

**SHARE PURCHASE AGREEMENT**

between

**EACH PERSON IDENTIFIED AS A “SELLER” IN SCHEDULE A**

-and-

**PLANTX LIFE INC.**

-and-

**SCORE ENTERPRISES LTD.**

November 26, 2020

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## SHARE PURCHASE AGREEMENT

**THIS AGREEMENT** made effective November 26, 2020 (the “**Effective Date**”).

**BETWEEN:**

**EACH PERSON IDENTIFIED AS A “SELLER” IN SCHEDULE “A”**

(each a “**Seller**” and collectively the “**Sellers**”)

-and-

**PLANTX LIFE INC.**, a company incorporated under the laws of British Columbia.

(the “**Buyer**”)

-and-

**SCORE ENTERPRISES LTD.**, a company incorporated under the laws of the Province of British Columbia

(the “**Company**”)

**RECITALS:**

- A. The Joinery, A Squamish Gathering Place Limited Partnership ( the “**Partnership**”) carried on the business of a restaurant and operations including commercial leasing, operating a café, food services and a bar (the “**Business**”) under the unregistered business names “Locavore”, “Locavore Food Truck”, “The Joinery”, “Joinery” “Cloudburst Café” (the “**Names**”).
- B. As a condition to entering this Agreement, 1104224 B.C. Ltd., the general partner of the Partnership, and its sole shareholder, Score Enterprises Inc. (“**Score Enterprises**”) were amalgamated pursuant to a short form vertical amalgamation, to form the Company.
- C. As a condition to entering this Agreement, the Partnership was dissolved and the Company, being the general partner of the Partnership, assumed ownership of the entirety of the Assets (defined below) and the Business of the Partnership.
- D. The Company carries on the Business.
- E. The Sellers collectively own all of the issued and outstanding shares in the authorized share structure of the Company, such shares as set forth in Schedule “A” (the “**Purchased Shares**”).
- F. The Sellers want to sell to the Buyer and the Buyer wants to purchase from the Sellers the Purchased Shares representing all of the issued and outstanding shares in the authorized share structure of the Company.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of this Agreement and the mutual terms and conditions set forth herein, the Parties agree as follows:

## ARTICLE 1 DEFINITIONS

### 1.1 Definitions

In this Agreement the following terms have the following meanings:

- 1.1.1 “**Accounts Receivable**” means all accounts receivable and other amounts due, owing or accruing due to the Company in connection with the Business.
- 1.1.2 “**Agreement**” means this agreement, including all Schedules and Exhibits, as it may be confirmed, amended, supplemented or restated by written agreement between the Parties.
- 1.1.3 “**Applicable Securities Laws**” means, collectively, the Securities Act (British Columbia), the Securities Act (Ontario) and the Securities Act (Alberta) and the rules, regulations, forms, blanket rulings and orders issued thereunder, together with applicable rules, published policy statements, instruments, notices and orders of the Exchange;
- 1.1.4 “**Assets**” means all of the rights, assets, privileges, benefits and property of whatever nature or kind and wherever situated owned, or used by the Company or held by it for use primarily in, or primarily with respect to the operation of, the Business including the following properties, assets and rights:
  - 1.1.4.1 Accounts Receivable;
  - 1.1.4.2 Books and Records;
  - 1.1.4.3 Buildings and Improvements;
  - 1.1.4.4 Contracts
  - 1.1.4.5 Fixed Assets and Equipment owned by the Seller;
  - 1.1.4.6 Goodwill;
  - 1.1.4.7 Inventories;
  - 1.1.4.8 Permits;
  - 1.1.4.9 Prepaid Amounts;
  - 1.1.4.10 Intellectual Property; and
  - 1.1.4.11 Real Property Leases.
- 1.1.5 “**BDC Loan**” means the outstanding loan amount owing to the Business Development Bank of Canada pursuant to the letter of offer dated June 1, 2020.
- 1.1.6 “**BDC Payout Letter**” has the meaning ascribed to it in Section 2.6.
- 1.1.7 “**Books and Records**” means books, ledgers, files, lists, reports, plans, logs, deeds, surveys, correspondence, operating records, Tax Returns and other data and information, including all data and information stored on computer-related or other electronic media, maintained with respect to the Company and the Business.

- 1.1.8 “**Buildings and Improvements**” means all of the right, title and interest of the Company in all plants, buildings, structures, erections, improvements, fixtures and appurtenances situated on or forming part of the Leased Premises.
- 1.1.9 “**Business**” has the meaning ascribed to it in the recitals of this Agreement.
- 1.1.10 “**Business Day**” means any day excluding a Saturday, Sunday or statutory holiday in the Province of British Columbia, and also excluding any day on which the principal chartered banks located in the City of Vancouver are not open for business during normal banking hours.
- 1.1.11 “**Buyer**” has the meaning ascribed to it the recitals of the Parties above.
- 1.1.12 “**Buyer Indemnified Parties**” means the Buyer, the Company, their respective affiliates, and their respective directors, officers, shareholders, agents and employees, and the respective Successors of each of them.
- 1.1.13 “**Claim**” means any claim, demand, action, cause of action, suit, arbitration, investigation, proceeding, complaint, grievance, charge, prosecution, assessment or reassessment, including any appeal or application for review.
- 1.1.14 “**Closing**” means the completion of the sale to and purchase by the Buyer of the Purchased Shares pursuant to this Agreement.
- 1.1.15 “**Closing Date**” has the meaning ascribed to it in Section 2.1.
- 1.1.16 “**Closing Time**” means 10:00 a.m. (Vancouver time) on the Closing Date or any other time on the Closing Date as may be agreed by the Parties.
- 1.1.17 “**Communication**” means any notice, demand, request, consent, approval or other communication that is required or permitted by this Agreement to be given or made by a Party.
- 1.1.18 “**Company**” has the meaning ascribed to it in the recital of the Parties above.
- 1.1.19 “**Confidential Information**” means information, whether in written or electronic form, or committed to memory, relating to the Business or the Company.
- 1.1.20 “**Consideration Shares**” has the meaning ascribed to it in Section 2.3.1.1.
- 1.1.21 “**Contract**” means any agreement, understanding, undertaking, commitment, licence or lease, whether written or oral.
- 1.1.22 “**Disclosure Schedule**” means the disclosure attached as Schedule B.
- 1.1.23 “**Employees**” means all personnel and independent contractors employed, engaged or retained by the Company or in connection with the Business, including any that are on medical or long-term disability leave or other statutory or authorized leave of absence.
- 1.1.24 “**Encumbrance**” means any security interest, mortgage, charge, pledge, hypothec, lien, encumbrance, restriction, option, adverse claim, right of others or other encumbrance of any kind.
- 1.1.25 “**Exchange**” means the Canadian Securities Exchange
- 1.1.26 “**Financial Statements**” has the meaning ascribed to it in Section 3.3.14;

- 1.1.27 “**Fixed Assets and Equipment**” means all facilities, machinery, equipment (including motor vehicles and all manufacturing and quality control equipment and office equipment including computer equipment), boilers, electrical substations, fixtures, furniture, furnishings, vehicles, material handling equipment, implements, inventories of maintenance and spare parts, tools and tooling supplies, accessories and all other tangible or corporeal property of any kind used or held for use primarily in or in connection with the Business (other than Buildings and Improvements, inventories, and Books and Records) whether located in or on the premises of the Company or elsewhere and all rights, privileges, licences and entitlements to use same in the same manner as are and have been used by the Company, including but not limited to those assets and equipment set forth in Section 1.1.27 of the Disclosure Schedule.
- 1.1.28 “**Fundamental Representations and Warranties**” means the representations and warranties in Sections 3.2.1, 3.2.2, 3.2.3, 3.2.4, 3.3.1, 3.3.2, 3.3.9, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.17, 3.3.18, 3.3.19, 3.3.21, and 3.3.30.
- 1.1.29 “**Goodwill**” means the goodwill of the Business but, including all right, title and interest of the Company in, to and in respect of all elements which contribute to the goodwill of the Business, including the goodwill represented by packaging, labelling, advertising, marketing and promotional materials, customer and supplier lists and logos.
- 1.1.30 “**Governmental Authority**” means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature as well as any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.
- 1.1.31 “**Indebtedness**” means the BDC Loan in the amount to be set forth in the BDC Payout Letter, which amount is expected to be no greater than \$[redacted].
- 1.1.32 “**Indemnified Party**” means the Buyer Indemnified Party or a Seller Indemnified Party.
- 1.1.33 “**Indemnifying Party**” means the Party providing indemnification under any provision of Article 9.
- 1.1.34 “**Insurance Policies**” means the insurance policies maintained by the Company with respect to the Business of the Company.
- 1.1.35 “**Intellectual Property**” means all material trade-marks and trade-mark applications, trade names (including but not limited to the Names), certification marks, patents and patent applications, copyrights, domain names, industrial designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, owned by or licensed to the Sellers or Company and used in connection with the Business, including all associated registrations and applications for registration, and all associated rights, including moral rights.
- 1.1.36 “**ITA**” means the *Income Tax Act* (Canada).
- 1.1.37 “**Key Employees**” means Cory Balano and Steve Moir.
- 1.1.38 “**Law**” 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 the terms and conditions of any grant of approval, permission, authority or licence of any Governmental Authority, and the term “applicable” with respect to Laws and in a context that refers to one or more Persons, means that the Laws apply to the Person or Persons, or its or their business, undertaking, property or securities, and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities.

- 1.1.39 “**Leased Premises**” means all of the lands and premises which are leased by the Company or which are leased by the Company in connection with the Business.
- 1.1.40 “**Loss**” means any loss, liability, damage, cost, expense, charge, fine, penalty or assessment including the reasonable costs and expenses of any action, suit, proceeding, demand, assessment, judgment, settlement or compromise and all interest, punitive damages, fines, penalties and all professional fees and disbursements on a 100%, complete indemnity basis, but excluding loss of profits and consequential damages.
- 1.1.41 “**Material Adverse Effect**” means event, change, occurrence or state of facts that, individually or in the aggregate with other effects, events, changes, occurrences or states of facts, is, or would reasonably be expected to be, material and adverse to the business, condition (financial or otherwise), properties, Assets (tangible or intangible), liabilities (contingent or otherwise), capitalization, operations, prospects or results of operations of the Company or the ability of the Parties to consummate the transactions contemplated by this Agreement on a timely basis.
- 1.1.42 “**Material Contract**” means a Contract to which the Company is a party or is bound that:
- 1.1.42.1 involves or may result in the payment of money or money’s worth by or to the Company in relation to the Business in an amount in excess of \$10,000;
  - 1.1.42.2 has an unexpired term of more than 2 years (including renewals);
  - 1.1.42.3 cannot be terminated by the Company without penalty upon less than 30 days’ notice; or
  - 1.1.42.4 the termination of which, or under which the loss of rights, would constitute a Material Adverse Effect.
- 1.1.43 “**McKenzie Commission**” has the meaning ascribed to it in Section 3.3.35
- 1.1.44 “**Names**” has the meaning ascribed to it in the recitals to this Agreement.
- 1.1.45 “**Net Amount**” has the meaning ascribed to it in Section 2.3.1.2.
- 1.1.46 “**Outside Date**” means December 15, 2020 or such other date as agreed in writing between the Buyer and the Sellers’ Representative.
- 1.1.47 “**Parties**” means the Sellers, the Company, the Buyer and “**Party**” means any one of them.
- 1.1.48 “**Partnership**” has the meaning ascribed to it in the recitals of this Agreement.
- 1.1.49 “**Payout Amount**” has the meaning ascribed to it in Section 2.6.1.
- 1.1.50 “**Permits**” means the authorizations, registrations, permits, certificates of approval, approvals, grants, licences, quotas, consents, commitments, rights or privileges issued or granted by any Governmental Authority to the Company.



1.1.51 “**Person**” will be broadly interpreted and includes:

1.1.51.1 a natural person, whether acting in their own capacity, or in their capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person;

1.1.51.2 a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and

1.1.51.3 a Governmental Authority.

1.1.52 “**Personal Information**” means information about an individual who can be identified by the Person who holds that information.

1.1.53 “**Plans**” means all plans that provide pension benefits for the benefit of Employees or former Employees, and their respective beneficiaries, and all Employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, compensation, retirement, salary continuation, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, accident, disability, life insurance and other plans, arrangements, agreements, programs, policies, practices or undertakings, whether oral or written, funded or unfunded, registered or unregistered, insured or self-insured: (a) that are sponsored or maintained or funded, in whole or in part, by the Company, or to which Company contributes or is obligated to contribute for the benefit of Employees or former Employees, and their respective beneficiaries; or (b) under which the Company has any liability or contingent liability.

1.1.54 “**Pro Rata Share**” means, with respect to any Seller, the percentage set out in Schedule “A” opposite that Seller’s name under the heading “Pro Rata Share of Seller”.

1.1.55 “**Purchase Price**” has the meaning ascribed to it in Section 2.3.

1.1.56 “**Purchased Shares**” has the meaning ascribed to it in the recitals to this Agreement.

1.1.57 “**Real Property Leases**” means the lease granted in connection with certain land and premises situate in the City of Squamish pursuant to a lease agreement dated July 13, 2016 and executed among Score Enterprises, as tenant, and Y.J Properties, as landlord, and Steve Moir, as covenantor or any other leases between the Company, as tenant, and the applicable landlords, and all amendments to those leases, relating to the leasing by the Company of the Leased Premises.

1.1.58 “**Score Enterprises**” has the meaning ascribed to it in the recitals to this Agreement

1.1.59 “**Seller**” and “**Sellers**” has the meaning ascribed to it in the recitals to this Agreement.

1.1.60 “**Seller Indemnified Parties**” means each Seller and, as applicable, its affiliates, and their respective directors, officers, shareholders, agents and employees, and the respective Successors of each of them.

1.1.61 “**Sellers’ Representative**” has the meaning ascribed to it Section 10.1.1.

1.1.62 “**Straddle Period**” means any taxation period of the Company ending after the Closing Date which commenced prior to the Closing Date and includes a period prior to the Closing Date.

- 1.1.63 “**Successors**” means, as applicable, the heirs, executors, administrators, estate trustees, trustees, personal or legal representatives, successors and permitted assigns of a Person.
- 1.1.64 “**Tax**” means all taxes, duties, fees, premiums, assessments, imposts, levies, rates, withholdings, dues, government contributions and other charges of any kind whatsoever, whether direct or indirect, together with all interest, penalties, fines, additions to tax or other additional amounts, imposed by any Governmental Authority.
- 1.1.65 “**Tax Liability Amount**” means [redacted].
- 1.1.66 “**Tax Returns**” means any return, report, declaration, designation, election, undertaking, waiver, notice, filing, information return, statement, form, certificate or any other document or materials relating to Taxes, including any related or supporting information with respect to any of the foregoing, filed or to be filed with any Governmental Authority in connection with the determination, assessment, collection or administration of Taxes.
- 1.1.67 “**Third Party Claim**” means a claim made against an Indemnified Party by a Person who is not a Party.
- 1.1.68 “**Transaction**” has the meaning ascribed to it in Section 2.3.
- 1.1.69 “**Transaction Fees**” has the meaning ascribed to in Section 10.11.2.
- 1.1.70 “**Union Employees**” means Employees who are represented by a trade union within the meaning of applicable provincial labour relations legislation.

## 1.2 Certain Rules of Interpretation

- 1.2.1 **Gender, etc.** In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders.
- 1.2.2 **Including.** Every use of the words “including” or “includes” in this Agreement is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.
- 1.2.3 **Division and Headings.** The division of this Agreement into Articles and Sections, the insertion of headings and the inclusion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- 1.2.4 **Articles, Sections, etc.** References in this Agreement to an Article, Section, Schedule or Exhibit are to be construed as references to an Article, Section, Schedule or Exhibit of or to this Agreement unless otherwise specified.
- 1.2.5 **Statutory Instruments.** Unless otherwise specified, any reference in this Agreement to any statute includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute as amended, restated, supplemented, extended, re-enacted, replaced or superseded at any time.
- 1.2.6 **GAAP.** Wherever in this Agreement reference is made to a calculation to be made in accordance with GAAP, the reference is to the generally accepted accounting principles approved by the Canadian Institute of Chartered Accountants, or its successor, applicable as at the date of this Agreement.

- 1.2.7 Unless otherwise specified in this Agreement, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.

### **1.3 Governing Law**

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in that Province.

### **1.4 Entire Agreement**

This Agreement and any other agreements and documents to be delivered under this Agreement, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties and there are no representations, warranties or other agreements between the Parties, express or implied, in connection with the subject matter of this Agreement except as specifically set out in this Agreement or in any other agreements and documents delivered under this Agreement. No Party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement or in any other agreements and documents delivered under this Agreement.

### **1.5 Schedules and Exhibits**

The Schedules and Exhibits form an integral part of this Agreement. The following is a list of the Schedules and Exhibits:

<b>Schedule</b>	<b>Subject Matter</b>
A	Sellers
B	Disclosure Schedule
<b>Exhibit</b>	<b>Subject Matter</b>
6.1.5.6	Form of Non-Competition Agreements
6.1.5.7	Form of Release for the Sellers

## **ARTICLE 2 PURCHASE AND SALE**

### **2.1 Closing and Closing Date**

The Closing shall occur three Business Days following the satisfaction and/or waiver of all Closing conditions set forth in Article 6 or such other date as may be agreed between the Buyer and the Company (the “**Closing Date**”).

## 2.2 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, on the Closing Date the Sellers will sell, and the Buyer will purchase, the Purchased Shares.

## 2.3 Purchase Price

2.3.1 The Sellers hereby sell, assign, transfer, convey and set over to the Buyer and the Buyer hereby purchases from the Sellers (the “**Transaction**”) the entirety of each of the Seller’s right, title and interest in and to the Purchased Shares as at the Effective Date for an aggregate purchase price of \$1,350,000 (“**Purchase Price**”), of which the Parties have hereto agreed:

2.3.1.1 \$1,022,565 shall be satisfied by the issuance and delivery of common shares in the authorized share structure of the Buyer (the “**Consideration Shares**”), at an issue price per Consideration Share equal to the 10-day volume weighted average price of the common shares of the Buyer on the Exchange up until and including the close of business on the Business Day prior to the Effective Date, subject to the applicable policies of the Exchange, which Consideration Shares shall be subject to contractual lock-up whereby the Consideration Shares may not be sold, transferred or otherwise disposed of except in accordance with the following release schedule:

- (i) 10% of the Consideration Shares to be released from lock-up on the Closing Date;
- (ii) 30% of the Consideration Shares to be released from lock-up on the three (3) month anniversary of the Closing Date;
- (iii) 30% of the Consideration Shares to be released from lock-up on the six (6) month anniversary of the Closing Date; and
- (iv) the remaining 30% of the Consideration Shares to be released on the nine (9) month anniversary of the Closing Date; and

2.3.1.2 \$327,435, less the amounts to be paid in full satisfaction of the aggregate of the Transaction Fees and the McKenzie Commission (such aggregate amount the “**Net Amount**”) and less the Tax Liability Amount, shall be settled by delivering to the Sellers a certified cheque or bank draft or by effecting a wire transfer of immediately available funds to an account designated in writing by the Sellers’ Representative (such account designation to be provided not less than two Business Days prior to the Closing Date).

2.3.1.3 The Net Amount shall be settled by certified cheque, bank draft or by effecting a wire transfer of immediately available funds to the account(s) designated in writing by the Company, such account designation to be provided to the Buyer not less than two Business Days prior to the Closing Date together with such invoices or statements of account as are applicable to each of the Transaction Fees and the McKenzie Commission.

2.3.1.4 The Tax Liability Amount will be retained and held by the Buyer for payment of any assessment or reassessment for Taxes relating to the Company.

- 2.3.2 Each Seller acknowledges and represents that the certificates representing the Consideration Shares will bear a legend (or an ownership statement issued under a book-entry system will bear a legend restriction notation) in substantially the following form, which legends shall correspond with the lock-up release schedule set out in Section 2.3.1.1 above:

“The holder of this security must not trade the security before ●, 20●.”

## 2.4 Manner of Payment

All cash payments required to be made to or to the order of a Party under this Article will be made by certified cheque or bank draft, or by wire transfer to an account designated in writing by the Party entitled to receive the payment. The Consideration Shares shall be issued and delivered in accordance with the registration instructions provided in writing by the Seller's Representative for the entitlements set forth under the heading “% Entitlement to Consideration Shares” in Schedule “A” for each of the Sellers.

## 2.5 Allocation of Payments

The Purchase Price will be allocated to each Seller based on that Seller's Pro Rata Share. Any payments made by or to the Sellers under this Article 2 must be made by or to each Seller in accordance with that Seller's Pro Rata Share upon written direction of the Seller's Representative. For clarity, each Seller's Pro Rata share of the Purchase Price will not equal its entitlement to the Consideration Shares as agreed between the Sellers and as set forth in Schedule “A”.

## 2.6 Indebtedness

Not less than three Business Days before the Closing Date, the Company will deliver to the Buyer a payout letter from the holder of Indebtedness (the “**BDC Payout Letter**”), in form and substance reasonably satisfactory to the Buyer:

- 2.6.1 indicating the amount required to discharge the Indebtedness held by that holder at Closing (the “**Payout Amount**”); and

- 2.6.2 including payment directions.

Not less than three Business Days prior to the Closing Date, the Company will pay from its working capital account an amount in cash equal to the Payout Amount less an amount no greater than [redacted] to Race & Company LLP, to be held in trust until the Closing Date. On the Closing Date, the Buyer will pay to Race & Company LLP in trust, the balance of the Payout Amount (such amount to be no greater than [redacted]). At the Closing Time, Race & Company LLP, on behalf of the Company, will deliver the Payout Amount held in trust to the holder of the Indebtedness in accordance with the payment directions provided in the BDC Payout Letter and deliver to the Buyer evidence of full payment of the Indebtedness, in form and substance reasonably satisfactory to the Buyer.

## ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE SELLERS AND COMPANY

### 3.1 Disclosure Schedule

Each exception to the representations and warranties that is set out in the Disclosure Schedule is identified by reference to one or more specific individual Sections of this Agreement and is only effective to create an exception to each specific individual Section listed. Any statement in this Agreement that is not expressly qualified by a reference to an exception in the Disclosure Schedule will prevail, despite anything to the contrary that is disclosed in the Disclosure Schedule. The exceptions to representations

and warranties set out in the Disclosure Schedule are intended only to qualify and limit the representations and warranties of the Company and the Sellers, and will not be construed to expand in any way the scope or effect of any of those representations and warranties, and will not be construed to constitute a new representation, warranty or covenant of the Company or any Seller. The disclosure of any matter in the Disclosure Schedule will not be construed as an admission or indication that the matter is material or that the matter is necessarily required to be disclosed in order for any representation or warranty in this Agreement to be true and correct, and will not be construed as an admission of any obligation or liability to any third party. No disclosure in the Disclosure Schedule relating to any possible breach or violation of any contract or law will be construed as an admission or indication that any breach or violation exists or has actually occurred.

### **3.2 Representations Relating to the Sellers**

Each Seller, on its own behalf, represents and warrants to the Buyer as follows, and acknowledges that the Buyer is relying upon these representations and warranties in connection with the purchase of the Purchased Shares, despite any investigation made by or on behalf of the Buyer.

- 3.2.1 **Corporate Existence of Seller.** If the Seller is not an individual, the Seller is a company duly incorporated and validly existing under the laws of the jurisdiction set out in Schedule A opposite that Seller's name under the heading "Jurisdiction".
- 3.2.2 **Capacity and Authority.** If the Seller is not an individual, the Seller has all necessary corporate power, authority and capacity to enter into and perform its obligations under this Agreement, and the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the Seller. If the Seller is an individual, the Seller is of the full age of majority, is of sound mind and has the legal capacity and competence to enter into and perform its obligations under this Agreement.
- 3.2.3 **Binding Obligation.** This Agreement has been duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforcement of creditors' rights generally, and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.
- 3.2.4 **Title to Purchased Shares.** The Seller is the legal, beneficial owner of the number of Purchased Shares set out in Schedule A opposite that Seller's name under the heading "Number of Purchased Shares Owned by Seller" and has good title to them, free and clear of any Encumbrance except for any restriction on transfer contained in the articles of the Company. At Closing, the Seller will have the absolute and exclusive right to sell those Purchased Shares to the Buyer as contemplated by this Agreement.
- 3.2.5 **Residence of Seller.** The Seller is resident in the jurisdiction set out in Schedule A opposite that Seller's name under the heading "Jurisdiction", and is not a non-resident of Canada for purposes of the ITA.
- 3.2.6 **Absence of Conflict.** None of the execution and delivery of this Agreement, the performance of the Seller obligations under this Agreement, or the completion by the Seller of the transactions contemplated by this Agreement will (with or without the giving of notice or lapse of time, or both):

- 3.2.6.1 result in or constitute a breach of any term or provision of, or constitute a default under any agreement or other commitment to which the Seller is a party or which affects the Purchased Shares owned by the Seller;
- 3.2.6.2 if the Seller is not an individual, result in or constitute a breach of any term or provision of, or constitute a default under, the constating documents of the Seller;
- 3.2.6.3 contravene any applicable law; or
- 3.2.6.4 contravene any judgment, order, writ, injunction or decree of any Governmental Authority.

### 3.3 Representations Relating to the Company

The Company represents and warrants to the Buyer as follows, and acknowledges that the Buyer is relying upon these representations and warranties in connection with the purchase of the Purchased Shares, despite any investigation made by or on behalf of the Buyer.

- 3.3.1 **Capacity and Authority.** The Company has all necessary corporate power, authority and capacity to enter into and perform its obligations under this Agreement. The execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the Company.
- 3.3.2 **Binding Obligation.** This Agreement has been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforcement of creditors' rights generally, and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.
- 3.3.3 **Restrictive Covenants.** The Company is not a party to, or bound or affected by, any agreement, commitment or document containing any covenant expressly limiting its ability to compete in any line of business, or limiting its ability to transfer or move any of its Assets or operations, or any covenant that could reasonably be expected to have a Material Adverse Effect.
- 3.3.4 **Absence of Conflict.** None of the execution and delivery of this Agreement by the Company, the performance of the Company's obligations under this Agreement, or the completion by the Company of the transactions contemplated by this Agreement will (with or without the giving of notice or lapse of time, or both):
  - 3.3.4.1 result in or constitute a breach of any term or provision of, or constitute a default under, the notice of articles or articles of the Company;
  - 3.3.4.2 result in or constitute a breach of any term or provision of, or constitute a default under, any agreement or other commitment to which the Company is a party or which affects the Purchased Shares, except as disclosed in Section 3.3.4 of the Disclosure Schedule;
  - 3.3.4.3 constitute an event that would permit any party to any contract with the Company to amend, terminate or sue for damages with respect to that contract, or to accelerate the maturity of any indebtedness of the Company, or other obligation

of the Company, under that contract except as disclosed in Section 3.3.4 of the Disclosure Schedule;

- 3.3.4.4 result in the creation or imposition of any Encumbrance on the Purchased Shares;
  - 3.3.4.5 contravene any applicable law; or
  - 3.3.4.6 contravene any judgment, order, writ, injunction or decree of any Governmental Authority.
- 3.3.5 **Consents.** Except as disclosed in Section 3.3.5 of the Disclosure Schedule, there is no requirement to obtain any consent, approval or waiver of a party under any Material Contract in order to complete the transactions contemplated by this Agreement.
- 3.3.6 **Regulatory Approvals.** No authorization, approval, order or consent of, or filing with, any Governmental Authority is required on the part of the Company in connection with the execution, delivery and performance of this Agreement or any other documents and agreements to be delivered under this Agreement.
- 3.3.7 **Subsidiaries.** The Company has no subsidiaries.
- 3.3.8 **Corporate Existence of Company.** The Company has been duly incorporated and organized, and is validly existing and in good standing as a company under the Business Corporations Act (British Columbia). No proceedings have been taken or authorized by the Company in respect of the bankruptcy, insolvency, liquidation, dissolution or winding up of the Company.
- 3.3.9 **Capacity and Powers of Company.** The Company has all necessary corporate power, authority and capacity to own or lease its Assets and to carry on the Business as currently being conducted.
- 3.3.10 **Authorized and Issued Capital.** The authorized share structure of the Company consists of 1,200 Class A Participating, Non-Voting Shares, 1,200 Class A1 Participating, Non-Voting Shares, 1,200 Class B Non-Participating, Voting Shares, 1,200 Class C Conditionally-Participating, Non-Voting Shares, 100,000 Class D Non-Participating, Non-Voting Shares, and 100,000 Class E Non-Participating, Non-Voting Shares, of which 200 Class A Participating Non-Voting Shares, 200 Class B Non-Participating Voting Shares, 1,107.37 Class C Conditionally-Participating, Non-Voting Shares, 1,031.70 Class D Non-Participating Non-Voting Shares, and 4000 Class E Non-Participating, Non-Voting Shares are issued and outstanding as fully paid shares.
- 3.3.11 **No Purchase Rights.** No Person has any written or oral agreement or option or any right or privilege (whether by law, pre-emptive, contractual or otherwise) capable of becoming an agreement or option, including securities, warrants or convertible obligations of any kind, for:
- 3.3.11.1 the purchase of any securities of the Company; or
  - 3.3.11.2 the purchase of any of the Assets of the Company, other than in the ordinary course of the Business.
- 3.3.12 **Corporate Records.** The corporate records and minute books of the Company have been maintained in accordance with all applicable statutory requirements and are



complete and accurate in all material respects. All those corporate records and minute books of the Company have been made available to the Buyer.

3.3.13 **Books and Records.** The Books and Records fairly and correctly set out and disclose in accordance with GAAP, on a notice to reader basis, the financial position of the Company, and all material financial transactions of the Company have been accurately recorded in the Books and Records.

3.3.14 **Financial Statements.** Copies of the financial statements are included in Section 3.3.14 of the Disclosure Schedule (the "**Financial Statements**"). The Financial Statements have been prepared in accordance with GAAP, on a notice to reader basis, consistently applied (except as disclosed in the Financial Statements), and present fairly:

3.3.14.1 the assets, liabilities (contingent or otherwise) and financial condition of the Company as at the respective dates of the Financial Statements; and

3.3.14.2 the sales, earnings and results of the operations of the Company during the periods covered by the Financial Statements.

3.3.15 **Tax Matters.** The Company has filed all Tax Returns, reports and other tax filings, and has paid, deducted, withheld or collected and remitted on a timely basis all amounts to be paid, deducted, withheld or collected and remitted with respect to any taxes, interest and penalties as required under all applicable tax laws. There are no assessments, reassessments, actions, suits or proceedings in progress, pending or threatened, against the Company, and no waivers have been granted by the Company, in connection with any taxes, interest or penalties. The provisions for taxes reflected in the Financial Statements are sufficient for the payment of all accrued and unpaid taxes, interest and penalties for all periods and all transactions up to the end of the most recent financial period addressed in the Financial Statements.

3.3.16 **Absence of Changes.** Since December 31, 2019, no Material Adverse Effect has occurred.

3.3.17 **Absence of Undisclosed Liabilities.** Except to the extent reflected or reserved in the Financial Statements, or incurred subsequent to December 31, 2019 and disclosed in Section 3.3.17 of the Disclosure Schedule the Company does not have any outstanding indebtedness or any liabilities or obligations (contingent or otherwise, including under any guarantee of any debt). For the purposes of this Section 3.3.17 only, indebtedness, liabilities or obligations owing to any third party in excess of \$5,000 will be deemed to be material.

3.3.18 **Title to and Condition of Assets.** The Company assumed the Assets of the Partnership in its entirety and carries on the Business in all material respects the Company owns, possesses and has good and marketable title to all of its undertakings, property and Assets not otherwise the subject of specific representations and warranties in this Section 3.3, including all the undertakings, property and assets reflected in the most recent balance sheet included in the Financial Statements, free and clear of all Encumbrances. The undertakings, property and Assets of the Company comprise all of the undertakings, property and assets necessary for the Company to carry on the Business as it is currently operated. All facilities, machinery, equipment, fixtures, vehicles and other tangible Assets owned, leased or used by the Company are

in good operating condition and repair, ordinary wear and tear excepted, and are reasonably fit and usable for the purposes for which they are being used.

- 3.3.19 **Real Property.** Section 3.3.19 of the Disclosure Schedule lists all the particulars of the Leased Premises and Real Property Leases all leases of real property leases to which the Company is a party. The Buildings and Improvements and other structures located on or forming part of the Leased Premises or any other real property that is owned or leased by the Company, and their operation and maintenance, comply with all applicable laws, and none of those Buildings and Improvements encroaches upon any land not owned or leased by the Company. There are no restrictive covenants or applicable laws that in any way restrict or prohibit any part of the present use of any of the Leased Premises or any other real property that is owned or leased by the Company, or any of the premises located on that real property. There are no expropriation or similar proceedings, actual or threatened, of which the Company has received notice against the Leased Premises or any of the real property that is owned or leased by the Company.. The Real Property Lease and all of the Company's leases of real property are in full force and effect, unamended, and none of them are under any threat of termination.
- 3.3.20 **Intellectual Property.** The Company do not own, control or have rights to any Intellectual Property that is registered with any Governmental Authority. The Intellectual Property that is owned by the Company is owned free and clear of any Encumbrances, and no Person other than the Company has any right to use that Intellectual Property. The use by the Company of any Intellectual Property owned by third parties is valid, and the Company is not in default or breach of any licence agreement relating to that Intellectual Property, and there exists no state of facts which, after notice or lapse of time or both, would constitute a default or breach. The conduct by the Company does not infringe the Intellectual Property of any Person.
- 3.3.21 **Accounts Receivable.** The Accounts Receivable reflected in the Financial Statements, or that have come into existence since the date of the most recent Financial Statements, were created in the ordinary course of the Business from bona fide arm's length transactions, and, except to the extent that they have been paid in the ordinary course of the Business since the date of the Financial Statements, are valid and enforceable and payable in full, without any right of set-off or counterclaim or any reduction for any credit or allowance made or given, except to the extent of the allowance for doubtful accounts reflected in the Financial Statements and, in the case of accounts receivable that have come into existence since the date of the most recent Financial Statements, of a reasonable allowance for doubtful accounts, which allowances are, and will as of the Closing Date be, adequate and calculated in a manner consistent with the previous accounting practice of the Company.
- 3.3.22 **Inventories.** The inventories maintained by the Company have been accumulated for use or sale in the ordinary course of the Business, and are in good and marketable condition. The present levels of the inventories are consistent with the levels of inventories that have been maintained by the Company before the date of this Agreement in the ordinary course of the Business in light of seasonal adjustments, market fluctuations and the requirements of customers of the Business.
- 3.3.23 **Material Contracts.** Section 3.3.23 of the Disclosure Schedule lists all Material Contracts. The Company is not in default or breach of any Material Contract, and there exists no state of facts that, after notice or lapse of time or both, would constitute a default or breach under any Material Contract. No counterparty to any Material Contract

is in default of any of its obligations under any Material Contract, the Company is entitled to all benefits under each Material Contract, and the Company has not received any notice of termination of any Material Contract.

**3.3.24 Compliance with Laws.** The Company is and at all times has been, conducting the Business in compliance with all applicable laws, and the Company has not received notice of any violation by the Company of any laws.

**3.3.25 Permits.** All Permits are listed in Section 3.3.25 of the Disclosure Schedule. Those Permits are the only authorizations, registrations, permits, approvals, grants, licences, quotas, consents, commitments, rights or privileges (other than those relating to intellectual property) required to enable the Company to carry on the Business as currently conducted and to enable the Company to own, lease and operate its Assets. All Permits are valid, subsisting, in full force and effect and unamended, and the Company is not in default or breach of any Permit; no proceeding is pending or threatened to revoke or limit any Permit, and the completion of the transactions contemplated by this Agreement will not result in the revocation of any Permit or the breach of any term, provision, condition or limitation affecting the ongoing validity of any Permit. All Permits are renewable by their terms or in the ordinary course of the Business without the need for the Company to comply with any special qualifications or procedures or to pay amounts other than routine filing fees.

**3.3.26 Environmental Conditions.** The Company's conduct of the Business, and the current use and condition of the real property that is leased by the Company, and the premises located on that real property, have been and are in compliance with all applicable environmental laws, and there are no facts that would give rise to non-compliance by the Company with any environmental laws, either in the conduct by the Company of the Business, or in the current use and condition of any of the real property that is owned or leased by the Company, or the premises that are located on that real property. The Company has all Permits required by all environmental laws for the conduct of the Business, and the Company is in compliance with all those Permits.

**3.3.27 Suppliers.** Section 3.3.27 of the Disclosure Schedule lists each supplier of goods and services from whom the Company has purchased goods or services since 2013. None of the suppliers listed in Section 3.3.27 of the Disclosure Schedule has advised the Company, either orally or in writing, that it is terminating or considering terminating its relationship with the Company, or considering negotiating its relationship with the Company on terms different from and less favourable than those which it currently enjoys, whether as a result of the completion of the transactions contemplated by this Agreement or otherwise.

**3.3.28 Rights to Use Personal Information.**

**3.3.28.1** All Personal Information in the possession of the Company has been collected, used and disclosed in compliance with all applicable laws in those jurisdictions in which the Company conducts, or is deemed by operation of law in those jurisdictions to conduct, the Business.

**3.3.28.2** The Company has disclosed to the Buyer all agreements and facts concerning the collection, use, retention, destruction and disclosure by the Company of Personal Information, and there are no other agreements or facts that, on completion of the transactions contemplated by this Agreement, would restrict

or interfere with the use of any Personal Information by the Company in the continued operation of the Business as conducted before the Closing.

3.3.28.3 There are no complaints, claims, suits or proceedings pending or threatened with respect to the Company's collection, use or disclosure of Personal Information.

3.3.29 **Product Warranties.** The Company has no outstanding warranties given to buyers of products or services supplied by the Company. There are no claims, suits or proceedings against the Company on account of warranties or with respect to the production or sale of products or the provision of services, nor is there any basis for any possible prospective claim against, or Loss on the part of, the Company arising from, relating to, or in connection with the production or sale of products or the provision of services.

### 3.3.30 **Employees and Employment Contracts.**

3.3.30.1 The Company is not a party to any written or oral employment, service, pension, deferred profit sharing, benefit, bonus or other similar agreement or arrangement and does not have in place any specific agreement as to notice of termination or severance pay in lieu of notice.

3.3.30.2 Section 3.3.30.2 of the Disclosure Schedule lists the names, titles and status (active or non-active, and if not active, reason why and period of time not active) of all Employees, together with particulars of the material terms and conditions of their employment or engagement, including current rates of remuneration, perquisites, commissions, bonus or other incentive compensation (monetary or otherwise), most recent hire date, cumulative years of service, start and end dates of all previous periods of service, benefits, vacation or personal time off entitlements, current positions held and, if available, projected rates of remuneration.

3.3.30.3 No Employee, nor any consultant with whom the Company has contracted in connection with the Business, is in violation of any term of any employment contract, contract of engagement, services agreement, proprietary information agreement or any other agreement relating to the right of that individual to be employed, engaged or retained by the Company, and the continued employment or engagement by the Buyer of the Company's current Employees will not result in any violation. The Company have not received any notice alleging that any violation has occurred.

3.3.30.4 All of the Employees are employed, engaged or retained for an indefinite term and none are subject to written employment agreements, contracts of engagement or services agreements. No officer or Key Employee, has given notice, oral or written, of an intention to cease being employed with the Company, and the Company has no intention to terminate the employment of any officer, Key Employee or group of Key Employees.

3.3.30.5 There are no change of control or like Contracts or arrangements with any Employees, and neither the execution and delivery of this Agreement nor the completion of the transactions contemplated by this Agreement will result in any cash or other compensation or benefits becoming payable to any Employees.

3.3.30.6 There are no employment Law related Claims or outstanding orders, awards, rulings or discussions relating to the Business, pending or threatened, which have resulted in or might reasonably be expected to result in a Material Adverse Effect.

3.3.31 **Unions.** There are no Union Employees and there are no apparent or threatened union organizing activities involving Employees. The Company does not have any labour problems that might result in a Material Adverse Effect, or lead to any interruption of operations at any location. The Company or Partnership has not engaged in any lay-off or other activities within the last 12 months in respect of the Business that would violate or in any way subject the Company to the group termination or lay-off requirements of the Laws of any jurisdictions where the Company or Partnership operates. The Company is not bound by or a party to, either directly or by operation of law, any collective bargaining agreement (a "**Collective Agreement**") with any trade union or association which might qualify as a trade union, and no trade union, association, council of trade unions, employee bargaining agency or affiliated bargaining agent:

3.3.31.1 holds bargaining rights with respect to any of the Employees by way of certification, interim certification, voluntary recognition, designation or successor rights;

3.3.31.2 has applied to be certified or requested to be voluntarily recognized as the bargaining agent of any of the Employees;

3.3.31.3 has applied to have the Buyer declared a related or successor employer under applicable provincial labour or employment Law; or

3.3.31.4 has filed a complaint or charge under applicable provincial labour or employment Law.

3.3.32 **Pension and Benefit Plans.** Neither the Company nor the Partnership is a party to or bound by any Plans, other than the Canada Pension Plan, the British Columbia Medical Services Plan and other similar health plans established and administered by any other province, and workplace safety and compensation insurance provided pursuant to applicable Law.

3.3.33 **Insurance Policies.** Section 3.3.33 of the Disclosure Schedule lists all insurance policies maintained by the Company as of the date hereof, and also specifies the insurer, the amount of the coverage, the type of insurance, the policy number and any pending claims with respect to each insurance policy listed. The insurance policies maintained by the Company insure all the property and Assets of the Company against loss or damage by all insurable hazards of risk on a replacement cost basis, and provide the Company coverage in amounts that are customary, and that would reasonably be considered adequate and prudent, for a company carrying on a business similar to the Business. All insurance policies are in full force and effect and the Company:

3.3.33.1 is not in default, whether as to the payment of premiums or otherwise, under any material term or condition of any of the insurance policies; and

3.3.33.2 has not failed to give notice or present any claim under any of the insurance policies in a due and timely fashion.

### 3.3.34 **Litigation.**

3.3.34.1 There are no actions, suits, grievances or proceedings, whether judicial, arbitral or administrative, and whether or not purportedly on behalf of or against the Company, pending, commenced or threatened, that might reasonably be expected to have a Material Adverse Effect or that might result in an Encumbrance against the undertakings, property or Assets of the Company.

3.3.34.2 There is no outstanding judgment, decree, order, ruling or injunction in favour of, against or otherwise involving the Company or relating in any way to the transactions contemplated by this Agreement.

3.3.35 **Brokerage Fees.** The Company has not retained any financial advisor, broker, agent or finder, or entered into any agreement entitling any Person to any broker's commission, finder's fee or similar payment, relating to this Agreement or the transactions contemplated by this Agreement other than the commission in the amount of [redacted] (the "**McKenzie Commission**") payable pursuant to the arrangement with Eleanore McKenzie, PREC which will be paid to Eleanore McKenzie on the Closing Date pursuant to Section 2.3.1.3.

3.3.36 **Disclosure.** No representation or warranty or other statement made by the Company in this Agreement[, in the relevant closing certificates or otherwise in connection with the transactions contemplated by this Agreement] contains any untrue statement of material fact or omits to state a material fact necessary to make those statements, in light of the circumstances in which they were made, not misleading

## 3.4 **Representations Relating to the Consideration Shares**

The Sellers, each on its own behalf, represent and warrant to the Buyer and acknowledge that the Buyer is relying on such representations, warranties and acknowledgements in entering into this Agreement and completing the Buyer's issuance of the Consideration Shares hereunder, that:

3.4.1.1 **Report Filing.** The Seller acknowledges that the Buyer may be required to file a Form 45-106F1 reporting the issuance of the Consideration Shares in accordance with National Instrument 45-106 *Prospectus Exemptions*.

3.4.1.2 **No Offering Document.** The Seller has not received or been provided with a prospectus, registration statement or offering memorandum within the meaning of Applicable Securities Laws and United States federal or state securities laws, or any sales or advertising literature in connection with the transactions contemplated by this Agreement.

3.4.1.3 **No Prospectus.** The Seller understands that the issuance of the Consideration Shares is conditional upon such issuance being exempt from the requirements to file and obtain a receipt for a prospectus or registration statement under Applicable Securities Laws or United States federal or state securities laws or to deliver an offering memorandum under Applicable Securities Laws, and no prospectus or registration statement has been filed by the Buyer with any securities commission or similar regulatory authority under Applicable Securities Laws or United States federal or state securities laws in connection with the issuance of the Consideration Shares. As a result of acquiring the Consideration Shares pursuant to such exemptions:

- (i) the Seller may be restricted from using some of the protections, rights and remedies otherwise available under Applicable Securities Laws, including statutory rights of rescission or damages in the event of a misrepresentation;
- (ii) the Seller may not receive information that would otherwise be required to be provided to it under Applicable Securities Laws; and
- (iii) the Buyer is relieved from certain obligations that would otherwise apply under Applicable Securities Laws.

3.4.1.4 **No Representation.** No person has made to the Seller and the Company any written or oral representations:

- (i) that any person will resell or repurchase the Consideration Shares;
- (ii) that any person will refund the purchase price of the Consideration Shares; or
- (iii) as to the future price or value of any of the Consideration Shares.

3.4.1.5 **Collection of Personal Information.** The Seller and the Company acknowledges that each of his or her nominee's name and other specified information, including the number of Consideration Shares acquired, may be disclosed to (i) Canadian securities regulatory authorities (including the applicable stock exchange on which the Consideration Shares may be trading from time to time) and (ii) other authorities pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada). The Seller and the Company consents to the disclosure of that information.

3.4.1.6 **Legend.** Pursuant to Section 2.3.1.1 to effect the lock-up of the Consideration Shares, the Seller acknowledges that the certificates representing the Consideration Shares may bear a restrictive legend.

3.4.1.7 **Risk of Loss.** The Seller is capable of assessing the proposed investment in the Consideration Shares as a result of financial or investment experience or as a result of advice received from a registered person other than the Buyer thereof, and the Seller is also able to bear the economic loss of the investment in the Consideration Shares.

3.4.1.8 **Canadian Securities Laws.** The Seller acknowledges that:

- (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Consideration Shares;
- (ii) there is no government or other insurance covering the Consideration Shares;
- (iii) there are risks associated with the acquisition of the Consideration Shares;
- (iv) there are restrictions on the ability to resell the Consideration Shares and it is the responsibility of the Seller to find out what those restrictions are

and to comply with them before selling any of the Consideration Shares;  
and

- (v) The Buyer has advised the Seller that the Buyer is relying on an exemption from the requirements to provide the Seller with a prospectus and to sell the Consideration Shares through a person or company registered to sell securities under Applicable Securities Laws and, as a consequence of acquiring the Consideration Shares pursuant to this exemption, certain protections, rights and remedies provided by the Applicable Securities Laws, including statutory rights of rescission or damages, will not be available to the Seller.

3.4.1.9 **Privacy Matters.** The Seller acknowledges and consents to the fact that the Buyer is collecting the Seller's personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time) for the purpose of completing this Agreement. The Seller acknowledges and consent to the Buyer retaining such personal information for as long as permitted or required by law or business practices. The Buyer further acknowledges and consents to the fact that the Buyer may be required by Applicable Securities Laws, the rules and policies of any stock exchange or the rules of the Investment Industry Regulatory Organization of Canada to provide regulatory authorities with any personal information provided under this Agreement. In addition to the foregoing, the Seller agrees and acknowledge that the Seller may use and disclose the Seller's personal information as follows: for internal use with respect to managing the relationships between and contractual obligations of the Buyer and the Seller; for use and disclosure for income tax related purposes, including, without limitation, where required by law, disclosure to Canada Revenue Agency; for disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trades and similar regulatory filings; for disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure; for disclosure to professional advisers of the Buyer in connection with the performance of their professional services; for disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with the Buyer's prior written consent; for disclosure to a court determining the rights of the parties under this Agreement; or for use and disclosure as otherwise required or permitted by law.

3.4.1.10 **No Dealing.** The Seller is not engaged in the business of trading in securities or exchange contracts as a principal or agent and does not hold himself out as engaging in the business of trading in securities or exchange contracts as a principal or agent, or is otherwise exempt from any requirements to be registered as a dealer under National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

3.4.1.11 **No Knowledge.** Except for the Seller's knowledge regarding the transactions contemplated by this Agreement, the Seller has no knowledge of a "material fact" or a "material change" in the affairs of the Buyer that has not been generally disclosed.



## **ARTICLE 4 REPRESENTATIONS RELATING TO THE BUYER**

The Buyer represents and warrants to the Sellers as follows, and acknowledges that the Sellers are relying upon these representations and warranties in connection with the sale of the Purchased Shares.

- 4.1.1 **Existence of Buyer.** The Buyer is a company duly incorporated and validly existing under the laws of British Columbia.
- 4.1.2 **Capacity and Authority to Enter Agreement.** The Buyer has all necessary corporate power, authority and capacity to enter into and perform its obligations under this Agreement. The execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the Buyer.
- 4.1.3 **Binding Obligation.** The execution and delivery of this Agreement and the completion of the Transaction contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the Buyer. This Agreement has been duly executed and delivered by the Buyer and constitutes a valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.
- 4.1.4 **Absence of Conflict.** None of the execution and delivery of this Agreement by the Buyer, the performance of the Buyer's obligations under this Agreement, or the completion by the Buyer of the transactions contemplated by this Agreement, will result in or constitute a breach of any term or provision of, or constitute a default under, the notice of articles and articles of the Buyer or any agreement or other commitment to which the Buyer is a party.
- 4.1.5 **Investment Canada Act.** The Buyer is a Canadian within the meaning of the Investment Canada Act (Canada).
- 4.1.6 **Regulatory Approvals.** No authorization, approval, order or consent of, or filing with, any Governmental Authority is required on the part of the Buyer in connection with the execution, delivery and performance of this Agreement or any other documents and agreements to be delivered under this Agreement except for such approval, order, consent of or filing with the Exchange and securities regulatory authorities as required under Applicable Securities Law.
- 4.1.7 **Issuance of Consideration Shares.** The Buyer hereby represents and warrants to the Sellers that:
  - 4.1.7.1 **Stock Exchange Compliance.** The Buyer is in compliance in all material respects with the applicable policies, rules and regulations of the Exchange.
  - 4.1.7.2 **Consideration Shares.** The Consideration Shares to be issued and delivered to the Sellers, when issued and delivered, will be duly authorized and validly issued as fully paid and non-assessable common shares of the Buyer.

- 4.1.7.3 **Reporting Status and Securities Laws Matters.** The Buyer is a “reporting issuer” in good standing in the Provinces of British Columbia, Ontario and Alberta and not on the list of reporting issuers in default under Applicable Securities Laws in the Provinces of British Columbia, Ontario and Alberta. No delisting, suspension of trading in or cease trading order with respect to any securities of the Buyer, and no inquiry or investigation (formal or informal) any securities commission or securities regulatory authority, is in effect or ongoing or, to the knowledge of the Buyer, threatened or expected to be implemented or undertaken.

## **ARTICLE 5 COVENANTS**

### **5.1 Conduct of Business Before Closing**

During the period beginning on the date of this Agreement and ending at the Closing Time, and except as expressly permitted or contemplated by this Agreement, the Company will:

- 5.1.1 carry on the Business only in the ordinary course, consistent with past practice;
- 5.1.2 make all commercially reasonable efforts to preserve the Goodwill of the Company and its relationships with customers, suppliers and others having business dealings with the Company;
- 5.1.3 refrain from entering into or becoming bound by any contract or arrangement, other than in the ordinary course of the Business;
- 5.1.4 continue in full force all of its Insurance Policies;
- 5.1.5 comply in all material respects with all laws applicable to the Business;
- 5.1.6 act in good faith to close the transaction including responding to and providing for all reasonable requests, consents, approval, opinions and decisions consistent with the terms of this Agreement;
- 5.1.7 take all actions that are within its power to control, and will make all commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure its compliance with the terms of this Agreement;
- 5.1.8 apply for, maintain in good standing and renew all Permits; and
- 5.1.9 obtain approval for the Transaction from the Board of Directors of the Company.

### **5.2 Access for Investigation**

- 5.2.1 The Company will permit the Buyer through its authorized representatives, until the Closing Date, to have reasonable access during normal business hours to all of the real property that is leased by the Company, and to the premises located on that real property, and to all the Books and Records and to the properties and Assets of the Company. The Company will also provide the Buyer with any financial and operating data and other information with respect to the Company or the Business as the Buyer reasonably requests to enable confirmation of the accuracy of the matters represented and warranted in Article 3.

- 5.2.2 The Company authorizes all Governmental Authorities having jurisdiction to release all information in their possession respecting the Business, the real property that is owned or leased by the Company, and the premises located on that real property, to the Buyer, and further authorizes each of them to carry out inspections of that real property and those premises upon the request of the Buyer. The Company will execute any specific authorization under this Section 5.2.2 within three Business Days after being requested to do so by the Buyer.

### **5.3 Consents Under Material Contracts**

The Company will use best efforts to obtain and maintain, before the Closing, the consents, approvals and waivers disclosed in Section 3.3.5 of the Disclosure Schedule, provided that the Company will be under no obligation to pay any money, incur any obligations, commence any legal proceedings, or offer or grant any accommodation (financial or otherwise) to any third party in order to obtain those consents, approvals and waivers. The Buyer will make all commercially reasonable efforts to cooperate with and assist the Company in obtaining and maintaining those consents, approvals and waivers, including by providing any information relating to the Buyer as is reasonably requested by a third party to grant its consent.

### **5.4 Actions to Satisfy Closing Conditions**

Subject to Section 5.3 (which sets out the only obligations of any Party relating to the consents, approvals and waivers set out in that Section), each Party will take or cause to be taken all actions that are within its power to control, and will make all commercially reasonable efforts to cause actions to be taken that are not within its power to control, to satisfy the conditions in Article 5 that are for the benefit of any other Party.

### **5.5 Notification of Change**

From the date of this Agreement until the Closing Time, the Company will promptly notify the Buyer in writing of:

- 5.5.1 the occurrence, or failure to occur, of any event or state of facts which occurrence or failure to occur would, or would be reasonably likely to:
- 5.5.1.1 cause any of the Company's representations or warranties in this Agreement to be inaccurate at any time from the date of this Agreement until the Closing Time;
  - 5.5.1.2 result in the Company's failure to comply with any covenant in this Agreement to be complied with at or before the Closing Time; or
  - 5.5.1.3 result in the failure of any condition in Section 6.1 (*Conditions for the Benefit of the Buyer*) or Section 6.5 (*Mutual Conditions Precedent*) to be satisfied;
- 5.5.2 the occurrence, after the date of this Agreement, of a Material Adverse Effect;
- 5.5.3 any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement or confirmation) of that Person (or another Person) is or may be required in connection with this Agreement or the transactions contemplated by this Agreement; or
- 5.5.4 any actions, suits, grievances or proceedings commenced or threatened, that relate to or involve the Company, this Agreement or the transactions contemplated by this Agreement.

Notification provided under this Section 5.5 will not affect the representations, warranties or covenants of the Parties (or related remedies) or the conditions to the obligations of the Parties in this Agreement.

## **5.6 Exclusivity**

From the date of this Agreement until the Closing Time, none of the Sellers or the Company will:

- 5.6.1 solicit, initiate, knowingly facilitate or encourage, or accept; or
- 5.6.2 participate in any discussions, conversations, negotiations or other communications regarding,

any offer or proposal relating to any transaction (other than the purchase and sale transaction contemplated by this Agreement) involving the sale of any shares or other securities of the Company, the sale of the Business, or any other business combination involving the Company. If an offer or proposal relating to a transaction contemplated in this Section 5.6 is made to the Company or any Seller, the recipient will provide prompt notice of the offer or proposal to the Buyer.

## **5.7 Confidential Information**

All information relating to any Seller or the Company and disclosed to the Buyer in the Disclosure Schedule or under the terms of this Agreement will be treated as Confidential Information and will not be used or disclosed.

## **5.8 Personal Information**

- 5.8.1 The collection, use and disclosure of Personal Information by any of the Parties before the Closing is restricted to those purposes that relate to the transactions contemplated by this Agreement.
- 5.8.2 Following the Closing, the Buyer will cause the Company to:
  - 5.8.2.1 use and disclose the Personal Information under its control at the time of the Closing solely for the purposes for which that Personal Information was collected or permitted to be used or disclosed before the transactions contemplated by this Agreement were completed; and
  - 5.8.2.2 neither use nor disclose any of that Personal Information for any purpose that does not relate directly to the Business; and
  - 5.8.2.3 protect that Personal Information by security safeguards appropriate to the sensitivity of the information; and
  - 5.8.2.4 notify the employees, customers, directors, officers and shareholders whose Personal Information is disclosed that the transactions contemplated by this Agreement have taken place; and
  - 5.8.2.5 give effect to any withdrawal of consent made in accordance with clause 4.3.8 of Schedule 1 to the *Personal Information Protection and Electronic Documents Act* (Canada).

## **5.9 Disclosure Supplements**

Before the Closing, the Company will promptly notify the Buyer with respect to any matter, condition or occurrence arising which, if existing at or occurring before or on the date of this Agreement, would have been required to be set out or described in the Disclosure Schedule. The Parties will make best efforts to resolve any issues arising from any notification, including amending the Agreement. Failing resolution, this Agreement will terminate and be of no further force and effect. Notification under this Section 5.9 will not, in any case, be deemed to cure any breach of any representation or warranty made in this Agreement or have any effect on the Buyer's right to indemnity provided for in Article 10 or have any effect for the purpose of determining the satisfaction of the conditions set out in Article 6 or the compliance by the Sellers with any covenants or agreements contained in this Agreement.

## **5.10 Delivery of Books and Records**

At or prior to the Closing Time, the Company and the Partnership will cause to be delivered to the Buyer all of the Books and Records of and related to the Business, including copies of all of the Insurance Policies. The Buyer will not be responsible or liable to the Company for or as a result of any accidental loss or destruction of or damage to any Books and Records.

## **5.11 Delivery of Financial Statements**

Within 30 days of the Closing Date, the Sellers will deliver (or cause to be delivered) to the Buyer consolidated year-to-date financial statements of the Company prepared in accordance with GAAP, on a notice to reader basis, consistently applied and present fairly:

5.11.1.1 the assets, liabilities (contingent or otherwise) and financial condition of the Company as at the Closing Date; and

5.11.1.2 the sales, earnings and results of the operations of the Company during the period up to the Closing Date.

## **5.12 Tax Designation**

In its taxation year ending immediately prior to the Closing Date, the Company will make the designation contemplated in paragraph 111(4)(e) of the ITA, designating the Goodwill of the business to have been disposed for proceeds of disposition of [redacted], thereby realizing a capital gain equal to the same amount. No designation will be made in respect of any other capital assets of the Company.

# **ARTICLE 6 CLOSING CONDITIONS**

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

The obligation of the Buyer to complete the purchase of the Purchased Shares is subject to the satisfaction, or waiver by the Buyer, at or before the Closing Time, of the following conditions, which are for the sole benefit of the Buyer and which may be waived, in whole or in part, by the Buyer at any time without prejudice to the Buyer's right to rely on any other condition precedent.

6.1.1 **Representations and Warranties.** The representations and warranties of each of the Sellers and the Company made in this Agreement will be true and accurate at the Closing Time as if made as of the Closing Time, and each of the other representations and warranties of each of the Sellers and the Company made in this Agreement will be true and accurate in all material respects at the Closing Time as if made as of the Closing Time.

- 6.1.2 **Covenants.** Each of the Sellers and the Company will have performed in all material respects each of its obligations required to be performed at or before the Closing Time under this Agreement.
- 6.1.3 **No Material Adverse Effect.** Since the date of this Agreement no Material Adverse Effect will have occurred.
- 6.1.4 **Consents.** All filings with, notifications to and consents from Governmental Authorities and third parties, including the parties to the Material Contracts, and the lessors of the real properties leased by the Company (or its predecessors, including Score Enterprises), will have been made, given or obtained on terms acceptable to the Buyer, acting reasonably, so that the transactions contemplated by this Agreement may be completed without resulting in the breach of, or any default, termination, amendment or acceleration of any obligation under, any Material Contract or Permit, or any lease of real property or licence of the Company or affecting the Business.
- 6.1.5 **Deliveries.** The Company and Sellers will have delivered to the Buyer the following in form and substance satisfactory to the Buyer:
- 6.1.5.1 a certificate of the Company, signed on its behalf by a senior officer of the Company confirming the matters set out in Sections 6.1.1 (*Representations and Warranties*) and 6.1.2 (*Covenants*) that are applicable to the Company, dated as of the Closing Date;
  - 6.1.5.2 a certificate of each Sellers, signed on its behalf by a senior officer of that Seller if the Seller is not an individual, confirming the matters set out in Sections 6.1.1 (*Representations and Warranties*) and 6.1.4 (*Covenants*) that are applicable to that Seller, dated as of the Closing Date;
  - 6.1.5.3 original share certificates representing the Purchased Shares, duly endorsed by an effective endorsement for transfer to the Buyer;
  - 6.1.5.4 duly executed resignations effective as at the Closing Date of each director and officer of the Company;
  - 6.1.5.5 an opinion of counsel to the Sellers dated the Closing Date addressed to and in a form which is acceptable to the Buyer and which includes corporate opinions that are standard in the ordinary course of a share purchase transaction, including, with no limitations, an opinion as to the existence, status and standing of the Company, the Company's corporate powers and capacity to perform the obligations under this Agreement, and the proper issuance, validity, and payment of the Purchased Shares vis-à-vis the Sellers;
  - 6.1.5.6 non-competition agreements executed by the Key Employees, substantially in the form attached as Exhibit 6.1.5.6;
  - 6.1.5.7 releases from each Seller of all claims they may have against the Company, or its predecessors (being Score Enterprises and the Partnership) substantially in the form attached as Exhibit 6.1.5.7;
  - 6.1.5.8 the consents referred to in Section 6.1.4 (*Consents*);
  - 6.1.5.9 employment agreements in a form as mutually agreed between the Buyer and the Key Employees duly executed by each of the Key Employees;

- 6.1.5.10 all Books and Records, including copies of all of the Insurance Policies;
  - 6.1.5.11 evidence satisfactory to the Buyer that the Seller has or will cause all registered security interests registered against the Assets of the Company (including for clarity its predecessors being the Partnership, 1104224 B.C. Ltd. and Score Enterprises) to be fully discharged and removed;
  - 6.1.5.12 the BDC Payout Letter and on the Closing Date, evidence of full payment from each holder of Indebtedness, in form and substance reasonably satisfactory to the Buyer all in accordance with Section 2.6;
  - 6.1.5.13 all other documentation and evidence reasonably requested by the Buyer in order to establish the due authorization and completion by each of the Sellers and the Company of the transactions contemplated by this Agreement, including the taking of all corporate proceedings by the boards of directors and shareholders of each non-individual Seller and the Company required to effectively carry out the obligations under this Agreement;
  - 6.1.5.14 evidence that the tax designation has been made pursuant to section 5.12; and
  - 6.1.5.15 certificates of clearance pursuant to section 187 of the *Provincial Sales Tax Act* which indicate that the Company, or any predecessor entity of the Company (as requested by the Buyer in its sole discretion), has no outstanding amounts owing under the *Provincial Sales Tax Act*, including taxes, security equal to taxes, penalties, and interests.
- 6.1.6 **Payment by the Company.** On the Closing Date, the Company will repay the Indebtedness and provides written evidence of such repayment as set forth in Section 2.6.

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

The conditions contained in Section 6.1 are inserted for the exclusive benefit of the Buyer and may be waived in whole or in part by the Buyer at any time without prejudice to any of its rights of termination in the event of non-performance of any other condition in whole or in part. If any of the conditions contained in Section 6.1 are not fulfilled or complied with by the time as required under this Agreement, the Buyer may, after that time and at or prior to the Closing Date, terminate this Agreement by notice in writing to the Sellers and Company. In that event the Buyer will be released from all obligations under this Agreement and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Sellers and Company, the Sellers and Company will also be released from all obligations under this Agreement but the Buyer may also bring an action to recover any damages suffered by the Buyer where the non-performance or non-fulfillment of the relevant conditions is a result of a breach of a covenant, representation or warranty by the Sellers and Company.

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

The obligation of the Sellers to complete the sale of the Purchased Shares is subject to the satisfaction, or waiver by the Sellers, at or before the Closing Time, of the following conditions, which are for the sole benefit of each Seller and which may be waived, in whole or in part, by the Sellers at any time without prejudice to any Seller's right to rely on any other condition precedent.

- 6.3.1 **Representations and Warranties.** The representations and warranties of the Buyer made in this Agreement will be true and accurate in all material respects at the Closing Time as if made as of the Closing Time.
- 6.3.2 **Covenants.** The Buyer will have performed in all material respects each of its obligations required to be performed at or before the Closing Time under this Agreement.
- 6.3.3 **Deliveries.** The Buyer will have delivered to the Sellers the following in form and substance satisfactory to the Sellers:
- 6.3.3.1 a certificate of the Buyer, signed on its behalf by a senior officer of the Buyer, confirming the matters set out in Sections 6.3.1 (*Representations and Warranties*) and 6.3.2 (*Covenants*), dated as of the Closing Date;
  - 6.3.3.2 all documentation and other evidence reasonably requested by any Sellers in order to establish the due authorization and completion by the Buyer of the transactions contemplated by this Agreement, including the taking of all corporate proceedings by the directors of the Buyer required to effectively carry out the obligations of the Buyer under this Agreement;

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

The conditions contained in Section 6.3 are inserted for the exclusive benefit of the Sellers and may be waived in whole or in part by the Sellers at any time without prejudice to any of its rights of termination in the event of non-performance of any other condition in whole or in part. If any of the conditions contained in Section 6.3 are not fulfilled or complied with by the time as required under this Agreement, the Sellers may, after that time and at or prior to the Closing Date, terminate this Agreement by notice in writing to the Buyer. In that event the Sellers will be released from all obligations under this Agreement and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Buyer, the Buyer will also be released from all obligations under this Agreement but the Sellers may also bring an action to recover any damages suffered by the Sellers where the non-performance or non-fulfillment of the relevant conditions is a result of a breach of a covenant, representation or warranty by the Buyer.

#### **6.5 Mutual Conditions Precedent**

The purchase and sale of the Purchased Shares is subject to the satisfaction, or waiver by the Buyer and the Sellers, at or before the Closing Time, of each of the following conditions, which are for the mutual benefit of the Buyer and the Sellers and which may be waived, in whole or in part, by consent of the Buyer and the Sellers at any time without prejudice to any right of the Buyer or the Sellers to rely on any other condition precedent.

- 6.5.1 **No Action to Restrain.** No order of any Governmental Authority will be in force, and no action or proceeding will be pending or threatened by any Person:
- 6.5.1.1 to restrain or prohibit the completion of the transactions contemplated by this Agreement, including the sale and purchase of the Purchased Shares;
  - 6.5.1.2 to restrain or prohibit the Company from carrying on the Business; or
  - 6.5.1.3 that would have a Material Adverse Effect.



- 6.5.2 **Exchange Approvals.** The Buyer shall have received all necessary Exchange approvals required in connection with the Transaction and the acceptance for listing of the Consideration Shares on the Exchange.

## **ARTICLE 7 CLOSING ARRANGEMENTS**

### **7.1 Closing**

The Closing will take place at the Closing Time. All required documents may be delivered as originals or may be delivered by electronic transmission, except that the share certificates representing the Purchased Shares must be delivered in original form.

### **7.2 Closing Deliveries**

- 7.2.1 At the Closing Time: the Buyer will make the payments set out in Section 2.3 (*Purchase Price*);
- 7.2.2 the Sellers will deliver or cause to be delivered to the Buyer the documents set out in Section 6.1.5 (*Deliveries*), including the original share certificates representing the Purchased Shares in fully transferable form; and
- 7.2.3 the Buyer will deliver or cause to be delivered to the Sellers the documents set out in Section 6.3.3 (*Deliveries*).

## **ARTICLE 8 TERMINATION**

### **8.1 Termination Rights**

This Agreement may be terminated at any time before the Closing:

- 8.1.1 by mutual written consent of the Buyer and the Sellers;
- 8.1.2 by the Buyer, upon written notice to the other Parties (specifying in reasonable detail the circumstances giving rise to the Buyer's right to terminate) if any condition set out in Section 6.1 (*Conditions for the Benefit of the Buyer*) or 6.5 (*Mutual Conditions Precedent*) that has not been waived by the Buyer is not capable of being satisfied by the Outside Date, provided that the failure to satisfy that condition is not the result, directly or indirectly, of the Buyer's breach of this Agreement;
- 8.1.3 by any of the Sellers, upon written notice to the other Parties (specifying in reasonable detail the circumstances giving rise to that Seller's right to terminate) if any condition set out in Section 6.3 (*Conditions for the Benefit of the Sellers*) or 6.5 (*Mutual Conditions Precedent*) that has not been waived by that Seller is not capable of being satisfied by the Outside Date, provided that the failure to satisfy that condition is not the result, directly or indirectly, of the breach of this Agreement by any Seller or the Company; or
- 8.1.4 by the Buyer or any Seller, upon written notice to the other Parties, if the Closing does not occur by 11:59 p.m. on the Outside Date, provided that the Buyer may not terminate this Agreement under this Section 8.1.4 if the failure of the Closing to occur is the result, directly or indirectly, of the Buyer's breach of this Agreement, and a Seller may not terminate this Agreement under this Section 8.1.4 if the failure of the Closing to occur

is the result, directly or indirectly, of the breach of this Agreement by any Seller or the Corporation.

## **8.2 Effect of Termination**

If this Agreement is terminated in accordance with Section 8.1, the Parties will be released from all of their obligations under this Agreement, except that:

- 8.2.1 Section 5.7 (*Confidential Information*), the indemnification rights under Section 10.1 (*The Sellers' Representative*), and this Section 8.2 will survive the termination of this Agreement and continue in full force and effect; and
- 8.2.2 the termination of this Agreement at any time before the Closing will not relieve any Party from any liability arising before that termination.

## **ARTICLE 9 INDEMNIFICATION AND SURVIVAL**

### **9.1 Indemnification by the Sellers**

Subject to the other provisions of this Article 9, each Seller will, if the Closing occurs:

- 9.1.1 jointly and severally indemnify and hold harmless each Buyer Indemnified Party from and against any Loss that such Buyer Indemnified Party may suffer as a result of:
  - 9.1.1.1 any breach of any representation or warranty made by the Company in this Agreement and in the relevant Closing Certificate.
  - 9.1.1.2 any non-performance of any covenant or agreement of the Company contained in this Agreement.
  - 9.1.1.3 any Third Party Claims arising out of a breach or alleged breach by the Company of laws relating to the environment or protection of the environment, the regulation of chemical substances or products, or the transportation of dangerous goods, but in each case only to the extent that Loss arises out of or originates from events occurring, or due to conditions existing, at or any time before the Closing Date, whether or not known to the Parties at or before that time, even if that Third Party Claim is ultimately found not to be meritorious, or is settled with no verdict on its merits being reached;
  - 9.1.1.4 any assessment or reassessment for taxes relating to the Company for any taxation year ending on or before the Closing Date or related to the portion of any Straddle Period up to and including the Closing Date, to the extent that the amount of taxes payable as a result of that assessment or reassessment exceeds the amount accrued as a liability for those taxes on the Financial Statements; and
- 9.1.2 severally, not limited by that Seller's Pro Rata Share, indemnify and hold harmless each Buyer Indemnified Party from and against any Loss that a Buyer Indemnified Party may suffer as a result of:

- 9.1.2.1 any breach of any representation or warranty made by that Seller in Section 3.2 (*Representations Relating to the Sellers*) and in the relevant Closing Certificate; and
- 9.1.2.2 any non-performance of any covenant or agreement of that Seller contained in this Agreement.

## **9.2 Indemnification by the Buyer**

Subject to the other provisions of this Article 9, the Buyer will, if the Closing occurs, indemnify and hold harmless each Seller Indemnified Party from and against any Loss that such Seller Indemnified Party may suffer as a result of:

- 9.2.1 any breach of any representation or warranty made by the Buyer in this Agreement, in the relevant Closing Certificate;
- 9.2.2 any non-performance of any covenant or agreement of the Buyer contained in this Agreement; and

## **9.3 Survival Periods for Claims by Buyer Indemnified Parties**

- 9.3.1 The covenants, representations and warranties made by the Sellers in this Agreement, in the relevant Closing Certificates will survive the Closing and completion of the transactions contemplated by this Agreement, and will continue in full force and effect.
- 9.3.2 Subject to Section 9.3.3, a Buyer Indemnified Party may make an Indemnity Claim relating to or based on the following matters only if an Indemnity Notice of that Indemnity Claim is delivered to the relevant Indemnifying Party within the following periods or before the following deadlines:
  - 9.3.2.1 if the Indemnity Claim relates to any breach of any representation or warranty made by the Company or any Seller in this Agreement, in the relevant Closing Certificate, other than a breach specified in the remainder of this Section 9.3.2, within 18 months after the Closing Date;
  - 9.3.2.2 if the Indemnity Claim relates to any breach of the Fundamental Representations and Warranties, within three years after the Closing Date;
  - 9.3.2.3 if the Indemnity Claim relates to any breach of the representations and warranties made in Section 3.3.26 (*Environmental Conditions*), or if the Indemnity Claim is made under Section 9.1.1.3, within three years after the Closing Date;
  - 9.3.2.4 if the Indemnity Claim relates to any breach of the representations and warranties made in Section 3.3.15 (*Tax Matters*), or if the Indemnity Claim is made under Section 9.1.1.4 on or before 90 days after the last day upon which any of the relevant Governmental Authorities is entitled to assess or reassess the Company (or to raise claims against the Buyer or the Company relating to that assessment or reassessment) with respect to any tax for any taxation year ending on or before the Closing Date or related to the portion of any Straddle Period up to and including the Closing Date;

- 9.3.3 The notice periods set out in Section 9.3.2 will not apply to an Indemnity Claim based on intentional misrepresentation or fraud by the Sellers, or any of them, relating to this Agreement, the relevant Closing Certificates.

#### **9.4 Survival Periods for Claims by Seller Indemnified Parties**

- 9.4.1 The covenants, representations and warranties made by the Buyer in this Agreement, in the relevant Closing Certificate will survive the Closing and completion of the transactions contemplated by this Agreement, and will continue in full force and effect.
- 9.4.2 Subject to Section 9.4.3, a Seller Indemnified Party may make an Indemnity Claim under Section 9.1.2 only if an Indemnity Notice of that Indemnity Claim is delivered to the Buyer as Indemnifying Party within 12 months after the Closing Date.
- 9.4.3 The notice period set out in Section 9.4.2 will not apply to an Indemnity Claim based on intentional misrepresentation or fraud by the Buyer relating to this Agreement, the relevant Closing Certificate.

#### **9.5 Amount Limitations on Indemnification Obligations**

- 9.5.1 Subject to Section 9.5.2, the indemnification obligations of the Sellers under this Article 9 are limited in the aggregate to the sum of *[redacted]*.
- 9.5.2 If any Indemnity Claims are made by a Buyer Indemnified Party against the Sellers or any of them:
- 9.5.2.1 relating to the non-performance of any covenant or agreement of the Company or a Seller;
  - 9.5.2.2 relating to any breach of the Fundamental Representations and Warranties;
  - 9.5.2.3 under Section 9.1.1.4, or relating to any breach of the representations and warranties in Section 3.3.15 (*Tax Matters*);
  - 9.5.2.4 based on intentional misrepresentation or fraud,
- then:
- 9.5.2.5 the limitations in Section 9.5.1 will not apply to those Indemnity Claims.
- 9.5.3 The indemnification obligations of the Buyer under this Article 9 are limited in the aggregate to the sum of *[redacted]*.
- 9.5.4 The Buyer will not be required to indemnify any Seller Indemnified Party under this Article 9 unless the aggregate of all Losses under the Indemnity Claims made by the Seller Indemnified Parties exceeds *[redacted]*, in which case the Buyer as an Indemnifying Party will only be obligated to pay the amount owing by it under this Article 9 in respect of those Losses in excess of that first *[redacted]*.

#### **9.6 Rules Relating to Indemnification Obligations**

The following will apply to the indemnification obligations under this Article 9.

- 9.6.1 **Effect of Waiver.** The waiver of any condition relating to any representation, warranty or covenant will not affect the right to indemnification under this Article 9 based on that representation, warranty or covenant.
- 9.6.2 **No Double Recovery.** No Indemnified Party is entitled to double recovery for any Indemnity Claim even though the Indemnity Claim may have resulted from the breach or inaccuracy of more than one of the representations, warranties, covenants and obligations of the Indemnifying Party under this Agreement, the relevant Closing Certificates.
- 9.6.3 **Materiality.** In the case of an Indemnity Claim by a Buyer Indemnified Party under this Article 9 for breach by the Sellers or any of them of a representation or warranty that is qualified by materiality or Material Adverse Effect, the Buyer Indemnified Party will be entitled to claim the full amount of the Loss resulting from that breach without regard to the materiality or Material Adverse Effect qualifier. However, the determination under this Article 9 of whether there has been a breach of a representation or warranty that is qualified by materiality or Material Adverse Effect will be made having regard to the materiality or Material Adverse Effect qualifier.
- 9.6.4 **Remoteness and Mitigation.** The quantum of Losses that can be recovered by an Indemnified Party under this Article 9 will not be affected by the application of principles of remoteness of damages, or the duty to mitigate.

## 9.7 Notice of Indemnity Claims

If an Indemnified Party becomes aware of a Loss or potential Loss in respect of which an Indemnifying Party has agreed to indemnify it under this Article 9, the Indemnified Party will promptly give written notice (an “**Indemnity Notice**”) of its claim or potential claim for indemnification (an “**Indemnity Claim**”) to the Indemnifying Party. An Indemnity Notice must specify whether the Indemnity Claim arises as the result of a Third Party Claim or as a result of a Loss that was suffered directly by an Indemnified Party, and must also specify with reasonable particularity (to the extent that the information is available):

- 9.7.1 the factual basis for the Indemnity Claim; and
- 9.7.2 the amount of the Indemnity Claim, if known.

If, through the fault of the Indemnified Party, the Indemnifying Party does not receive an Indemnity Notice of an Indemnity Claim in time to effectively contest the determination of any liability capable of being contested, the Indemnifying Party will be entitled to set off against the amount claimed by the Indemnified Party the amount of any Loss incurred by the Indemnifying Party resulting from the Indemnified Party’s failure to give an Indemnity Notice on a timely basis.

## 9.8 Payment of Claims

- 9.8.1 Once the validity and amount of an Indemnity Claim has been finally determined (the “**Claim Amount**”), by agreement between the Indemnifying Party and the Indemnified Party, by binding, final and non-appealable determination, or by settlement, then, the Indemnifying Party will promptly pay the Claim Amount to the Indemnified Party.

## 9.9 Exclusive Remedy

- 9.9.1 Subject to Section 9.9.2, if the Closing occurs the rights of indemnity in this Article 9 will be the sole and exclusive remedy of any Seller or any third party beneficiary of the Sellers for any breach of a representation or warranty, or non-performance of any

covenant or agreement, contained in this Agreement, in the Closing Certificates, and each Seller waives any other recourse or remedy it may have in contract, tort or otherwise.

9.9.2 Nothing in this Section 9.9 will limit or restrict an Indemnified Party from seeking:

9.9.2.1 equitable remedies, under Section 10.15 (*Equitable Remedies*) or otherwise; or

9.9.2.2 any remedies that may be available to an Indemnified Party in the case of fraud.

## 9.10 Third Party Indemnification

To ensure that the indemnities provided by each of the Sellers and the Buyer to any Indemnified Parties that are not parties to this Agreement are enforceable, it is agreed by the Parties that each of the Sellers is acting as agent for its Seller Indemnified Parties (that are not Parties), and the Buyer is acting as agent for its Buyer Indemnified Parties (that are not Parties), with respect to the indemnities intended to be given to those Persons under this Article 9. Each of the Sellers and the Buyer agrees that it will hold any right to indemnification that any relevant Indemnified Party is intended to have under this Article 9 in trust for that Person, and that funds received by the Sellers or the Buyer in respect of any claims under this Article 9 by the relevant Indemnified Party will be held in trust for that Person.

## ARTICLE 10 GENERAL MATTERS

### 10.1 The Sellers' Representative

10.1.1 Each Seller appoints Cory Balano as its representative (the "**Sellers' Representative**") and its true and lawful attorney in fact, with full power and authority in its name and on its behalf:

10.1.1.1 to act in the absolute discretion of the Sellers' Representative with respect to all matters relating to this Agreement, including execution and delivery of any amendment of, or supplement to, this Agreement, any waiver of any condition under, or right arising out of, this Agreement, and any termination of this Agreement; and

10.1.1.2 in general, to do all things and to perform all acts, including negotiating, executing and delivering all agreements, certificates, receipts, instructions, and other instruments, contemplated by, or deemed advisable to complete the transactions contemplated by, this Agreement.

Subject to Section 10.1.4, this appointment and grant of power and authority is coupled with an interest and is irrevocable, and will not be terminated by the death or incapacity of any Seller.

10.1.2 The Sellers' Representative and the Sellers agree as between themselves, but without prejudice to any rights the Buyer may have, that the Sellers' Representative will have no obligation or liability to any Person for any action taken or not taken by the Sellers' Representative (in its capacity as Sellers' Representative) under this Section 10.1 in good faith, and the Sellers will jointly and severally indemnify and hold harmless the Sellers' Representative from any Loss that the Sellers' Representative may suffer as a

result of any such action or omission by the Sellers' Representative under this Agreement.

10.1.3 The Buyer will be entitled to rely upon any document or other instrument delivered by the Sellers' Representative, in that capacity, as being authorized by all of the Sellers, and the Buyer will not be liable to any Seller for any action taken or not taken by the Buyer based on that reliance.

10.1.4 The mandate of the Sellers' Representative under this Section 10.1 will terminate immediately following the Closing, or upon the earlier termination of this Agreement.

## 10.2 Notices

Any Communication must be in writing and either:

10.2.1 delivered personally or by courier;

10.2.2 sent by prepaid, registered mail; or

10.2.3 transmitted by facsimile, e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

to the Sellers at:

Score Enterprises Ltd.  
301-37989 Cleveland Ave  
Squamish, BC V8B 0B3

Attention: Cory Balano  
Tel. No. [redacted]  
Email: [redacted]

with a copy to:

Race and Company LLP  
301-37989 Cleveland Ave  
Squamish, BC V8B 0B3

Attention: Kathleen van der Ree  
Tel No. [redacted]  
Facsimile No.: [redacted]

to the Buyer at:

PlantX Life Inc.  
504 – 100 Park Royal South  
West Vancouver, BC V7T 1A2

Attention: Lorne Rapkin, Chief Financial Officer  
Tel. No.: [redacted]  
Facsimile No.: [redacted]

Email: [redacted]

with a copy to:

Gowling WLG (Canada) LLP  
100 King Street West, Suite 1600  
Toronto, Ontario  
Attention: Peter Simeon  
Tel. No.: [redacted]  
Facsimile No.: [redacted]  
Email: [redacted]  
to the Company at:  
SCORE ENTERPRISES LTD.  
301-37989 Cleveland Ave  
Squamish, BC V8B 0B3

Attention: Cory Balano  
Tel. No. [redacted]  
Email: [redacted]

or at any other address as any Party may at any time advise the others by Communication given or made in accordance with this Section 10.2. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given or made and received on the next Business Day. Any Communication sent by prepaid registered mail will be deemed to have been given or made and received on the fifth Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be delivered personally or by courier or transmitted by facsimile, e-mail or functionally equivalent electronic means of transmission. Any Communication transmitted by facsimile, e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the Communication is transmitted on a day which is not a Business Day or after 5:00 p.m. (local time of the recipient), the Communication will be deemed to have been given or made and received on the next Business Day. Sending a copy of a Communication to a Party's legal counsel is for information purposes only and does not constitute delivery of that Communication to that Party, subject to Section 10.10. The failure to send a copy of a Communication to a Party's legal counsel does not invalidate delivery of that Communication to the Party.

### **10.3 Time of Essence**

Time is of the essence in all respects of this Agreement.

### **10.4 Severability**

Each Section of this Agreement is distinct and severable. If any Section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect:

10.4.1 the legality, validity or enforceability of the remaining Sections of this Agreement, in whole or in part; or



10.4.2 the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.

## **10.5 Submission to Jurisdiction**

Without prejudice to the ability of any Party to enforce this Agreement in any other proper jurisdiction, each of the Parties irrevocably and unconditionally submits and attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia to determine all issues, whether at law or in equity, arising from this Agreement. To the extent permitted by applicable law, each of the Parties:

- 10.5.1 irrevocably waives any objection, including any claim of inconvenient forum, that it may now or in the future have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of that Province, or that the subject matter of this Agreement may not be enforced in those courts;
- 10.5.2 irrevocably agrees not to seek, and waives any right to, judicial review by any court that may be called upon to enforce the judgment of the courts referred to in this Section 10.5, of the substantive merits of any suit, action or proceeding; and
- 10.5.3 to the extent that Party has or may acquire any immunity from the jurisdiction of any court or from any legal process, whether through service or notice, attachment before judgment, attachment in aid of execution, execution or otherwise, with respect to itself or its property, irrevocably waives that immunity in respect of its obligations under this Agreement

## **10.6 Amendment and Waiver**

No amendment, discharge, restatement, supplement, termination or waiver of this Agreement or any Section of this Agreement is binding unless it is in writing and executed by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any Section of this Agreement constitutes a waiver of any other Section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

## **10.7 Further Assurances**

Each Party will, at that Party's own expense, execute and deliver any further agreements and documents and provide any further assurances, undertakings and information as may be reasonably required by the requesting Party to give effect to this Agreement.

## **10.8 Assignment and Enurement**

Neither this Agreement nor any right or obligation under this Agreement may be assigned by any Parties without the prior written consent of the other Parties. This Agreement enures to the benefit of and is binding upon the Parties and their respective Successors.

## **10.9 Creation and Use of Electronic Document**

This Agreement and any counterpart of it may be created, provided, received, retained and otherwise used, and will be accepted, in any digital, electronic or other intangible form.

## **10.10 Electronic Signatures and Delivery**

This Agreement and any counterpart of it may be:

- 10.10.1 signed by manual, digital or other electronic signatures; and
- 10.10.2 delivered or transmitted by any digital, electronic or other intangible means, including by e-mail or other functionally equivalent electronic means of transmission;

and that execution, delivery and transmission will be valid and legally effective to create a valid and binding agreement between the Parties.

### **10.11 Costs and Expenses**

- 10.11.1 Each party will bear the fees and disbursements of their respective lawyers, accountants and consultants engaged in connection with the preparation of this Agreement and any and all agreements, instruments, documents or other writings to be executed and delivered pursuant hereto and all other costs and expenses incurred in connection herewith and therewith.
- 10.11.2 For greater certainty the Sellers will be responsible for all fees, costs and disbursements incurred by the Company by its lawyers, accountants and consultants in connection herewith (including the transactions contemplated hereby and the preparation, negotiation and review of this Agreement and all documents in connection herewith) and in connection with the preparation of the Financial Statements (the “**Transaction Fees**”), and all such amounts shall be netted from the Purchase Price and invoiced and paid on the Closing Date pursuant to Section 2.3.1.3.

### **10.12 Counterparts**

This Agreement may be signed and delivered by the Parties in counterparts, with the same effect as if each of the Parties had signed and delivered the same document, and that execution and delivery will be valid and legally effective.

### **10.13 Tender**

Any tender of documents or money to the Parties under this Agreement may be made upon the Parties or their respective counsel.

### **10.14 Payment and Currency**

Any money to be advanced, paid or tendered by any Party under this Agreement must be advanced, paid or tendered by bank draft, certified cheque or wire transfer of immediately available funds payable to the Person to whom the amount is due. Unless otherwise specified, the word “dollar” and the “\$” sign refer to Canadian currency, and all amounts to be advanced, paid, tendered or calculated under this Agreement are to be advanced, paid, tendered or calculated in Canadian currency.

### **10.15 Equitable Remedies**

The Parties acknowledge that the failure to comply with a covenant or obligation contained in this Agreement may give rise to irreparable injury to a Party, inadequately compensable in damages. Accordingly, a Party may seek to enforce the performance of this Agreement by injunction or specific performance upon application to a court of competent jurisdiction without proof of actual damage (and without the requirement of posting bond or other security).

**10.16 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 acknowledges that this Agreement is the product of their joint efforts, that it expresses their agreement, 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.

**10.17 Independent Legal Advice**

Each of the Parties acknowledges that it has read and understands the terms and conditions of this Agreement and acknowledges and agrees that it has had the opportunity to seek, and was not prevented or discouraged by any other Party from seeking, any independent legal advice which it considered necessary before the execution and delivery of this Agreement and that, if it did not avail itself of that opportunity before signing this Agreement, it did so voluntarily without any undue pressure, and agrees that its failure to obtain independent legal advice will not be used by it as a defence to the enforcement of its obligations under this Agreement.

**10.18 Third Party Beneficiaries**

This Agreement is not intended to, and does not, confer any rights or remedies on any Person other than the Parties (and their respective Successors) and the Indemnified Parties. The Parties reserve their right to vary or rescind, at any time and in any way, the rights, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person.

**IN WITNESS WHEREOF** the parties hereto have executed this Share Purchase Agreement as of the date first above written.

signed "Roland Davies"  
ROLAND PETER RHYS DAVIES

signed "Michael Wheaton"  
MICHAEL WHEATON

signed "Adeline Davies"  
ADELINE KONG DAVIES

signed "Jennifer Boreham"  
JENNIFER BOREHAM

signed "Suzanne Baker"  
SUZANNE BAKER

signed "Christian Begin"  
CHRISTIAN BEGIN

**GLYNN RESOURCES LTD.** by its authorized signatory:

Per: signed "Glynn Pearson"  
Glynn Pearson

I have the authority to bind **GLYNN RESOURCES LTD.**

**1104271 B.C. LTD.** by its authorized signatory:

Per: signed "Dustin Perkins"  
Dustin Perkins

I have the authority to bind **1104271 B.C. LTD.**

**ELEANORE MCKENZIE HOLDING CO.** by its authorized signatory:

Per: signed "Eleanore McKenzie"  
Eleanore McKenzie

I have the authority to bind **ELEANORE MCKENZIE HOLDING CO.**

**PLANTX LIFE INC.**

Per: signed "Lorne Rapkin"  
Lorne Rapkin  
Chief Financial Officer

I have the authority to bind PlantX Life Inc.

signed "Steven Moir"  
STEVEN MOIR

signed "Cory Balano"  
CORY BALANO

**SCORE ENTERPRISES LTD.** by its authorized signatory:

Per: signed "Cory Balano"

Cory Balano

I have the authority to bind Score Enterprises Ltd.

**SCHEDULE A**

**SELLERS**

[redacted]

**SCHEDULE B**

**DISCLOSURE SCHEDULE**

**1.1.27 – Fixed Assets and Equipment**

*[redacted]*



**3.3.4 – Absence of Conflict (Contract Obligations of Company)**

[redacted]

### **3.3.5 – Consents and Waivers Required**

[redacted]

**3.3.14 - Financial Statements**

[redacted]

**3.3.17 –Undisclosed Liabilities since December 31, 2019**

[redacted]

**3.3.19 – Leased Premises and Real Property Leases**

[redacted]

**3.3.23 - Material contracts**

[redacted]

### **3.3.25 – Compliance with Laws, Permits**

[redacted]

### **3.3.27 – Suppliers and Customers**

[redacted]



### **3.3.30.2 – Employees**

[redacted]

### **3.3.33 - Insurance Policies**

[redacted]

**EXHIBIT 6.1.5.6  
FORM OF NON-COMPETITION AGREEMENT**

[redacted]

**EXHIBIT 6.1.5.7  
FORM OF RELEASE OF THE SELLERS**

*[redacted]*