000 XTRX Shares at a price of \$0.14 per share which expire on November 23, 2023.

“**Existing XTRX Warrants**” means the common share purchase warrants of XTRX, entitling the holders thereof to purchase up to 10,000,000 XTRX Shares at a price of \$0.20 per share of which 5,000,000 expire on May 31, 2022, 1,000,000 expire on June 10, 2022 and 4,000,000 expire on August 13, 2022.

“**fair value**” where used in relation to a XTRX Share held by a Dissenting Shareholder, means fair value as determined by a court under Section 190 of the CBCA or as agreed between XTRX and the Dissenting Shareholder.

“**Name Change**” means the change of name of CCK from “Canada Coal Inc.” to “Ayurcann Inc.” or such other name as determined by the XTRX and acceptable to the applicable Governmental Authorities.

“**Person**” includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Government Authority, syndicate or other entity, whether or not having legal status.

“**Subco**” means 12487772 Canada Inc., a corporation incorporated under the federal laws of Canada as a wholly-owned Subsidiary of CCK for the sole purpose of effecting the Amalgamation.

“**Subco Shares**” means the common shares in the capital of Subco.

“**Transfer Agent**” means Computershare Investor Services Inc., at its principal office in Toronto, Ontario, being the transfer agent and registrar for the CCK Shares.

“**XTRX**” means Ayurcann Inc., a corporation incorporated under the CBCA.

“**XTRX Class A Special Shares**” means superior voting, redeemable, retractable Class “A” Special Shares without nominal or par value.

“**XTRX Options**” means stock options to purchase XTRX Shares.

“**XTRX Representative**” means Noah Sudman, an individual representing the XTRX Shareholders in connection with the Business Combination.

“**XTRX Shareholder**” means a registered holder of XTRX Shares, from time to time.

“**XTRX Shares**” means the Class “A” Common Shares in the capital of XTRX.

2. Paramountcy

In the event of any conflict between the provisions of this Agreement and the provisions of the Business Combination Agreement, the provisions of this Agreement shall prevail.

3. Agreement to Amalgamate

Each of XTRX, CCK and Subco hereby agrees to the Amalgamation such that the Amalgamating Corporations shall amalgamate to create and continue as Amalco under the provisions of the CBCA, on the terms and conditions set out in this Agreement.

4. Filing of Articles

Following the approval of this Agreement by the shareholders of the Amalgamating Corporations in accordance with the CBCA, and in accordance with the terms and conditions of the Business Combination Agreement, including the satisfaction or waiver of all conditions precedent set forth in the Business Combination Agreement, XTRX shall file the Articles of Amalgamation with the Director as provided under the CBCA.

5. Conditions Precedent to the Amalgamation

The Amalgamation is subject to the satisfaction or waiver by the party entitled to make such waiver, of the conditions precedent set forth in Article 7 of the Business Combination Agreement. The signing and delivery of the Articles of Amalgamation by XTRX and Subco shall be conclusive evidence that such conditions have been satisfied to the satisfaction of XTRX and CCK or waived by the party entitled to make such waiver, and that XTRX and Subco may amalgamate in accordance with the provisions of this Agreement.

6. Amalgamation Events

Pursuant to the Amalgamation, on the Effective Date:

- (a) each issued and outstanding XTRX Share held by each Dissenting Shareholder will become an entitlement to be paid the fair value of such share;
- (b) each issued and outstanding Subco Share shall be exchanged for one (1) fully paid and non-assessable Amalco Share;
- (c) each issued and outstanding XTRX Share (other than those held by Dissenting Shareholders) shall be exchanged fully paid and non-assessable CCK Post-Consolidation Shares in accordance with the Exchange Ratio;
- (d) following the Effective Time, the Existing XTRX Warrants and Existing XTRX Options will automatically adjust in accordance with their terms such that, following the Effective Time, the holders of the Existing XTRX Warrants and Existing XTRX Options shall acquire CCK Post-Consolidation Shares in lieu of XTRX Shares adjusted to reflect the Exchange Ratio, with the exercise prices of the Existing XTRX Warrants and Existing XTRX Options adjusted by the inverse of the Exchange Ratio, or will be replaced with equivalent convertible securities of CCK entitling the holders thereof to acquire CCK Post-Consolidation Shares in lieu of XTRX Shares adjusted to reflect the Exchange Ratio, with the exercise prices of the Existing XTRX Warrants and Existing XTRX Options adjusted by the inverse of the Exchange Ratio, and otherwise bearing the same terms as the Existing XTRX Warrants and Existing XTRX Options which they replace;
- (e) as consideration for the issuance of CCK Post-Consolidation Shares in exchange for the XTRX Shares, Amalco shall issue to CCK one (1) Amalco Share for each one (1) CCK Post-Consolidation Shares so issued;
- (f) XTRX and Subco shall be amalgamated and continue as Amalco;

- (g) all of the property and assets of each of XTRX and Subco shall be the property and assets of Amalco and Amalco shall be liable for all of the liabilities and obligations of each of XTRX and Subco, including civil, criminal and quasi criminal, and all contracts, liabilities and debts of Subco and XTRX;
- (h) all rights of creditors against the property, assets, rights, privileges and franchises of Subco and XTRX and all liens upon their property, rights and assets shall be unimpaired by the Amalgamation and all debts, contracts, liabilities and duties of Subco and XTRX shall thenceforth attach to and be enforced against Amalco; and
- (i) no action or proceeding by or against Subco or XTRX shall abate or be affected by the Amalgamation but, for all purposes of such action or proceeding, the name of Amalco shall be substituted in such action or proceeding in place of Subco or XTRX, as the case may be.

7. Articles of Amalgamation

The Articles of Amalgamation of Amalco shall be in the form attached hereto as Exhibit "A".

8. Name

The Name of Amalco shall be "XTRX Solutions Corp.", or such other name as mutually agreed to by the XTRX and CCK.

9. Registered Office

Until changed in accordance with the CBCA, the registered office of Amalco shall be in the Province of Ontario.

10. Authorized Capital

The authorized capital of Amalco shall consist of an unlimited number of Amalco Shares, the rights, privileges, restrictions and conditions attaching to which shall be as set out in the Articles of Amalgamation attached hereto as Exhibit "A".

11. Share Transfer Restrictions

The Amalco Shares shall be subject to restrictions on transfer as set out in the Articles of Amalgamation attached hereto as Exhibit "A".

12. Business

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

13. Number of Directors

The board of directors of Amalco shall consist of not less than one (1) and not more than ten (10) directors, the exact number of which shall be determined by the directors from time to time.

14. First Directors

The first director(s) of Amalco shall be the person(s) whose names and residential addresses appear below:

Name	Address	Resident Canada
Igal Sudman	[REDACTED ADDRESS]	Yes

The above director shall hold office from the Effective Date until the first annual meeting of Amalco Shareholders or until his successor is elected or appointed.

15. By-laws

The by-laws of Amalco shall be, to the extent not inconsistent with this Agreement, the by-laws of Subco, until repealed or amended.

16. Fractional Shares

No fractional CCK Post-Consolidation Shares or Amalco Shares will be issued or delivered to any former XTRX Shareholders or the former Subco Shareholder otherwise entitled thereto, if any. Instead, the number of CCK Post-Consolidation Shares or Amalco Shares issued to each former holder of XTRX Shares or Subco Shares will be rounded down to the nearest whole number.

17. Stated Capital

The stated capital account in the records of Amalco for the Amalco Shares shall be equal to the stated capital attributed to the XTRX Shares and the Subco Shares, determined immediately before the Amalgamation.

18. Termination

Subject to the terms of the Business Combination Agreement, this Agreement may be terminated by the board of directors of each of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholders of the Amalgamating Corporations, at any time prior to the issuance of the Certificate of Amalgamation. If this Agreement is terminated pursuant to this Section, this Agreement shall forthwith become void and of no further force and effect.

19. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario sitting in and for the judicial district of Toronto in respect of all matters arising under or in relation to this Agreement.

20. Further Assurances

Each of XTRX and CCK agree to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Amalgamation Agreement.

21. Time of the Essence

Time shall be of the essence of this Agreement.

22. Amendments

This Agreement may only be amended or otherwise modified by written agreement executed by XTRX and CCK.

23. Counterparts

This Agreement may be signed in counterparts (including counterparts by facsimile), and all such signed counterparts, when taken together, shall constitute one and the same agreement, effective on this date.

[Remainder of page intentionally left blank. Signature page follows.]

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

AYURCANN INC.

Per: _____
Igal Sudman
Chief Executive Officer

CANADA COAL INC.

Per: _____
Olga Nikitovic
Interim Chief Executive Officer

12487772 CANADA INC.

Per: _____
Thomas A. Fenton
Director

EXHIBIT "A"
ARTICLES OF AMALGAMATION

(See attached.)



**Canada Business Corporations Act (CBCA)
FORM 9
ARTICLES OF AMALGAMATION
(Section 185)**

1 - Corporate name of the amalgamated corporation

XTRX Solutions Corp.

2 - The province or territory in Canada where the registered office is situated (do not indicate the full address)

Ontario

3 - The classes and any maximum number of shares that the corporation is authorized to issue

The Corporation is authorized to issue an unlimited number of Class A Common Shares and Class A Special Shares.

4 - Restrictions, if any, on share transfers

Shareholders cannot transfer shares without either (i) approval of the directors of the Corporation by resolution, or (ii) approval of the holders of at least a majority of the shares of the Corporation

5 - Minimum and maximum number of directors (for a fixed number of directors, indicate the same number in both boxes)

Minimum number

Maximum number

6 - Restrictions, if any, on the business the corporation may carry on

No restrictions.

7 - Other provisions, if any

N/A

8 - The amalgamation has been approved pursuant to that section or subsection of the Act which is indicated as follows:

<input checked="" type="radio"/>	183 - Long form: approved by special resolution of shareholders	<input type="radio"/>	184(1) - Vertical short-form: approved by resolution of directors	<input type="radio"/>	184(2) - Horizontal short-form: approved by resolution of directors
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9 - Declaration

I hereby certify that I am a director or an authorized officer of the following corporation:

Name of the amalgamating corporations	Corporation number	Signature
Ayurcann Inc.	1085435 - 2	
12487772 Canada Inc.	1248777 - 2	
	-	
	-	

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).



Instructions
FORM 9
ARTICLES OF AMALGAMATION

Filing this application costs \$200.

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Item 1

Set out the proposed name of the amalgamated corporation that complies with sections 10 and 12 of the CBCA. If this name is not the same one as one of the amalgamating corporations, articles of amalgamation must be accompanied by a Nuans Name Search Report dated not more than ninety (90) days prior to the receipt of the articles by Corporations Canada. A numbered name may be assigned under subsection 11(2) of the CBCA without a Nuans Name Search Report.

Item 2

Set out the name of the province or territory within Canada where the registered office is to be situated.

Item 3

Set out the details required by paragraph 6(1)(c) of the CBCA, including details of the rights, privileges, restrictions and conditions attached to each class of shares. All shares must be without nominal or par value and must comply with the provisions of Part V of the CBCA.

Item 4

If restrictions are to be placed on the right to transfer shares of the corporation, set out a statement to this effect and the nature of such restrictions.

Item 5

State the number of directors. If cumulative voting is permitted, the number of directors must be fixed.

Item 6

If restrictions are to be placed on the business the corporation may carry out, set out the restrictions.

Item 7

Set out any provisions, permitted by the CBCA or its Regulations to be set out in the by-laws of the corporation, that are to form part of the articles, including any pre-emptive rights or cumulative voting provisions.

Item 8

Indicate whether the amalgamation is under section 183 or subsection 184(1) or 184(2) of the CBCA.

Item 9

A director or officer of the amalgamating corporations shall sign the articles.

If space in items 3, 4, 6, 7 and 9 is insufficient, please attach a schedule.

Also include:

- Form 2 - Initial Registered Office Address and First Board of Directors
- A statutory declaration from a director or officer of each amalgamating corporation in accordance with subsection 185(2) of the CBCA.
- A Nuans Name Search Report, if applicable
- Fee of \$200, payable by credit card (American Express, Visa or Master Card) or by cheque made payable to the Receiver General for Canada

For more information, consult the Corporations Canada Website (corporationscanada.ic.gc.ca) or call toll-free (within Canada) **1-866-333-5556** or (from outside Canada) **(613) 941-9042**.

Send documents:

By e-mail: IC.corporationscanada.IC@canada.ca

By mail: Corporations Canada
235 Queen Street
Ottawa, Ontario K1A 0H5

**SCHEDULE “B”
EARN-OUT SCHEDULE**

CCK shall issue the Earn-Out Shares to the XTRX Shareholders, on a *pro-rata* basis having regard to the number of XTRX Shares held by each XTRX Shareholder, in accordance with the list provided to CCK pursuant to Section 2.2(f), and upon the following terms:

- (a) upon the occurrence of Earn-Out Trigger One, CCK shall make the Earn-Out Payment One to the XTRX Shareholders; and
- (b) upon the occurrence of Earn-Out Trigger Two, CCK shall make the Earn-Out Payment Two to the XTRX Shareholders,

without payment of any consideration, provided that the respective Earn-Out Triggers have been met prior to the Earn-Out Deadline.

In this Schedule, except as otherwise defined in this Agreement, the following defined terms have the meanings hereinafter set forth:

“**Earn-Out Deadline**” the date that is five (5) years following the Effective Date.

“**Earn-Out Triggers**” means Earn-Out Trigger One and Earn-Out Trigger Two.

“**Earn-Out Trigger Two**” means completion Phase 2 of the facility located at 1080 Brock Road, Unit 6, Pickering, Ontario L1W 3H3, which will be evidenced by XTRX providing Health Canada with written notice of the foregoing.

“**Earn-Out Payment One**” a number of Earn-Out Shares equal to the quotient of \$2,000,000 divided by the then-current Market Price.

“**Earn-Out Payment Two**” a number of Earn-Out Shares equal to the quotient of \$1,000,000 divided by the then-current Market Price.

“**Market Price**” means the greater of (i) \$0.05 and (ii) the ten (10) day volume weighted average trading price of the CCK Post-Consolidation Shares on the CSE prior to the date of the Earn-Out Trigger.